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U S Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Prairie Island Independent Spent Fuel Storage Installation
Docket No. 72-10
Materials License No. SNM-2506

Support for Transnuclear, Inc. (TN) Application for Approval of the TN-40 Transportation Packaging for Spent Fuel

Reference 1) Letter to Mr. Joseph Sebrosky, NRC, from Jayant Bondre, Transnuclear, subject, "Transnuclear, Inc. (TN) Application for Approval of the TN-40 Transportation Packaging for Spent Fuel", dated August 7, 2006

The purpose of this letter is to express Nuclear Management Company, LLC (NMC) support for use of the TN-40 cask for storage and transportation. Transnuclear, Inc., under contract to NMC, applied to the Nuclear Regulatory Commission (NRC) to approve the TN-40 Transportation Packaging for Spent Fuel (Reference 1). NMC is currently licensed (License No. SNM-2506) to use Transnuclear's TN-40 cask design for storage at the Prairie Island Nuclear Generating Plant's (PINGP's) Independent Spent Fuel Storage Installation (ISFSI). This letter supports Transnuclear's request for NRC approval of the referenced application by July 2007.

In 1994 when the State of Minnesota promulgated many of the laws concerning spent fuel storage at Minnesota's nuclear generating plants, dry spent fuel storage casks were licensed by the NRC for storage only. However, the State of Minnesota recognized that at some future time dry spent fuel storage casks could be licensed for both storage and transportation. In light of that potential, Minnesota state law (Minnesota Statute 116c.776) requires that when dry spent fuel storage systems licensed for storage and transportation become available and are found to be economically feasible that the Minnesota Public Utility Commission (MPUC) shall order the system at PINGP ISFSI to be replaced with such a system. Xcel Energy (the PINGP ISFSI owner) and NMC have reported to the MPUC that licensing the existing TN-40 dry spent fuel storage system for transportation would be more economical than replacing it with a different system and committed to pursuing licensing of Transnuclear's TN-40 cask for transportation.

Within the next year Xcel Energy intends to submit a Certificate of Need application to the MPUC asking for approval of additional dry spent fuel storage capacity at the PINGP ISFSI to support 20 years of additional operation that would result from

renewing PINGP's NRC operating licenses. Xcel Energy intends to propose to the MPUC the continued use of the TN-40 dry spent fuel storage system contingent upon confidence that current and future TN-40 casks can be licensed for both storage and transportation. NRC approval of Transnuclear's referenced application would support the Certificate of Need application.

Summary of Commitments

This letter contains no new commitments and no revisions to existing commitments.



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Nuclear Management Company, LLC

cc: Director, Spent Fuel Project Office, USNRC
Administrator, Region III, USNRC
SFPO Project Manager, Prairie Island, USNRC
NRR Project Manager, Prairie Island, USNRC
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