

January 24, 2002

LICENSEE: Duke Energy Corporation

FACILITY: Catawba Nuclear Station, Units 1 and 2
McGuire Nuclear Station, Units 1 and 2

SUBJECT: SUMMARY - MEETING WITH DUKE ENERGY ON FEES FOR RESEARCH
ACTIVITIES RELATED TO USE OF MIXED OXIDE FUEL AT CATAWBA AND
MCGUIRE

Representatives of Duke Energy Corporation (DEC), Duke Cogema Stone & Webster (DCS), Framatome ANP, the Department of Energy (DOE), and the Oak Ridge National Laboratory (ORNL) met with members of the U.S. Nuclear Regulatory Commission (NRC) staff at NRC Headquarters on October 4, 2001, in Rockville, Maryland. DEC requested this meeting in their letter of July 25, 2001, to discuss the scope, cost and schedule for confirmatory NRC research activities associated with mixed oxide (MOX) fuel use in the Catawba and McGuire Nuclear Stations. A list of attendees is attached.

The letter of Jesse L. Funches, NRC Chief Financial Officer (CFO), dated June 25, 2001, advised DEC of NRC's fee policy related to MOX activities. The letter indicated that the NRC will charge fees under 10 CFR Part 170 for both pre-application and application reviews and evaluation activities and for associated research activities. The research cost will be recovered through 10 CFR Part 170 fees because the MOX research work is exclusively in support of the DOE's fissile material disposition program, which is a U.S. Government national security initiative. DEC replied by their letter dated July 25, 2001, as discussed above. The NRC staff responded further, by its letter dated August 16, 2001, noting that NRC confirmatory research on MOX fuel was initiated in FY 2001 to address specific technical issues related to the utilization of MOX fuel and to enable the NRC to develop certain independent capabilities in order to effectively review a nuclear power plant license amendment application for the use of MOX fuel. The staff's letter also welcomed the opportunity to meet with DEC on the subject.

A presentation was made by the staff of the NRC Office of the CFO on NRC Part 170 fees for both the MOX Fuel Fabrication Facility (FFF) at the DOE Savannah River site and the use of MOX fuel in nuclear power stations. The discussion included a brief summary of the specific docket numbers and schedules for which fees would be billed. The handouts provided for all presentations made during the meeting are available in ADAMS at accession number ML013100124.

A presentation was made by the NRC Office of Nuclear Regulatory Research on NRC's confirmatory research on MOX fuel. The technical activities in the three major areas of neutronics, fuel behavior and source terms and their budgets were discussed. The discussions included the independent development of information by the NRC staff and its contractors and also areas where collaboration with other sources of information could be useful.

A presentation was made by Duke Energy (Duke Power) on the MOX fuel project status and the overall plutonium disposition program. The presentation discussed the alternatives under consideration for fabrication of the lead test assembly as being fabrication at existing European MOX fuel fabrication facilities or fabrication at the Savannah River MOX FFF when it is constructed and licensed. The presentation noted uncertainty of the date within the year 2002 that a license amendment request could be expected for the lead test assembly program. Plans for submittal of a number of topical reports addressing certain technical issues were also described. DEC's presentation also provided a correlation between the three principal areas of NRC confirmatory research, reactor physics, fuel behavior and source terms, and the licensee documents that address these areas.

DEC concluded its presentation stating that it recognized the role of NRC research in the regulatory review process and that its goal is to work with NRC to ensure a thorough and cost-effective review of submittals. The NRC staff requested a response to whether the licensee representatives (DEC, DCS and DOE) had any objections to the NRC staff proceeding with the research set forth in its letters to DEC and was advised there was none. DEC agreed with the billing by specific docket numbers and understands the quarterly billing schedule. Accordingly, the staff indicated that it planned to continue with its program of confirmatory research activities on the use of MOX fuel as discussed above.

/RA/

Robert E. Martin, Senior Project Manager, Section 2
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-413, 50-414, 50-369 and 50-370

Attachment: As stated

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NAME	RMartin	CHawes	RLaufer
DATE	1/18/2002	1/16/2002	1/18/2002

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ATTENDEES LIST

OCTOBER 4, 2001

MEETING WITH DUKE ENERGY

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Skipp Copp	Duke Power
Harold Scott	NRC - RES
Patrick Rhoads	DOE
Steve Hodge	ORNL
Donald Spellman	ORNL
David Alberstein	LANL/DOE OFMD
Stephen P. Schultz	Duke Power
Chih-Liang Wu	NRR/SRXB
Andrew Perkins	NRC/NMSS
Rich Laufer	NRR/PDII-1
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Tony Uises	RES
Edwin Lyman	NCI
Daniel Horner	McGraw-Hill
Patrick Blanpain	Framatome ANP
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Ellen Poteat	NRC/OCFO
Diane Dandois	NRC/OCFO
Richard Lee	NRC/RES
Glenda Jackson	NRC/OCFO
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Jared (Jerry) Wermiel	NRC/NRR/DSSA/SRXB
Margaret (Muffet) Chatterton	NRC/NRR/DSSA/SRXB
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