

EDO Principal Correspondence Control

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FINAL REPLY:

Hiroshi Inoue
Mitsubishi Heavy Industries Ltd.

TO:

Chairman Klein

FOR SIGNATURE OF :

** PRI **

CRC NO: 07-0080

Chairman Klein

DESC:

Design Certification for the Reactor US-APWR -
Pre-Application Activities

ROUTING:

Reyes
Virgilio
Kane
Silber
Johnson
Cyr/Burns
Dyer, NRR
Sheron, RES
Lee. OIP

DATE: 02/02/07

ASSIGNED TO:

CONTACT:

NRR

Borchardt

SPECIAL INSTRUCTIONS OR REMARKS:

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OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET

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ACTION OFFICE: EDO

AUTHOR: Hiroshi Inoue
AFFILIATION: JAPAN
ADDRESSEE: CHRM Dale Klein
SUBJECT: Seeks to obtain certification for the US-APWR

ACTION: Signature of Chairman
DISTRIBUTION: RF

LETTER DATE: 02/01/2007
ACKNOWLEDGED: No
SPECIAL HANDLING: Commission Correspondence
NOTES:
FILE LOCATION: ADAMS
DATE DUE: 02/15/2007 DATE SIGNED:



MITSUBISHI HEAVY INDUSTRIES, LTD.

16-5, KONAN 2-CHOME, MINATO-KU
TOKYO, JAPAN

February 1, 2007
HBU-288

The Honorable Dale E. Klein
US Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

Dear Chairman Klein:

I am writing to follow up on our discussion in your office in July 2006. As you will recall, Mitsubishi Heavy Industries, Ltd. (MHI) is seeking to obtain design certification for its reactor, the US-APWR, and is already extensively engaged with the NRC staff in various pre-application activities. We are constructing APWRs in Japan and believe that it could be a very attractive alternative for US generating companies.

You indicated at our meeting that you were not confident of the NRC's capacity to pursue work relating to the design certification in FY 2008 because of the large number of anticipated applications and the need for the NRC to focus its expenditure of limited resources for licensing/certification on those projects that had a significant prospect of actually proceeding to construction in the US in the near term. At the time of our meeting, MHI was engaged in discussions with several generating companies, but we could not give assurances about MHI's US customer base.

We have made significant progress in our efforts to market the APWR in the US. I attach a letter that was recently submitted to the NRC staff by TXU Power (TXU) indicating that TXU anticipates submitting an applications for combined licenses (COLAs) in 2007 or 2008 for 2 to 6 gigawatts of new nuclear generation and that, although TXU has not yet made a final selection of technology, it views the US-APWR as a strong contender for the TXU units. The TXU letter indicates that it seeks to ensure that NRC makes resources available to perform both the COLA reviews and the US-APWR design certification in a timely fashion.

Chairman Dale E. Klein
February 1, 2007
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We hope that the strong interest expressed by TXU in the US-APWR will permit the NRC to continue its design certification work. Because the US-APWR does not reflect a radical departure from existing plants, we are hopeful that the design certification will not present significant regulatory challenges. We are fearful that any interruption in the certification process will constrain MHI's participation in the US market and will, in effect, serve to deny US generating companies the many advantages of the US-APWR design and the benefit of our participation in a healthy competition among a variety of vendors.

I would be very pleased to schedule a trip from Japan to discuss this matter with you and with your colleagues if that would be helpful to you. And, of course, MHI stands ready to answer any questions that you might have.

Very truly yours,



Hiroshi Inoue
Executive Officer, Senior Vice President
Nuclear Energy Systems Headquarters
Mitsubishi Heavy Industries Ltd.

cc: Edward X. McGaffigan
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CPSES-200700159
Log # TXNB-07001

January 18, 2007

U. S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555
ATTN: David B. Matthews, Director
Division of New Reactor Licensing

**SUBJECT: TXU POWER SELECTION OF REACTOR DESIGN TECHNOLOGY
AND PLANS FOR SUBMITTING
COMBINED LICENSE (COL) APPLICATIONS
PROJECT NO. 0751**

As discussed in TXU's letter of June 27, 2006, TXU plans to pursue COL applications for 2 to 6 gigawatts of new nuclear generation at one to three sites. TXU is considering the CPSES site and several potential Greenfield sites. Activities have been initiated regarding the potential sites including pursuing ownership of land and water rights, core borings to establish geological acceptability, ground water monitoring, and meteorological monitoring.

TXU anticipates submitting a COLA for CPSES in the time frame of December 2007 to October 2008. We expect to submit COLAs for Greenfield sites by October 2008. We anticipate acceptance reviews and docketing by December 31, 2008. These schedules support the first step of TXU's qualification for Production Tax Credits (PTCs).

TXU has started to develop the COLAs for these sites but has not yet selected a technology. Although TXU has evaluated essentially all the technologies available for new nuclear plants, our review is now focused on two technologies, the AP-1000 (Westinghouse) and the US-APWR (MHI – Mitsubishi Heavy Industries). The AP-1000 is already design certified. The US-APWR is in the process of submitting pre-application topical reports and holding pre-application meetings with the NRC. The design certification application is scheduled for submittal in December 2007. This means that the TXU COLAs and the US-APWR certification reviews may occur in parallel. Both the AP-1000 and the US-APWR are strong contenders for the TXU units. TXU intends to make a final decision soon.

TXNB-07001

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TXU is interested in better understanding the NRC's resource commitments and intentions regarding COLA and design certification reviews. For the US-APWR to be a viable technology for TXU (and as already noted, TXU is strongly considering this technology), we ask the NRC to continue its review of the pre-application information and have resources available to perform the design certification and COLA reviews after the applications are submitted. In other words, we want to ensure that the NRC understands that MHI has a US client that is very interested in their technology and that the NRC is giving them adequate consideration in the certification process.

Should you have any questions, please contact Don Woodlan (254-897-6887, dwoodla1@txu.com) or me.

Sincerely,

TXU Generation Company LP

By: TXU Generation Management Company LLC
Its General Partner



Mitch Lucas

DRW
Attachment

- c- William Borchardt, Director, Office of New Reactors.
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Resident Inspectors, CPSES
Mike Blevins, TXU Power
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HAND CARRY