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Chief, Rules and Directives Branch
Division of Administrative Services
Office of Administration
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U.S. Nuclear Regulatory Commission
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RULES AND DIRECTIVES

RE: Comments on behalf of Bear Island Paper Company on Supplement 1 to NUREG-1811, Draft Environmental Impact Statement for an Early Site Permit at the North Anna ESP Site Per Notice of Extension of Public Comment Period at 71 Fed. Reg. 46927 (August 15, 2006)

Dear Sir or Madam:

On behalf of our client, Bear Island Paper Company ("Bear Island"), we are submitting comments on the pending Supplement 1 to NUREG-1811, Draft Environmental Impact Statement for an Early Site Permit at the North Anna ESP Site ("SDEIS"), for the North Anna Nuclear Power Station ("Station") in connection with the proposed expansion of the Station by Dominion Nuclear North Anna, LLC ("Dominion"). These comments are being submitted pursuant to the Notice of Extension of Public Comment Period issued by the U.S. Nuclear Regulatory Commission ("NRC") and published at 71 Fed. Reg. 46927 (August 15, 2006).

Based upon Bear Island's review of the proposed expansion of the Station now under consideration by the NRC for issuance of an Early Site Permit, substantial increases in the number and severity of low-flow conditions in the North Anna River ("River") at points below the Lake Anna dam would result. Such effects would result in more frequent and longer periods of 20 cubic feet per second (cfs) releases from Lake Anna via the Lake Anna dam, as opposed to the normal release rate of 40 cfs. The SDEIS refers to and explains these expected results at several points, including §§ 5.3, 5.3.1, 5.3.2, and 7.3. It appears that most of these reduced flow impacts to downstream stretches of the River arise from the plans for the cooling system of proposed reactor unit #3, recently revised by Dominion, involving a closed-cycle wet-dry system.

Bear Island operates a paper recycling and production facility in Doswell, Virginia on the North Anna River ("River"), downstream from Lake Anna. Bear Island relies on flows in the River

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at points below the Lake Anna dam for water intake and for discharge of treated industrial wastewater and stormwater associated with its facility. The additional periods and severity of low-flow conditions that would result from the currently proposed Station expansion would appear to increase significantly the risk to Bear Island's operations associated with low-flow conditions. This risk is three-fold in nature.

First, increased low-flow conditions will make it more difficult for Bear Island to withdraw water from the River as needed and as permitted by law. Bear Island's water intake structures currently include the nominal capacity to withdraw up to 12 cfs. One can see very quickly, then, that the increased frequency and length of low-flow conditions expected to result from the planned expansion based on more frequent and longer releases of only 20 cfs would pose serious risks to Bear Island and others relying on water withdrawals from the River below the Lake Anna Dam. While Bear Island has existing limited water storage capacity to address short-term interruptions or suspensions of its withdrawals, its storage capacity will not reliably sustain its operations during the kinds of increased low-flow conditions expected from the expansion and as described in the SDEIS. Bear Island tries to keep this on-site storage "topped-off" to minimize operational risk associated with interruptions in River withdrawals. However, given the increased frequency and length of periods of such low flows as described in the SDEIS, it will be more difficult, if not impractical at certain times, to recharge the on-site water storage, thus diminishing the usefulness of this storage.

Also, Bear Island obtains water from the County of Hanover water system, which is served by a withdrawal intake upstream from the Bear Island facility. If the increased low-flow conditions expected as the result of the planned Station expansion come to pass, then it also seems reasonable to expect that the County will have a more difficult time in withdrawing water, in part for the same reasons noted above affecting Bear Island's withdraws. Consequently, the ability of the County to meet the needs of its residents and businesses in the area will be compromised as well. Bear Island would be harmed in this respect, and may become more dependent on its own River intakes to make up any shortfall. The County addressed these concerns in its comments and related attached materials submitted to the NRC on January 7, 2004 concerning the original draft environmental impact statement for the expansion ("DEIS") and its comments filed today to the NRC on the SDEIS, to which submissions we refer you for further details.

