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November 29, 2006

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

Reference: 1. USNRC Docket No. 72-1014 (HI-STORM 100), TAC L23850  
2. Holtec Project 5014  
3. Letter from C. Regan (NRC) to E. Rosenbaum (Holtec) dated November 16, 2006

Subject: NRC's Review of License Amendment Request #3 to HI-STORM 100 CoC

Dear Sir:

In a letter dated November 16, 2006 (Reference 4), NRC informed Holtec that the NRC staff has decided to discontinue the review of LAR 1014-3, since the staff has been unable to draw conclusive findings regarding some structural aspects of the underground storage design. The letter proposed that Holtec either withdraw the entire application or remove the underground design from the application, and requested a response within 2 weeks.

This letter is the requested response, and we herein inform the NRC that Holtec chooses the second option, i.e., removal of the underground design from the application. This will allow the approval of the other changes requested in the application, specifically the increase in heat load. The expected path forward for the LAR and the underground storage design will then be as follows:

1. Within 2 weeks from the date of this letter, Holtec will resubmit LAR 1014-3 without the underground storage design. All other requested changes will remain in the application.
2. Regarding the review of the underground storage system, the NRC will provide Holtec with an SER that documents all reviews performed on the HI-STORM 100U, including the staff's conclusions and findings. This SER will be referenced in the upcoming new application on the underground storage system to streamline the review process and avoid duplicate reviews.
3. Holtec will submit a new license application, LAR 1014-6, that includes the HI-STORM 100U with additional structural evaluations to satisfy the NRC staff's requests. It is expected that this application will be submitted within two months from the date of this letter. We would expect a short review time on this LAR, due to its limited scope and due to the extent of successful reviews already performed on this design.

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In relation to the proposed changes in LAR 1014-3, there is one potential modification. Change number 4 in this LAR proposed an increase in the BWR fuel weight from 700 to 710 lb. This was based on a request by one of our clients. However, after the submittal of the LAR, the client had informed us that the value of 710 would not be bounding for all of their fuel, and that some assemblies could have a weight of up to 730 lb. At that time, Holtec decided to leave this additional increase to a future LAR, in order not to create any delays for LAR 1014-3. However, by now, the need for the increased weight has become more urgent. Holtec therefore proposes to increase the BWR fuel weight in LAR 1014-3 to 730 lb. If agreed upon, this change would be incorporated in the revised LAR 1014-3 that will be submitted shortly with the HI-STORM 100U removed.

Sincerely,

Evan Rosenbaum, P.E.  
Project Manager, LAR 1014-3

Approved:

Stefan Anton, Dr.-Ing.  
Licensing Manager

cc: Mr. Christopher Regan, NRC  
Holtec Groups 1, 2 and 4