



David C. Culp  
General Manager of Nuclear Fuel Engineering  
526 South Church St  
Charlotte, NC 28202

Mailing Address:  
Mail Code EC08F / P.O. Box 1006  
Charlotte, NC 28201-1006

January 22, 2015

Mr. David Henderson  
United States Department of Energy  
Office of Nuclear Energy  
Mailstop NE-52  
19901 Germantown Rd.  
Germantown, MD 20874-1290

Dear Mr. Henderson,

Duke Energy Corporation<sup>1</sup> (Duke) appreciates the opportunity to provide comments on the Department of Energy's (DOE's) excess uranium management efforts. Duke is submitting the following comments in response to the DOE Request for Information (79 FR 7266I) issued on December 8, 2014.

Duke is in conceptual agreement with the nuclear industry letter provided by Marvin Fertel of the Nuclear Energy Institute to the Honorable Ernest Moniz, Secretary of Energy, on May 5, 2014 (attached for reference).

Transparency, schedule, and certainty of the amount of DOE material that will be made available are keenly important for end-users like Duke when developing a procurement strategy. Changes in expected supply can result in spot price movements that have the potential to reduce future supply and destabilize market fundamentals. Therefore, Duke urges the DOE to communicate a strategy with schedule for specified quantities of transfers and adhere to the strategy.

Duke recognizes that DOE has obligation to clean-up the legacy gaseous diffusion plants (GDPs) and that a lack of funding from Congressional appropriations can make it challenging to fulfill this obligation. We urge the DOE to be diligent with requests for Congress to appropriate sufficient direct funding to allow the clean up to proceed on schedule. Shortfalls in decontamination and decommissioning (D&D) annual appropriations do not justify disrupting the country's nuclear fuel supply. Regardless of the level of Congressional appropriations, we strongly oppose the reinstatement of any D&D fees given that nuclear generators have already contributed far more to the D&D Fund than has been spent on cleaning up the facilities.

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<sup>1</sup> Duke Energy is the largest electric power holding company in the United States, supplying and delivering energy to approximately 7.2 million U.S. customers in the Midwest and Southeast. Duke Energy is the second largest nuclear generator, by capacity, in the U.S. with 11 reactors accounting for 10,548 megawatts of generation.

Duke appreciates the opportunity to provide input on this important industry issue. We believe that a sound approach to the disposition of the U.S. Government uranium stocks will help ensure that reliable and cost competitive sources of fuel will be available to our existing and future fleet of domestic reactors. We would be pleased to discuss these comments with you in greater detail should you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. Culp', with a stylized, flowing script.

David C. Culp  
General Manager, Nuclear Fuel Engineering

Attachment

May 5, 2014

The Honorable Ernest Moniz  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Secretary Moniz:

On behalf of the U.S. nuclear energy industry, the Nuclear Energy Institute<sup>1</sup> (NEI) appreciates the opportunity to provide comments on the Department of Energy's excess uranium inventory management efforts.

The Department of Energy (DOE) is obliged to complete a new Secretarial Determination this year on the continued sale of uranium from the federal stockpile. As the Department considers future steps in disposition of its excess uranium inventory, we urge the Department to utilize an approach that provides long-term predictability and certainty in its inventory management program.

We recognize that DOE is required by law to minimize any adverse material impact on the domestic uranium industry from its release of excess inventory, and is committed to discharging that statutory obligation. The manner in which new material is introduced into the market can either mitigate or exacerbate the real or perceived impact on the domestic industry. The industry believes that establishing the amounts to be transferred on an annual basis, adhering to the established quantities and, where possible, entering into long-term contracts will help DOE to fulfill its commitment.

The industry supports the timely and efficient cleanup of all of the Department's facilities including the gaseous diffusion plants (GDPs). These clean-up efforts should be fully funded through Congressional appropriations rather than a combination of Congressional appropriations and bartering of excess uranium inventory. We, therefore, urge the Department to request sufficient funding annually for the

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<sup>1</sup> The Nuclear Energy Institute (NEI) is the organization responsible for establishing unified industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all entities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel cycle facilities, nuclear materials licensees, and other organizations and entities involved in the nuclear energy industry.

The Honorable Ernest Moniz

May 5, 2014

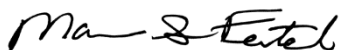
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clean-up efforts to proceed on the Department's desired schedule, thereby mitigating the need to barter excess inventory if the requested appropriations are provided.

As for the D&D fund for the cleanup of the GDP facilities, the industry has twice paid its share of the funds necessary to clean-up the GDP facilities – payment was received as part of the price for DOE uranium enrichment services from the facilities, then again under the Energy Policy Act of 1992. NEI will continue to oppose strongly any plan to reinstate the uranium enrichment decontamination and decommissioning tax.

The industry appreciates the size and complexity of the many programs that DOE must lead. We are committed to working with DOE to help ensure that these efforts can be accomplished effectively. A carefully managed, predictable regime for inventory transfers can support DOE's objectives and help ensure that the domestic uranium production industry continues to supply the operating reactors and is poised to support the growth of commercial nuclear power in the United States that will be instrumental in meeting our nation's electricity needs reliably and the Administration's climate change goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Marvin S. Fertel". The signature is fluid and cursive, with the first name "Marvin" and last name "Fertel" clearly distinguishable.

Marvin S. Fertel

c:     The Honorable Daniel Poneman, U.S. Department of Energy  
          The Honorable Peter B. Lyons, Office of Nuclear Energy  
          The Honorable David Huizenga, Office of Environmental Management  
          Mr. James Owendoff, Office of Environmental Management  
          Mr. A. David Henderson, Office of Uranium Management and Policy