April 11, 2008

Mr. Paul Lorenzini
Chief Executive Officer
NuScale Power, Inc.
201 NW Third Street
Corvallis, OR 97330

SUBJECT: LETTER OF INTENT TO ENGAGE THE NUCLEAR REGULATORY COMMISSION STAFF IN PRE-APPLICATION DISCUSSIONS

Dear Mr. Lorenzini:

Thank you for your letter dated April 4, 2008, informing the U.S. Nuclear Regulatory Commission (NRC) of your plans to initiate pre-application discussions with the NRC staff. Your advance notification is important to the NRC in our efforts to prepare budget proposals and plan for future work activities. Pre-application discussions ideally allow NRC staff to become familiar with your preliminary design information, identify possible policy issues, and formulate appropriate licensing strategies. These discussions are especially important in cases such as the NuScale Power, Inc., proposal where the design is new to the NRC staff and where significant policy issues may exist.

The NRC's Office of New Reactors (NRO) will be your primary point of contact for the design and licensing discussions regarding your proposed multi-application light-water reactor (LWR). NRO will coordinate with other NRC offices, primarily the Office of Nuclear Regulatory Research (RES) and the Office of Nuclear Reactor Regulation, to develop both short term and longer term activities related to the licensing program for your proposed design.

You should be aware that very limited resources are available for the next several years in both NRO and RES for advanced reactor projects. The NRC is giving the highest priority to current design reviews and combined license applications (COLAs) for large LWRs. In addition to your project, the NRC advanced technologies staff will also be working with the U.S. Department of Energy and other reactor vendors on gas-cooled and liquid metal-cooled reactors. Nevertheless, we will be able to have some limited pre-application discussions with NuScale Power, Inc., as resources are available.

Because the NRC is required to recapture 90 percent of its budget through fees, the NRC will, at an appropriate time, assign a project number to the Nuscale Power, Inc., proposed reactor design. In accordance with Title 10 of the *Code of Federal Regulations,* Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, as Amended," the NRC will charge fees for time expended on activities directly related to the NuScale Power, Inc., reactor design.

To discuss the introductory meeting you proposed for July 2008 (for which you will not be billed), or if you have pre-application questions, please feel free to call Mr. Thomas J. Kenyon at (301) 415-1120 or Mr. William D. Reckley at (301) 415-7490.

Sincerely,

/RA/

Edward T. Baker, Director
Advanced Reactor Program
Office of New Reactors

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Sincerely,

/RA/

Edward T. Baker, Director
Advanced Reactor Program
Office of New Reactors

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