

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

undktj
RECORDED

TO: Maritza Iacono

UTILITY: Progress Energy Florida

Carl Vinson
AUDIT MANAGER

FROM: Carl Vinson

REQUEST NUMBER: DR-7

DATE OF REQUEST: 6/13/08 - Due 6/20/08

AUDIT PURPOSE: Nuclear Controls Review

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: Maritza Iacono

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: _____ INCIDENT TO AN INQUIRY
x OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

1) Please list and provide copies of all audit reports and self-evaluations of the Levy project completed by PEF or Progress Energy Corporation from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.

2) Please list and provide copies of all audit reports of the Levy project completed by the NRC from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.

3) Please list and provide copies of all audit reports and self-evaluations of the CR3 Uprate project completed by PEF or Progress Energy Corporation from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.

4) Please list and provide copies of all audit reports of the CR3 Uprate project completed by the NRC from 2006 through 2008 to date. Please include copies of all auditee responses to the reports and findings.

5) Please provide copies of the following reports for the period June 2007 to date: Monthly CR3 Uprate Cost Report, CR3 Project Status Report, Levy Project Status Report, and Monthly Financial Committee Business Reviews.

6) Please provide the current Project Assurance Plans for Levy and CR3 uprate.

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TO: AUDIT MANAGER Carl Vinson

DATE: 6/23/08

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 2 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT

Maritza Iacono
Supervisor - Regulatory Planning

RECORD NUMBER - DATE
06626 JUL 29 08

FPSC - COMMISSION CLERK

ALL DOCUMENTS RESPONSIVE TO THIS
REQUEST ARE CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Maritza Iacono

UTILITY: Progress Energy Florida

Carl Vinson
AUDIT MANAGER

FROM: Carl Vinson

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TO: AUDIT MANAGER Carl Vinson DATE: 6/18/08

THE REQUESTED RECORD OR DOCUMENTATION:

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- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT Maritza N. Iacono
Supervisor - Regulatory Planning

March 21, 2008

MEMORANDUM TO: Richard Raione, Chief
Environmental Projects Branch 2
Division of Site and Environmental Reviews
Office of New Reactors

FROM: H. Brent Clayton, Chief */RA/*
Environmental Technical Support Branch
Division of Site and Environmental Reviews
Office of New Reactors

SUBJECT: TRIP REPORT – JANUARY 7-8, 2008, READINESS
ASSESSMENT (C-2) VISIT FOR A COMBINED
LICENSE APPLICATION AT THE LEVY COUNTY SITE

This report summarizes the staff's January 7 and 8, 2008, pre-application/readiness assessment (C-2) visit related to the environmental portion of a future combined license (COL) application for the Levy County, Florida site. Progress Energy of Florida (PEF) has indicated its intent to submit a COL application for this site. Progress Energy selected the Westinghouse Corporation's advanced pressurized water reactor, or AP-1000, design for the proposed new nuclear station.

The purpose of this visit was to assess the applicant's readiness and its progress toward submitting a COL application; focusing on the process used by PEF to select the site. The visit took place at the PEF offices in Raleigh, North Carolina. Enclosure 1 provides a list of attendees. Enclosure 2 is the agenda used during the visit. Enclosure 3 is a summary of the more significant issues that were discussed. Note that this assessment was conducted several months prior to the applicant's planned COL application date and the staff did not expect the environmental report to be fully developed at this stage. Furthermore, the applicant was aware of, and informed the NRC staff of many of the issues described in Enclosure 3. In summary, the staff did not identify any issues related to the environmental report that would indicate it would not be ready by the planned date of application. However, this was not a formal or comprehensive staff review and additional issues could be identified during the staff's formal review after the application is submitted.

The staff is planning a C-3 readiness assessment visit for May 2008. The public outreach meeting is not yet scheduled.

