

July 31, 2008

Mr. Stephen A. Byrne
Senior Vice President
and Chief Nuclear Officer
South Carolina Electric and Gas Company
Columbia, South Carolina 29218

SUBJECT: ACCEPTANCE REVIEW FOR THE VIRGIL C. SUMMER NUCLEAR STATION
UNITS 2 AND 3 COMBINED LICENSE APPLICATION

Dear Mr. Byrne

By letter dated March 27, 2008, South Carolina Electric and Gas Company (SCE&G), acting for itself, and acting as agent for the South Carolina Public Service Authority (also known as Santee Cooper) submitted its application to the U.S. Nuclear Regulatory Commission (NRC) for a combined license (COL) for two AP1000 advanced passive pressurized water reactors in accordance with the requirement contained in 10 CFR Part 52, "Licenses, Certifications and Approvals for Nuclear Power Plants." This letter informs you that the NRC staff has completed its acceptance review and has determined that your application is acceptable for docketing. These reactors will be identified as Virgil C. Summer Nuclear Station (VCSNS) Units 2 and 3 and are to be located on the existing VCSNS site in Fairfield County, South Carolina. The docket numbers established for VCSNS Units 2 and 3 are 52-027 and 52-028, respectively.

The VCSNS combined license application (COLA) incorporates by reference Appendix D to 10 CFR Part 52 and the AP1000 Design Control Document amendment submitted by Westinghouse as Revision 16. As allowed by 10 CFR 52.55(c), at your own risk, you have referenced a design certification application that has been docketed but not granted. Therefore your COL review schedule is dependent on the review schedule for the design certification. In addition, as a subsequent combined license (S-COL) applicant, your COL application review schedule is also dependent on the review schedule for the Tennessee Valley Authority's (TVA's) Bellefonte Units 3 and 4 COLA (the reference COL for the AP1000 design center). Because it utilizes the standard content contained in the reference COL (R-COL), it is incumbent upon SCE&G to remain cognizant of the resolution of the standard technical issues that will be addressed during the NRC review of the Bellefonte R-COL application. If you determine that it is necessary to resolve a standard issue differently for the VCSNS Units 2 and 3 COLA, you must notify the NRC immediately so that we may determine the review impact of this standard issue being considered as site specific.

As discussed in the July 17, 2008, teleconference with your staff, the date that the staff intends to publish a schedule for review was mutually agreed to differ from the 30 day time frame estimated in our receipt of application acknowledgement letter dated June 26, 2008 (ML081560732). The Office of New Reactors has been evaluating alternative review approaches that might be applied to future S-COL applications that are submitted after their selected design has been certified and the related R-COL issued. From this effort a 4-phase review process was developed.

The phases of the 4-phase approach will be as follows:

- Phase 1 – RAls, and supplemental RAls
- Phase 2 – Advance Final SER without Open Items
- Phase 3 – Advisory Committee on Reactor Safeguards Meeting on Advance Final
Safety Evaluation Report
- Phase 4 – Final SER

The development of a 4 phase review in our scheduling system requires additional time beyond our normal 30 day commitment. Therefore the staff intends to prepare a schedule for review of the VCSNS Units 2 and 3 COLA in approximately 60 days.

In addition, the staff has identified three areas that have introduced uncertainty into the environmental review schedule. These areas are 1) the environmental report (ER) does not contain sufficient ecological monitoring data for the staff to perform an adequate impact analysis for aquatic species in Monticello and Parr Reservoirs, Mayo Creek, and the Broad River, 2) the ER does not identify a specific routing for the planned transmission lines, and 3) the alternate site selection process described in the ER is unclear on how the preferred site was determined. The issues are described in Enclosure 1 to this letter.

Enclosure 2 is a notice of acceptance for docketing. This notice is being forwarded to the Office of the *Federal Register*. A separate notice will be published in accordance with the provisions of 10 CFR 2.104, regarding the hearing.