In addition to these foreseeable adverse impacts to Bear Island's and the County's water withdrawals, Bear Island is very concerned that these impacts will put at some risk the ability of the combined wastewater flows from Bear Island's facility and the County of Hanover's Doswell wastewater treatment plant ("Doswell WWTP") to function as designed based on current permit requirements and water quality standards. Bear Island depends solely on the Doswell WWTP for the ultimate discharge of its wastewater, so ensuring adequate instream flows based on sufficient releases from Lake Anna is quite critical to Bear Island in this regard. We refer you again to comments submitted by the County on January 7, 2004 concerning the DEIS and its comments filed today to the NRC on the SDEIS.

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These concerns about negative impacts on downstream flows from Lake Anna have also been raised generally in the comments on the SDEIS and the pending federal consistency certification by the Virginia Department of Environmental Quality ("DEQ") for the Station expansion, which were submitted to your office on September 8, 2006. Though raised in a more general context, these comments nonetheless pertain to Bear Island's reliance on instream flows in the River for its operations and underscore Bear Island's concern: decreased flows in the North Anna River expected to occur more often and for longer periods of time as the result of the expansion as currently planned would seriously undercut Bear Island's ability to rely on the River for its operations, especially in dryer times.

Bear Island appreciates that Dominion has modified its original plan for the reactor unit #3 cooling system in response to earlier comments by DEQ, but Bear Island believes that such modifications do not fully address the negative consequences on downstream flows and the increased risk to downstream users of the North Anna River such as Bear Island. Indeed, the modified plan itself contemplates significant adverse impacts to flows downstream of the dam and, consequently, will have significant adverse impacts on those relying on these downstream flows.

As a result of these continuing concerns and due to their degree of adverse impacts, Bear Island respectfully disagrees with the NRC that the impacts associated with the proposed ESP and related plans for the Station expansion would be small or moderate at most and not arise to the level of significant environmental impact. In fact, the SDEIS itself makes quite clear that the downstream effects would be significant and adverse to the downstream portions of the River. Such effects will in turn significantly and adversely affect those relying on flows in the downstream portions of the North Anna River, such as Bear Island, other industry and local interests, aquatic life, and recreational users. Bear Island therefore requests that the NRC reconsider and change its characterization of these effects to reflect more accurately their expected and stated adverse nature and degree of harm and amend its conclusion to recognize that, as currently proposed, the expansion would cause a significant adverse environmental impact that cannot be redressed. At minimum, the NRC should require further assessment by Dominion or conduct its own further assessments to more completely evaluate the effects on downstream users and appropriate alternative designs and potential mitigation opportunities. In this regard, we again refer to DEQ's comments concerning the need for additional information and assessment of downstream impacts.

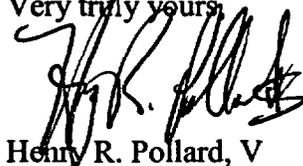
As an industrial user of electricity, Bear Island certainly appreciates the need for careful, well-planned, and prudent development of energy resources and facilities. However, such care, planning, and prudence in the development of these resources and facilities should accurately account for and avoid/minimize when feasible the kind of significant adverse impacts to other water resource users as is contemplated by the latest proposal for the Station expansion. It appears from the SDEIS and the comments by DEQ that use of a dry cooling tower for reactor unit #3 would alleviate many of these issues and should therefore be considered further as an alternative design.

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Bear Island greatly appreciates the NRC's consideration of these comments in its deliberations over the pending SDEIS. Should the NRC have any questions concerning Bear Island's comments as set forth herein, please do not hesitate to contact me at (804) 697-4118, hpollard@cblaw.com, or the letterhead address.

With kindest regards, I am

Very truly yours,



Henry R. Pollard, V

Cc: Mr. Jacques Beauchesne
Christopher M. Gill, Esquire

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