Project No.: 756

Enclosures: As stated

Contact: Andrew Kugler, NRO/DSER/RAP2
301-415-2828

March 21, 2008

MEMORANDUM TO: Richard Raione, Chief
Environmental Projects Branch 2
Division of Site and Environmental Reviews
Office of New Reactors

FROM: H. Brent Clayton, Chief */RA/*
Environmental Technical Support Branch
Division of Site and Environmental Reviews
Office of New Reactors

SUBJECT: TRIP REPORT – JANUARY 7-8, 2008, READINESS
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Contact: Andrew Kugler, NRO/DSER/RAP2
301-415-2828

DISTRIBUTION: See next page

ADAMS Accession No.: ML080460443

OFFICE	PM:DSER:RAP2:NRO	LA:DSER:RAP2:NRO	BC:DSER:RENV:NRO
NAME	AKugler	ARedden	HBClayton
DATE	03/05/08	03/07/08	03/21/08

OFFICIAL RECORD COPY

Memo to Brent Clayton and Richard Raione from Andrew Kugler dated March 21, 2008

SUBJECT: TRIP REPORT -- JANUARY 7-8, 2008, READINESS ASSESSMENT (C-2) VISIT
FOR A COMBINED LICENSE APPLICATION AT THE LEVY COUNTY SITE
ADAMS ACCESSION NUMBER: ML080460443

DISTRIBUTION:

SCoffin
JStarefos
AKugler
RKrieg, PNNL
DBruner
EHickey, PNNL

List of Attendees – Levy County C-2 Readiness Assessment Visit

Location: Progress Energy Offices, Raleigh, North Carolina
January 7-8, 2008

Name	Affiliation
Andy Kugler	NRC
Doug Bruner	NRC
Barry Zalcmán	NRC
Rebekah Krieg	PNNL
Kristi Branch	PNNL
Ann Miracle	PNNL
Phil Meyer	PNNL
Paul Snead	Progress Energy
Garry Miller	Progress Energy
Bob Kitchen	Progress Energy
Jim Nevill	Progress Energy
Joe Pavletich	Progress Energy
Kyle Turner	McCallum-Turner
Susan Smillie	McCallum-Turner
Douglas Schlagel	McCallum-Turner
Thomas Slavonic	Enercon
Lorin Young	CH2M Hill
Rick Zeroka	CH2M Hill
Charles Uhlarik	CH2M Hill

Agenda – Levy County Readiness Assessment Visit (C-2)
Location: Progress Energy Headquarters, Raleigh, North Carolina
January 7-8, 2008

Monday, January 7, 2008

- 0800** Welcome and Introductions
- Opening Remarks from Progress Energy and U.S. Nuclear Regulatory Commission
 - Introductions and Agenda
 - Organization of Nuclear Plant Development and Joint Venture Team
 - Safety Orientation and Orientation to Levy Site
- 0900** Florida Site Selection Process Presentation – Kyle Turner
- 1030** Progress Energy Business Decisions Regarding Site Selection – Garry Miller
- 1200** Lunch
- 1300** Review of Florida Site Selection Evaluation Documentation
(Meet with Technical Representatives as Needed)
- 1645** Debrief of Day's Issues
- 1700** Adjourn for the Day

Tuesday, January 8, 2008

- 0800** General Discussion and Questions from Yesterday
- 0830** Continue Review of Florida Site Selection Evaluation Documentation
- 1100** Status of Levy Environmental Report – Paul Snead and Lorin Young
- 1130** Lunch
- 1230** General Discussion and Concluding Remarks from U.S. Nuclear Regulatory Commission and Progress Energy
- 1300** Adjourn

**Additional Information Summarizing the Alternative Selection Process
for the Levy County Site
Environmental Readiness Assessment Visit (C-2)
Location: Progress Energy Headquarters, Raleigh, North Carolina
January 7-8, 2008**

Progress Energy Florida (PEF) and its contractors provided a presentation on the selection process it used for the Florida Site, which was based on the EPRI Siting Guide, "Site Selection and Evaluation Criteria for an Early Site Permit Application, March 2002". PEF conducted a site selection process that generally appears to comply with Regulatory Guide 4.2 and the Environmental Standard Review Plan (ESRP, NUREG-1555) guidance (Draft Section 9.3, Site Selection Process, Revision 1, July 2007).

PEF essentially started with no sites identified and did not tier off of a previous study. The new site is to be a regulated plant, so the region of interest was based on the PEF service area. PEF chose the service territory plus a one county band (to have a higher degree of confidence that the review wouldn't eliminate sites near the service territory). However, PEF did not go one county into the state of Georgia because there were concerns with transmission capacity congestion on the lines between Georgia and Florida, as well as concerns related to the Florida Public Utility Commission jurisdiction if the plant was in another state.

