

Electronic Letterhead

July 9, 2010

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**Re: Calvert Cliffs 3 Nuclear Project, LLC, and
UniStar Nuclear Operating Services, LLC
(Calvert Cliffs Nuclear Power Plant, Unit 3),
Docket No. 52-016-COL**

Dear Administrative Judges:

In an Order dated June 24, 2010, the Licensing Board requested that the parties address whether they believe that the Board should now proceed to resolve Contention 1 through motions for summary disposition, an evidentiary hearing, or some combination of those procedures.

Under the Licensing Board's Order (Establishing schedule to govern further proceedings), dated April 22, 2009, the latest date for filing for summary disposition on Contention 1 is presently set as 30 days after issuance of the Safety Evaluation Report ("SER") with open items. At the time the schedule was developed, the NRC Staff's target date for issuance of the SER with open items was April 2010. The current schedule for issuance of the SER with open items, according to the NRC's website, is April 2011.

Following conversations with the parties, a mutual agreement on the details of an approach for resolving Contention 1 is not forthcoming, although the parties appear to agree that there is no need to change the current schedule milestone for summary disposition (*i.e.*, a deadline keyed to issuance of the SER with open items). Consistent with the Board's directive in the June 24th Order, we are providing our additional views on the schedule for this proceeding.

While no changes to the milestones are necessary at this time, Applicants currently do not plan to wait until issuance of the SER with open items to seek summary disposition on Contention 1. As the Licensing Board noted in its scheduling order, it is in the interest of all concerned to have a reasonably prompt resolution of Contention 1. If granting the

combined license (“COL”) would violate the prohibition on foreign control in the Atomic Energy Act, then changes would be required if the application is to proceed. Further, because the issues involved are primarily legal rather than factual, we believe that the issue can be addressed prior to issuance of the SER with open items.

As the Licensing Board is aware, the Applicants in this matter are part of an organization structure with ultimate joint ownership by Constellation Energy Group, Inc. and EDF, SA (“EDF”). Information addressing a corporate restructuring associated with investment by EDF in Constellation Energy Nuclear Group, LLC was submitted on January 8, 2010. *See* Ltr. from G. Gibson, UniStar Nuclear Energy, to NRC Document Control Desk, UN#10-008, “RAI No. 133, Part 1: Introduction and Interfaces.” Additional updated information is scheduled to be filed on the licensing docket in July or August 2010. We anticipate filing a motion for summary disposition on Contention 1 within 30 days of that submission.

In the event that Contention 1 cannot be resolved in its entirety through summary disposition, an evidentiary hearing would be necessary. Depending on the issues that remain, the evidentiary hearing could be held in advance of the SER with open items. The schedule and need for an evidentiary hearing could be addressed again following a decision on the motion for summary disposition.

On balance, we believe that the proposed approach and schedule outlined above would ensure a fair hearing process and a timely decision on the issues in the contention.

Sincerely,

/s/ signed electronically by

David A. Repka

Counsel for Calvert Cliffs Nuclear Project, LLC and
UniStar Nuclear Operating Services, LLC

cc: EIE Service List