

April 2, 2008

Mr. Bryan J. Dolan, Vice President
Nuclear Plant Development
Duke Power
P.O. Box 1006 – EC09D
Charlotte, NC 28201-1006

SUBJECT: WILLIAM STATES LEE III NUCLEAR STATION UNITS 1 AND 2 COMBINED
LICENSE APPLICATION REVIEW SCHEDULE

Dear Mr. Dolan:

This letter transmits the William States Lee III Units 1 and 2 Combined License (COL) application review schedule. The environmental review supports the issuance of a Final Environmental Impact Statement (FEIS) in March 2010. Milestones for the four phases of this review are provided in Table 1 of this letter. The safety review supports the issuance of a Final Safety Evaluation Report (FSER) in February 2011. Milestones for the six phases of this review are also provided in Table 1. The primary drivers and risks to this schedule are described below.

By letter dated December 12, 2007, as supplemented by a letter dated January 28, 2008, two letters dated February 6, 2008, and a letter dated February 8, 2008, Duke Energy submitted its application to the U.S. Nuclear Regulatory Commission (NRC) for a COL for two AP1000 advanced passive pressurized water reactors in accordance with the requirements contained in 10 CFR 52, "Licenses, Certifications and Approvals for Nuclear Power Plants." The staff informed you in a February 25, 2008, letter that we had completed our acceptance review and docketed your application in the Agencywide Document Access and Management System (ADAMS) Accession No. ML080510327.

In the letter dated February 25, 2008, the staff discussed four areas that introduced uncertainty into the review schedule. These areas are: 1) incomplete recirculation screen design in the referenced design; 2) response methods used to produce the final site ground motion; 3) the seismic source characterization of the region; and 4) potential amplification and characterization of the dynamic response of fill material under the radwaste building, and its impact on the interface of the auxiliary and radwaste buildings during seismic activity. These areas were discussed with you in a public meeting on March 19, 2008. The incomplete recirculation screen design is being addressed in the AP1000 design certification amendment (DCA) review.

Highlights of the Safety Review Schedule

For the Lee subsequent combined license (S-COL), the sections of Chapter 2 associated with seismology are on the critical path for the review. Specifically, the two seismology technical issues are the response methods used to produce the final site ground motion, and the seismic source characterization of the region. The primary critical path item is associated with the seismic source characterization of the region and is a shared issue being addressed by the Bellefonte reference combined license (R-COL) application, as well. The schedule for the

seismology issue associated with the response methods used to produce the final site ground motion follows closely as the second critical path issue in Chapter 2.

The review of the AP1000 Design Certification Amendment will proceed in accordance with the review schedule provided to Westinghouse in a separate letter dated February 15, 2008 (ML080370179). The Lee COL application incorporates by reference both Appendix D to 10 CFR 52 and the AP1000 Design Control Document submitted by Westinghouse as Revision 16. Thus, a substantial portion of the Lee COL review schedule is dependent on the AP1000 DCA and Bellefonte R-COL schedules. We want to bring to your attention the review schedules issued on February 15, 2008, for the AP1000 DCA, and February 15, 2008, (ML080430572) and March 25, 2008, (ML080720558) for the Bellefonte R-COL. The SER with open items for chapters 6, 15, and 16 are scheduled to be completed for both the DCA and the Bellefonte R-COL on essentially the same date. As an S-COL, the Lee review will not be completed until after the R-COL review has been completed for the standard sections. Therefore, any delay in the Westinghouse DCA schedule will delay the Bellefonte schedule, and thereby delay the Lee S-COL schedule.

By letter dated March 25, 2008, the Tennessee Valley Authority was informed that the NRC staff will be reevaluating the Bellefonte Units 3 and 4 R-COL review schedule in the July 2008 time frame. Since the issuance of the February 15, 2008, R-COL schedule letter, TVA has delayed when it would provide information necessary for the NRC staff to conduct the seismology review specific to the seismic source characterization of the region, an issue that is common to both the Bellefonte R-COL and the Lee S-COL. Therefore, the reevaluation of the Bellefonte R-COL schedule, with respect to this issue, may also impact the Lee S-COL schedule.

Highlights of both the Environmental and Safety Reviews

Our review schedules assume that responses to RAIs will be complete and provide sufficient information to address the staff's concerns. We assumed in our schedules that RAI responses will be submitted within 30 days of receipt of RAIs related to areas that involve Lee specific information and within 45 days of receipt of RAIs related to areas that involve standard content for all AP1000 COL applications.

The schedule does not currently model the hearing process. Should contentions be admitted, the review schedules in Table 1 may be impacted. Also, the mandatory hearing schedule will be developed by the Commission and the Atomic Safety and Licensing Board and thus is not included in Table 1 of this letter. Both the FEIS and the FSER will be used to support this hearing. As you know, the Commission will not make a determination on whether or not to issue the COL until this hearing is concluded.

The staff will review and re-baseline, if necessary, the Lee safety review schedule around the time the SER with open items is issued. At this point, the staff will have a better idea of what target milestones are achievable given the number and complexity of the open items. Similarly, the staff will review and re-baseline, if necessary, the Lee environmental review schedule soon after the public comment period ends. At this point, the staff will have a better idea if there are any issues that have been identified that could impact the schedule for the issuance of the FEIS. Of course, should any major revisions to the AP1000 DCA, the Bellefonte R-COL, or the Lee COL occur, we will review and re-baseline schedules in response to those revisions, as necessary. At any time, feel free to discuss concerns with this schedule or any future proposed schedule with the staff.

B. Dolan

-3-

Should you have any questions regarding the safety review, please contact Ms. Joelle Starefos, the lead project manager for the safety review for the Lee COL application, at (301) 415-6091 or Joelle.Starefos@nrc.gov. Effective April 14, 2008, Mr. Brian Hughes will become the lead project manager for the safety review of the Lee COL application and may be reached at (301) 415-6582 or Brian.Hughes@nrc.gov. If you have questions regarding the environmental review please contact Ms. Linda Tello, the lead project manager for the environmental review of the Lee COL application, at (301) 415-2907 or email at Linda.Tello@nrc.gov.

Sincerely,

/RA/

Joelle Starefos, Senior Project Manager
AP1000 Projects Branch 1
Division of New Reactor Licensing
Office of New Reactors

Docket Nos. 52-018
52-019

cc w/encl: See next page

B. Dolan

- 3 -

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Sincerely,

/RA/

Joelle Starefos, Senior Project Manager
AP1000 Projects Branch 1
Division of New Reactor Licensing
Office of New Reactors

Docket Nos. 52-018
52-019

cc w/encl: See next page

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Table 1: COL Review Schedule

<u>Phase of Safety Review</u>	<u>Target Completion Date</u>
P1 RAIs for all SER chapters	February 5, 2009
P2 SER with open items (OIs)	October 8, 2009
P3 Advisory Committee on Reactor Safeguards (ACRS) review of SER with OIs	January 2010
P4 Advanced SER with no OIs	September 2010
P5 ACRS review of Advanced SER with no OIs	December 2010
P6 Final SER issued	February 2011
<u>Phase of Environmental Review</u>	<u>Target Completion Date</u>
P1 Scoping	September 12, 2008
P2 Draft Environmental Impact Statement (DEIS)	March 18, 2009
P3 Draft Environmental Impact Statement Comment Period	August 19, 2009
P4 Final Environmental Impact Statement (FEIS)	March 2010

ENCLOSURE

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(Revised 04/01/2008)

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