Initially PEF screened the region of interest to identify areas for further evaluation (candidate areas) based factors such as:

- Population density
- Water availability
- Dedicated land use (excluded Federal and State parks and surrounding buffer area, etc).
- Regional ecological features such as wetlands, etc.

To identify the potential sites, PEF scanned the areas of interest (candidate areas) with Google Earth and reconfirmed with US Geologic Service aerial photographs, topographic map and state and county maps. PEF used a list of considerations, including diversity of water sources, proximity to transmission/load centers, avoidance of high population areas, and minimal number of land parcels to identify 20 potential sites.

Weighting factors were developed by PEF and the list of 20 potential sites was revised to 8 candidate sites. Two of the top eight sites (ranked 6th and 8th) were replaced with lower-ranked sites. One of the two sites was eliminated because it used the same the water source as two other sites without offering any clear advantage. The other site had significant concerns (community support and economic development) and uncertainty in water supply. Weighting factors included cooling water supply, flooding, population, hazardous land use, railroad access, and transmission line access. Secondary weighting factors were also applied. These factors were based on input from the PEF Siting Management Team which related to community support, economic development, transmission, and environmental considerations.

PEF's project team flew over the eight sites and filtered the selection down to five alternative sites based on a list of 31 items. To determine which of the five sites would be the preferred site, the applicant gained access to the sites and performed geotechnical investigations including borings and geophysical studies, onsite reconnaissance surveys of the terrestrial communities, a detailed transmission impact study, a reliability study and an evaluation of the potential for land acquisition. PEF selected the Levy site as the preferred site.

One of the alternative sites is the existing Crystal River nuclear site. The identification of the remaining three alternative sites is not provided in this report. PEF does not own the land or have access to these sites, and has asked that the locations not be identified.

Following the presentation of the site selection process, a remote "tour" of the sites was conducted using Google Earth. The NRC staff was also shown pictures taken at each of the sites. The staff performed a detailed review of the site selection process document and reviewers asked questions during breakout meetings.

Summary of Specific Reviews

Overall Process

In general it appears that the applicant followed the guidance in the industry's siting guide (prepared by the Electric Power Research Institute) and in RG 4.2 and ESRP Section 9.3. There were some issues identified by the staff that may warrant further consideration if a combined license application is submitted for this site. These issues include:

- Some issues appeared to be counted more than once in the process. For example, issues related to transmission lines appear in at least three different places. It isn't clear if this situation would lead to one (or more) issues receiving undue weight in the balancing.
- When it searched for potential sites, PEF used a general criterion of a land area of approximately 6000 acres. While this number was not applied as a hard rule, the staff questioned whether viable sites that were smaller may have been eliminated.
- Some of the data discussed in ESRP 9.3 are not in the siting report. However, almost all of these items relate to the need for power and may appear in the environmental report in Chapter 8.

Socioeconomics and Environmental Justice

The criteria used for the analysis and the analysis itself appeared to conform to NRC guidance. Areas where there were questions from the staff reviewer included the potential impacts from disrupting the rural, non-industrial community characteristics, and the degree of analysis of the potential for rural communities to have the institutional capacity or financial resources to respond effectively to rapid growth given the likely mismatch in terms of timing of project-related impacts and tax revenues.

Hydrological

The staff did not identify any significant concerns related to the hydrology aspects of the site selection process. The information presented in the site selection report will need to be translated into impact assessments for the environmental report.

Ecological

The criteria used for the analysis and the analysis itself appeared to conform to NRC guidance. However, it was noted and discussed that the ranking of the final eight sites was performed with a general design for the sites in mind. The ecological ranking may change as changes or improvements are made in the design of the facilities. For example, the potential for routing the cooling water discharge from the Levy site down to the Crystal River site and using the existing discharge line rather than running the line through the salt marsh and into the Gulf, would result in changes to the ecological impact and subsequently changes in the ranking of the final eight sites.