The staff expects to interact with you as the safety and environmental review schedules are developed. Should you have any questions, please contact me at (301) 415-6582 or send an e-mail to Brian.Hughes@nrc.gov.

Sincerely,

/RA/

Brian Hughes, Senior Project Manager
AP1000 Projects Branch 1
Division of New Reactor Licensing
Office of New Reactors

Docket Nos. 52-027
52-028

Enclosure:

1. Schedule Issues
2. *Federal Register* Notice

The phases of the 4-phase approach will be as follows:

- Phase 1 – RAIs, and supplemental RAIs
- Phase 2 – Advance Final SER without Open Items
- Phase 3 – Advisory Committee on Reactor Safeguards Meeting on Advance Final Safety Evaluation Report
- Phase 4 – Final SER

The development of a 4 phase review in our scheduling system requires additional time beyond our normal 30 day commitment. Therefore the staff intends to prepare a schedule for review of the VCSNS Units 2 and 3 COLA approximately 60 days.

In addition, the staff has identified three areas that have introduced uncertainty into the environmental review schedule. These areas are 1) the environmental report (ER) does not contain sufficient ecological monitoring data for the staff to perform an adequate impact analysis for aquatic species in Monticello and Parr Reservoirs, Mayo Creek, and the Broad River, 2) the ER does not identify a specific routing for the planned transmission lines, and 3) the alternate site selection process described in the ER is unclear on how the preferred site was determined. The issues are described in Enclosure 1 to this letter.

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The staff expects to interact with you as the safety and environmental review schedules are developed. Should you have any questions, please contact me at (301) 415-6582 or send an e-mail to Brian.Hughes@nrc.gov.

Sincerely,

Brian Hughes, Senior Project Manager
AP1000 Projects Branch 1
Division of New Reactor Licensing
Office of New Reactors

Docket Nos. 52-027
52-028

Enclosure:

1. Schedule Issues
2. *Federal Register* Notice

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SCHEDULE ISSUES FOR THE VIRGIL C. SUMMER UNITS 2 AND 3

COMBINED LICENSE REVIEW

The U.S. Nuclear Regulatory (NRC) staff has identified the following concerns which have introduced uncertainty into the development of a schedule for an Environmental Impact Statement:

Ecological Monitoring:

The ER does not contain sufficient ecological monitoring data for the staff to perform an adequate impact analysis for aquatic species in Monticello and Parr Reservoirs, Mayo Creek, and the Broad River. The staff is aware that South Carolina Electric and Gas Company (SCE&G) is in the process of addressing these deficiencies through the performance of several ecological surveys but the complete set of data from these surveys will not be available until late summer 2009. The staff will review the information contained in these studies upon submittal and may develop new Requests for Additional Information, if necessary.

Transmission Lines:

The ER does not identify a specific routing for the planned transmission lines, only the counties in which the line may be located, nor does the ER contain any ecological survey data for the transmission line corridors. SCE&G is finishing a transmission line siting study which discusses a macro-corridor approach but that study will not be available to the staff until late summer 2008. The staff will review this study upon submittal and may develop new Requests for Additional Information, if necessary.

Alternate Site Selection Process:

The alternate site selection process described in the ER is unclear on how the preferred site was determined, and contains descriptions of different deterministic processes for the Cope Generating Station/Saluda Site evaluation as compared to the Savannah River Site/VC Summer Site evaluation. Alternate sites should be determined by way of an adequate site selection process established in accordance with ESRP Section 9.3 and Regulatory Guide 4.2, Part B, Section 9.

Due to the scheduled submission of ecological survey data in late summer 2009, the scheduled submission of the transmission line siting study in late summer 2008, and the staff's concerns regarding the alternate site selection process, a schedule for the completion of an Environmental Impact Statement cannot be fully assessed at this time. The staff anticipates further discussions with SCE&G on these issues.

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(Revised 06/05/2008)

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