



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
PANAMA CITY REGULATORY OFFICE
1002 WEST 23RD STREET, SUITE 350
PANAMA CITY, FLORIDA 32405-3648

June 17, 2010

Regulatory Division
North Permits Branch
SAJ-2008-00490(IP-GAH)

Mr. Paul Snead
Supervisor, Environmental Permitting
Nuclear Plant Development
Progress Energy – TPP11
Post Office Box 1551
Raleigh, North Carolina 27602

Dear Mr. Snead:

Reference is made to the meeting held on June 9, 2010 at the U.S. Army Corps of Engineers' (Corps) office in Panama City, Florida, in regard to Progress Energy Florida's (PEF) alternative sites analysis under the Clean Water Act for the proposed Levy Nuclear Plant, Units 1 & 2 (LNP). Meeting attendees included you and other representatives for PEF and PEF's consultants, representatives of the U.S. Nuclear Regulatory Commission (NRC) and NRC's consultants, and representatives of the U.S. Environmental Protection Agency (EPA) and the Corps. Additional representatives of the NRC and EPA attended by telephone. The meeting was held at PEF's request. The specific purpose of the meeting was to allow PEF to present a PowerPoint slideshow to, and receive feedback from, the Corps and EPA in regard to PEF's proposed strategy to respond to a letter from the Corps, dated March 5, 2010. The letter provided comments from the Corps to PEF in response to PEF's Levy Nuclear Plants Units 1 & 2 (LNP) Section 404(b)(1) Alternatives Analysis (December 2009). The NRC attended at the Corps' invitation, as an observer, in light of NRC's role as lead agency for the development of the Environmental Impact Statement for LNP. The Corps acknowledges that PEF plans to submit a revised alternatives analysis.

During and at the end of PEF's presentation the Corps and EPA provided comments and feedback to PEF's representatives and consultants. The Corps's major comments, as well as additional comments that resulted from the Corps's additional internal discussion after the meeting had concluded, are provided below.

(1) The Corps acknowledges that PEF considers the Crystal River alternative site is not practicable in light of concerns of reliability, and that PEF will document this in a revised alternatives analysis.

(2) The Corps informed PEF that the Corps had revised the overall project purpose to more accurately describe the scope of the geographic search area for alternative sites, as follows:

Prior version: To meet the public's need for reliable increased electrical baseload capacity in the Central Florida area.

Revised, current version: To meet the public's need for reliable increased electrical baseload capacity in Progress Energy Florida's service territory.

(3) The Corps has concerns regarding the use of the Florida Land Use Classification System (FLUCS) for comparison of wetland impacts among the alternative sites. PEF stated during the presentation that the most up-to-date wetland delineation lines would be used for the Levy site, while FLUCS would be used for the alternative sites. On the Levy site there is a large difference between the areal extent of wetlands, as determined from ground-truthed wetland delineations, in comparison to the areal extent of wetlands, as determined by use of FLUCS data. The difference is that almost 80% more wetlands have been delineated, than identified by FLUCS on the Levy site. PEF proposed to use that information to calculate an adjustment factor, which would be applied to the other alternative sites. Such an adjustment is likely inappropriate, since the sites differ substantially in FLUCS cover types, land use and topographic location. Instead, the alternative sites should be reviewed using other data, such as aerial photography and soils survey maps, along with FLUCS data, in order to more accurately identify the extent of wetlands on the alternative sites in comparison with the Levy site. PEF should provide supporting information, which shows that the comparison of the areal extent of wetlands on all of the alternative sites is reasonable and defensible.

(4) The potential impacts of groundwater drawdown on wetlands should be addressed and compared among the alternative sites (see item #8 on page 6 of the Corps' letter to PEF, referenced above and dated March 5, 2010). The drilling and use of water supply wells are proposed at the Levy site to supply groundwater for general plant use. It is the Corps understanding that no such wells would be required at the three alternative sites where reservoirs would be required. PEF has submitted two groundwater analyses, the first analysis showed the potential of up to 0.5' of drawdown of groundwater within areas of wetlands, and the second analysis showed the potential of up to 2.5' of drawdown within areas of wetlands.

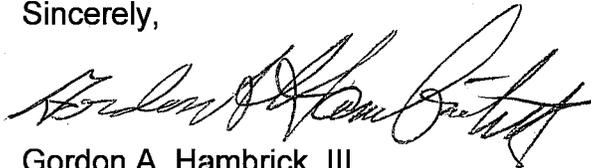
(5) The Corps is concerned and emphasizes that the appropriate weight be given to direct impacts to components of the aquatic ecosystem, especially wetlands, from the discharge of dredged or fill material into waters of the United States in the alternative sites analysis, since large areas of wetlands would be impacted by the discharge of dredged and fill materials within all of the alternate plant sites and in their associated transmission corridors.

(6) The Corps has concerns in regard to the comparison of the alternative sites which include reservoirs. PEF stated that the sizing of the reservoirs was based on the storage of a 90-day supply of cooling water. However, it was stated that a 90-day capacity was likely smaller than would be practicable for plant operations during an extended drought. A comparison of the alternative sites with reservoirs should be based on reasonable expectations in regard to sizing, placement and configuration of the reservoirs.

(7) The Corps is concerned that the ranking of the sites in quartiles, especially for wetland impacts, may not provide a sufficient degree of differentiation among the alternative sites.

The Corps continues to appreciate the efforts made by PEF staff and consultants to work with the Corps in our regulatory review of your proposed project. We will continue to work with the PEF team and the NRC in this effort. If you have any questions concerning this letter, please contact the undersigned by mail at the letterhead address, by electronic mail at gordon.a.hambrick@usace.army.mil, or by telephone at (850) 763-0717, ext. 25.

Sincerely,



Gordon A. Hambrick, III
Senior Project Manager

Copy furnished (by electronic mail):
NRC, Douglas Bruner
EPA, Ron Miedema
EPA, Paul Gagliano
PEF, John Hunter
PEF, Paul Snead