Conclusion

Based on its review of information during the January 7-8, 2008 visit, the staff did not identify any major areas of concern. The team found that PEF staff and their contractors had conducted a site selection process that generally appears to comply with Regulatory Guide 4.2 and the ESRP (NUREG-1555) guidance (Draft Section 9.3, Site Selection Process, Revision 1, July 2007).

Issues for Follow-Up

Because it is difficult for the prospective applicant to access the three alternative sites, the staff and PEF initiated a discussion regarding the approach that may be used during a future review of an application (e.g., how to address an onsite inspection in the face of complications in gaining access). The ESRP, Draft Section 9.3, states that "As a general rule, the EPM [environmental project manager] and specific reviewers for key technical disciplines should make an onsite inspection of each alternative site identified in the application". Although there is certainly value to being on the site, the staff believes that much of the value is in seeing the location of the site in relation to the potential source of cooling water, the surrounding land use, and the types of vegetation that may be in the area. To a large degree the virtual tour that took place in Raleigh provided that information. However, a visit to the area surrounding the site, combined with a virtual tour of the site (an expansion of the tour received at this C-2 review, with the addition of aerial photography) will likely be sufficient to provide enough information for the review of the alternative sites during the combined license review.

Items Not related to the C-2 Review

Some items came up during the visits that were not directly related to the staff's review of the siting process. The more significant items were:

- PEF is finding that other regulatory agencies (e.g., U.S. Corps of Engineers) may expect the U.S. Nuclear Regulatory Commission (NRC) to complete its review for a combined

NRO/DSER COVER PAGE

DOCUMENT NAME: C:\MyFiles\Checkout\080131-Levy C-2 Trip report.doc
ORIGINATOR: A. Kugler
SUBJECT: TRIP REPORT – JANUARY 7-8, 2008, READINESS ASSESSMENT
(C-2) VISIT FOR A COMBINED LICENSE APPLICATION AT THE
LEVY COUNTY SITE
SECRETARY: C. Nagel
DATE: February 15, 2008

••• ROUTING LIST •••

	NAME	DATE
1.	A. Kugler	/ /08
2.	A. Redden	/ /08
3.	B. Clayton	/ /08
4.	Secretary	/ /08

ADAMS ACCESSION #ML080460443

TEMPLATE #: NRC-001

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MAILED ON -	Document Dispatched On -

(DPC) Official Agency Record

Quality Control Check by	NOTES
Initials / Date	
<i>(For use by NRO Mailroom ONLY)</i>	

October 15, 2007

MEMORANDUM TO: H. Brent Clayton, Chief
Environmental Technical Support Branch
Division of Site and Environmental Reviews
Office of New Reactors

William F. Burton, Chief
Environmental Projects Branch A
Division of Site and Environmental Reviews
Office of New Reactors

Richard P. Raione, Chief
Environmental Projects Branch B
Division of Site and Environmental Reviews
Office of New Reactors

FROM: Andrew J. Kugler, Senior Project Manager */RA/*
Environmental Projects Branch B
Division of Site and Environmental Reviews
Office of New Reactors

SUBJECT: TRIP REPORT - AUGUST 20 - 21, PRE-APPLICATION
READINESS ASSESSMENT (C-1) FOR A COMBINED LICENSE
APPLICATION AT THE LEVY COUNTY, FLORIDA SITE

This report summarizes the staff's August 20 - 21, 2007, pre-application readiness assessment related to the environmental portion of a future combined license (COL) application at a site in Levy County, Florida. Progress Energy Florida has indicated its intent to submit a COL application for this site in mid-2008.

The purpose of this visit was to allow the staff to begin gathering information regarding the applicant's plans for the COL application, and to become familiar with the site. The visit took place at the site in Levy County. Enclosure 1 provides a list of attendees. Enclosure 2 is the agenda used during the visit. Enclosure 3 is a summary of the more significant issues that were discussed. However this was not a formal or comprehensive staff review and additional issues could be identified during the staff's formal review after the application is submitted.

CONTACT: Andrew J. Kugler, NRO/DSER/RAP2
(301) 415-2828

H. Clayton

2

The next pre-application activity will be a visit to gather more information regarding alternative sites, and to check the status of various environmental evaluations necessary to support the COL application. This visit will most likely occur in early January, 2008.

