



MITSUBISHI HEAVY INDUSTRIES, LTD.
16-5, KONAN 2-CHOME, MINATO-KU
TOKYO, JAPAN

October 15, 2012

U. S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555
ATTN David B. Matthews, Director
Division of New Reactor Licensing

Subject: DCD Business Plan Schedule Needs

Dear Sir:

MHI is submitting this letter to provide the NRC with an update to the business plan needs of our company as they relate to NRC's ongoing review of the US-APWR. While we discussed our business plan needs with you in our drop-in meeting on August 31, 2012, we are submitting this letter to request that the NRC consider the corresponding schedule needs and assign the resources needed to support the issuance of the US-APWR Design Certification.

Following the initial DCD submittal date of December 31, 2007, there have been five NRC review schedule adjustments for the DCD resulting in a total delay of 3 years and 9 months (NRC Letters ML083520514, ML100830739, ML110240150, ML112430036, ML12130A078). These delays have resulted from the additional time needed to resolve longstanding issues such as GSI-191 and the seismic analyses. Additionally, design features unique to the US-APWR such as the digital I&C system, the LOCA analysis methodology and the Advanced Accumulator have also contributed to the additional time needed for the NRC staff review. In order to adequately resolve all identified issues and to simplify the review process, MHI has proactively implemented several design changes and has maintained close communication with the NRC staff. The changes implemented have included items such as: adoption of a common foundation base mat for most standard plant structures; elimination of in-containment drains to improve flow to the containment sump; and the integration of the Essential Service Water Pipe Tunnel into the Reactor Building Complex foundation. While this list is not inclusive, as there are other design improvements, it is intended to illustrate MHI's sincere desire to resolve any issue which impairs the ability to obtain design certification and also to allow the NRC staff to perform an efficient review.

Notwithstanding the delays, significant progress in the NRC's review of the US-APWR DCD has occurred. Specifically, 10 of 19 chapters are in Phase 4 and good progress is being made on the overall schedule. With the exception of Sections 3.7 and 3.8, resolution of all significant issues has been completed or is expected in the near future based on NRC staff feedback. This includes GSI-191 (containment sump), digital I&C, Advanced Accumulator, accident analyses, and Gas-Turbine-Generators. Fukushima issues are more recent and have been proactively addressed by MHI. Significant items related to the resolution of Fukushima issues have been addressed with the NRC staff and a closure plan is in place.

Regarding the status of our seismic review, we held a meeting with your staff on October 10 wherein we discussed our response to the concerns expressed in your letter of September 13. The feedback from the staff was that the actions we have taken are responsive to their concerns. We acknowledged that the burden is on us to prove that those actions are effective. The first submittals are scheduled to be submitted at the end of November and we are confident that they will resolve the staff's concerns and that our seismic review will then proceed as planned. The actions that we have taken include ensuring that no further design changes will be needed, that our seismic design approach is fully integrated and that adequate management oversight is in place to ensure high quality, complete and timely submittals.

Based on the progress made to date with the proactive design changes implemented and on the limited number of issues remaining to be fully resolved, it is our desire to define and agree on a target date for the issuance of the Design Certification. This is needed to ensure that the business goals of our company are adequately defined and that the progress necessary to meet these goals is routinely measured and evaluated. Accordingly, MHI requests that the NRC consider issuance of the US-APWR Design Certification by December, 2015. This target date is important because a Design Certification is needed in order to market the US-APWR more effectively. The date will also support pending decisions by additional organizations who have indicated their desire to pursue the US-APWR as their choice for additional power generating capacity.

It is our understanding that Luminant desires the issuance of the R-COLA shortly after the issuance of the Design Certification. As a merchant plant, Luminant is dependent on receiving the COL to allow for their next phase of project financing. This close alignment between the R-COLA and the Design Certification will support the Comanche Peak Unit 3&4 Project on a reasonable schedule. We also understand that Dominion would like the issuance of the S-COLA to closely follow the issuance of the DCD. As you know, the R-COL and S-COL applications are heavily dependent on the DCD. In the past several months, the anticipated schedules for the COL applicants have been revised to be consistent with changes resulting from the DCD review. It is our intent to keep the COLA schedules tightly aligned with the DCD to permit the issuance of the COLs shortly after the DC rulemaking.

As a function of our business needs, it is MHI's request that the needed NRC resources be assigned to support the issuance of the DCD. With this letter, MHI is providing the schedule need that establishes the basis for the support needed from the NRC staff for issuance of the Safety Evaluation Reports for the Design Certification.

To meet this schedule need and to assure close coordination between the content of the COL applications and the DCD, MHI will ensure that it provides products to the NRC with the comprehensive technical content and basis information necessary for the NRC staff to develop its conclusions in support of the needed Safety Evaluation Report.

MHI remains committed to regular interactions with the NRC staff with the goal of prompt identification, resolution, and closure of any issue associated with the US-APWR Design Certification. To this end, continued discussions and meetings will be scheduled with the NRC staff to ensure effective communications.

MHI requests that the NRC consider our request contained in this letter, confirm the availability of the needed review resources and identify key review milestone target dates needed to obtain certification of the US-APWR consistent with our needs. I look forward

to discussing this further with you in our scheduled drop-in meeting on October 17, 2012. Please contact Mr. Joseph Tapia, General Manager of Licensing, Mitsubishi Nuclear Energy Systems, Inc., if you have questions concerning any aspect of this letter.

Sincerely,



Yoshiaki Ogata, Director
APWR Promoting Department
Mitsubishi Heavy Industries, Ltd.
16-5, Konan 2-Chome, Minato-Ku
Tokyo, 108-8215 JAPAN

Contact Information:

Joseph Tapia, General Manager of Licensing Department
Mitsubishi Nuclear Energy Systems, Inc.
1001 19th St. North, Suite 710
Arlington, VA 22209
E-mail: joseph_tapia@mnes-us.com
Telephone: (703)908-8055