Project No.: 756

Enclosures: As stated

H. Clayton

2

The next pre-application activity will be a visit to gather more information regarding alternative sites and to check the status of various environmental evaluations necessary to support the COL application. This visit will most likely occur in early January, 2008.

Project No.: 756

Enclosures: As stated

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RidsNroDserRap2

RidsNroDserRenv

AKugler

ARedden

MWillingham

SCoffin

RKrieg, PNNL

EHickey, PNNL

ADAMS Accession No. ML072550258

OFFICE	PM:DSER:RAP2:NRO	LA:DSER:RAP2:NRO	BC:DSER:RENV:NRO
NAME	AKugler :srm3	ARedden	H.B.Clayton
DATE	09/20/07	10/09/07	10/15/07

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List of Attendees
Levy County Readiness Assessment Visit (C-1)
August 20 – 21, 2007

NAME	AFFILIATION
Andrew Kugler	Nuclear Regulatory Commission (NRC)
Michael Willingham	NRC
Barry Zalcman	NRC
Kristina Banovac	NRC
Michael Masnik	NRC
Nancy Kuntzleman	NRC
Richard Emch	NRC
Doug Bruner	NRC
Alicia Williamson	NRC
Brent Clayton	NRC
Sikhindra Mitra	NRC
Dan Barss	NRC
Nebiyu Tiruneh	NRC
Henry Jones	NRC
Becky Krieg	Pacific Northwest National Laboratory (PNNL)
Mike Sackschewsky	PNNL
Jeff Ward	PNNL
Rajiv Prasad	PNNL
Van Ramsdell	PNNL
Greg Stoetzel	PNNL
Kristi Branch	PNNL
Dave Anderson	PNNL
Darby Stapp	PNNL
Bill Sandusky	PNNL
Janelle Downs	PNNL
Beverly Miller	PNNL
Jay MacLellan	PNNL
Bob Bryce	PNNL
Jim Cabe	PNNL
Ann Miracle	PNNL
Bob Kitchen	Progress Energy
Garry Miller	Progress Energy
Jim Nevill	Progress Energy
Paul Snead	Progress Energy
Louise England	Progress Energy
Dave Bruznek	Progress Energy
Jamie Hunter	Progress Energy
Jan Kozyra	Progress Energy
Betsy Cox	Progress Energy
Ray Bogardus	CH2M Hill
Bryan Burkingstock	CH2M Hill

NAME	AFFILIATION
Mitch Griffin	CH2M Hill
George Howroyd	CH2M Hill
Jeff Lehen	CH2M Hill
Bill Marsh	CH2M Hill
Wayne Schofield	CH2M Hill
Jon Subacz	CH2M Hill
Aditya Tyagi	CH2M Hill
Lorin Young	CH2M Hill
Kira Zender	CH2M Hill
Mike Launi	Sargent & Lundy
Greg Smith	New South Associates
Joshua Trembley	Exelon Corp.

**Levy Nuclear Plant
Proposed Units 1 and 2
U.S. Nuclear Regulatory Commission (NRC)
Pre-Application Site Visit**

Monday, August 20, 2007 at Emergency Operations Facility (EOF), Crystal River, Florida

- 0730** Sign In: Coffee and Refreshments – Emergency News Center – EOF (Room 150)
- 0800** Welcome and Introductions – EOF (Room 150)
- Opening Remarks from Progress Energy (PE) and U.S. Nuclear Regulatory Commission (NRC)
 - Introductions and Agenda
 - Organization of Nuclear Plant Development, and Joint Venture Team
 - Orientation to Levy Site, Health and Safety
- 0900** General Tour of Levy Site
- 1200** Lunch at EOF
- 1300** PE Presentations - EOF (Room 150)
- Site Selection Process
 - Overview of Environmental Report
 - Status of Environmental Monitoring
 - Transmission Corridors
 - State and Local Regulators, and Permitting
- 1430** Breakout to Technical Groups (See Technical Representatives List for locations)
- 1645** Reconvene for Debrief of Day's Issues – EOF (Room 150)
- 1700** Adjourn for the Day

**Levy Nuclear Site
Proposed Units 1 and 2
U.S. Nuclear Regulatory Commission (NRC)
Pre-Application Site Visit**

Tuesday, August 21, 2007 at Emergency Operations Facility (EOF), Crystal River, Florida

- 0730** Coffee and Refreshments – EOF (Room 150)
- 0800** General Discussion and Questions from Yesterday – EOF (Room 150)
- 0830** Technical Group Breakouts and Specialized Tours Continue
- Barge Canal – Aquatic Ecology
 - Meteorological Tower
 - Terrestrial Ecology
- 1100 – 1200** Box Lunches Available at EOF
- 1200** Technical Group Breakouts and Specialized Tours Continue
- 1530** General Discussion and Concluding Remarks from NRC and PE – Emergency News Center (Room 150)
- 1600** Adjourn

**Summary of Issues Identified During
The U.S. Nuclear Regulatory Commission (NRC) Staff Readiness Assessment (C-1)
Visit to the Progress Energy Site in Levy County, Florida
August 20 – 21, 2007**

The staff did not identify any issues related to the environmental report (ER) that would indicate it would not be ready by the planned date of application. The applicant is still relatively early in the development of the ER at this stage, and much work remains to be done. Future readiness assessment activities will provide a clearer picture of progress towards the eventual submittal of the application. The staff did identify some issues for which resolution will be needed, and revisited in future readiness assessment activities.

Land Use

Use of the site will require re-zoning of the land to "Public Use."

The applicant will need to obtain easements to support construction of roads, a railroad spur, the intake and discharge, and transmission lines.

Transmission Lines

The applicant will have to go through the State process to establish routes for, and obtain permission to build new transmission lines. The process may occur early enough to allow the U. S. Nuclear Regulatory Commission staff to use information from the State process in its evaluation of impacts.

Ecology

There have not yet been species-specific surveys for threatened and endangered species on the site. Similar surveys would also be expected for any transmission line right-of-ways that are selected.

The applicant's current plans for aquatic sampling appear to be limited. For example, current plans are for sampling in September and in the October/November timeframe.

The design of the discharge line may be a significant challenge for the applicant because of the physical characteristics of the Gulf of Mexico (e.g. very shallow for a considerable distance from shore.)

The staff expects that the ER will address impacts in the canal and lower portion of the Withlacoochee River (between the dam and the canal) from salt water intrusion/increase.

Site Selection

Three of the alternative sites are also Greenfield sites. Although the applicant was able to gain access to these sites for the purposes of basic characterization, there are no current agreements for future access. This may create problems for the NRC staff as it attempts to evaluate the proposed and alternative sites.



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

April 27, 2007

Mr. C. S. Hinnant
Sr. Vice President and Chief Nuclear Officer
Progress Energy, Inc.
P. O. Box 1551
Raleigh, NC 27602

SUBJECT: SITE VISIT TO PROGRESS ENERGY LEVY COUNTY POTENTIAL NUCLEAR
PLANT SITE TO OBSERVE COMBINED LICENSE PRE-APPLICATION
SUBSURFACE INVESTIGATION ACTIVITIES (PROJECT NO. 756)

Dear Mr. Hinnant:

On March 26 - 27, 2007, a Region II Inspector conducted a site visit to the Progress Energy Levy County Florida potential nuclear plant site accompanied by members of the NRC Office of New Reactors (NRO) staff. The purpose of the visit was to observe Combined License (COL) pre-application subsurface investigation activities being conducted to obtain geotechnical/seismic data to support a COL application for new nuclear power plants. These observations will provide background information for NRC's future review of the expected COL application for the Levy County site.

Enclosed is a summary of the site visit, that includes a list of NRC participants and persons with whom discussions were held.

Sincerely,

/RA/

Mark S. Lesser, Chief
Construction Inspection Branch 1
Division of Construction Inspection

Project No. 756

Enclosure:
As stated

cc w/encl: (See next page)

C. Hinnant

2

cc w/encl:

Chief

Radiological Emergency Preparedness Branch
Nuclear and Chemical Preparedness
and Protection Division
Dept of Homeland Security
1800 South Bell St., Room 837
Crystal City-Arlington, VA 22202-3546

Ms. Michele Boyd
Legislative Director
Energy Program
Public Citizens Critical Mass Energy
and Environmental Program
215 Pennsylvania Avenue, SE
Washington, DC 20003

Ms. Anne W. Cottingham
Assistant General Counsel
Nuclear Energy Institute
1776 I Street, NW, Suite 400
Washington, DC 20006

Mr. Marvin Fertel
Senior Vice President
and Chief Nuclear Officer
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ADAMS: Yes ACCESSION NUMBER: ML071170620

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DATE	4/27/07	4/20/07								
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

SITE VISIT TO LEVY COUNTY FLORIDA SITE
TO OBSERVE COMBINED LICENSE (COL) PRE-APPLICATION
SUBSURFACE INVESTIGATION ACTIVITIES
PROJECT NUMBER 756

Purpose of Visit:

This site visit was conducted on March 26-27, 2007, by staff of the Nuclear Regulatory Commission (NRC), Region II and the Office of New Reactors (NRO). The NRC team observed combined license (COL) pre-application subsurface investigation activities being conducted to obtain geotechnical and seismic data at the proposed siting location of two new nuclear power plants. Although this visit was not an official NRC inspection the inspectors utilized the following documents for guidance:

NRC Inspection Manual Chapter 2502, *Construction Inspection Program: Pre-Combined License (PRE-COL) Phase*

NRC Inspection Procedure 45051, *Geotechnical/Foundation Activities Procedure Review*

NRC Inspection Procedure 35005, *Pre-Docketing Combined License Quality Assurance Controls Inspection*

Principal Persons Contacted:

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R. Kitchen, Progress Energy
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J. Neville, Progress Energy
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NRC Region II Inspector:

C. Julian, Senior Project Manager, RII

NRC Accompanying Personnel:

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Enclosure

Background:

By letters of December 12, 2006 and July 12, 2006, Progress Energy informed the NRC staff that it had selected the Levy County site to be the subject for a COL application, with the intent of submitting the application in July 2008. A COL is a combined construction permit and operating license with conditions for a nuclear power facility pursuant to 10 CFR Part 52 Subpart C. Progress Energy has contracted with a group of four companies to construct the COL application, and to provide quality assurance (QA) oversight of the COL work. Progress Energy current subsurface investigation activities included areas which would be the site of two new Westinghouse AP1000 reactors.

Drilling and sampling observations:

On March 26-27, 2007, the NRO and Region II team toured the locations where borings were being drilled within the site characterization boundary. The team noted that NRC Regulatory Guide 1.132, "Site Investigations for Foundations of Nuclear Power Plants," was being used as guidance for site investigation activities. The boreholes were being drilled using sonic equipment and rotary drill rig equipment and drilled to various depths appropriate to the borehole location. The team observed the boring operations in progress at multiple locations.

The team also reviewed applicable procedures, and discussed technical aspects of the site investigation with responsible individuals. The team inspected the temperature monitored special sample storage facility that had been established in a remote owner controlled location and found samples being adequately stored and already packaged for shipment to a testing laboratory. Disturbed samples were being collected from this operation using a split-barrel sampler. The team observed that jar samples were being collected, and stored in accordance with ASTM D4220-95, "Standard Practices for Preserving and Transporting Soil Samples". The team examined on-site sealand container sample storage location, sample logs and samples of the rig geologist's field boring logs and found them adequate.

Quality Assurance:

The inspector inquired about the quality assurance (QA) measures being applied to the current work. Progress Energy representatives explained that the geotechnical field investigation, laboratory testing, and subsequent engineering analysis was being performed by CH2MHILL under their quality assurance program. The inspector examined the CH2MHILL Quality Assurance Project Plan document and found it thorough and comprehensive. It had been recently revised to accurately describe the ongoing activities.

The inspector reviewed examples of self-audits and nonconformance reports which had been performed prior to the NRC visit. Numerous corrective action documents resulted, and the documented corrective actions appeared adequate. Observations included numerous instances of minor logging errors which were later corrected. From these observations the inspector concluded that quality assurance measures were being applied to the on site geotechnical investigation activities.

Enclosure

All testing activities appeared to be controlled by adequate procedures and standards, with an appropriate level of supervisory and quality assurance oversight. The team considered all observations of work adequate.

Enclosure