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MR. JONES: Good afternoon. My name is David Jones. I'm a lead engineer in Duke Energy Corporation's spent fuel management group. Duke Energy, which is headquartered in Charlotte, North Carolina, operates seven nuclear units in North and South Carolina. These units generate over 7,000 megawatts of electricity, which represents approximately 50 percent of Duke's total generating capacity in the Carolinas. Nuclear power supplies 30 percent of the electricity generated in North Carolina and 57 percent of the electricity in South Carolina. This energy source remains a key component of the electricity supply portfolio of Duke Energy to the nation.

MR. LAWSON: Excuse me, sir. I'm just going to -- I'm going to have to ask for a little more quiet in the room. I understand the situation and I want to be sympathetic, but also if we could just keep conversations down, please. Thank you

1 very much.

2 MR. JONES: In 1982 the U.S. Congress
3 assigned the Department of Energy the
4 responsibility of disposing of used nuclear fuel
5 generated by commercial nuclear power plants.
6 Among other things, the Nuclear Waste Policy Act
6 continued 7 required the Department of Energy to pursue the
8 characterization of a geological repository at
9 Yucca Mountain, Nevada, for the permanent
10 isolation of spent nuclear fuel and to begin
11 accepting spent nuclear fuel from commercial
12 nuclear power plants by January 1998 and transport
13 spent fuel from commercial power plants to a
14 repository, a central storage facility. In
15 exchange for such services, utilities were
16 required to make payments into the nuclear waste
17 fund. Since 1983 utilities and their customers
18 have contributed over $16 billion to this fund. Of
19 this amount Duke Energy has contributed over 785
20 million.

21 The Department of Energy has a clear and
1 22 unconditional obligation to begin accepting,
23 managing and ultimately disposing of the nation's
24 spent nuclear fuel and high-level radioactive
25 waste, an obligation they were supposed to begin

1 continued

meeting in January of last year. The federal courts have on numerous occasions reaffirmed this unconditional obligation, yet the Department has taken no steps to expedite fulfilling this obligation. Instead, they have chosen to force utilities to face the prospect of having to construct new storage facilities at the more than 70 commercial sites nationwide and to pursue other options for meeting their ongoing spent fuel storage needs.

Already, the Department's failure to perform has forced Duke Energy to expand the existing dry-cask storage facility at its Oconee nuclear station and to begin constructing a similar storage facility at its McGuire nuclear station. If the Department continues to delay meeting its obligation, we will need additional storage capacity prior to 2006 to support additional operations at our Catawba nuclear station.

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Make no mistake, though. Duke Energy stands firm in its belief that, conceptually, the Department's Nuclear Waste Policy Act of 1982 remains sound public policy. Common sense dictates that it is better to manage nuclear waste at one central location rather than many. The ongoing

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dispute between utilities and the Department of Energy is not over the Act itself but rather stems from the agency's interpretation of select provisions of the Act relating to the Department's initial performance. It is important to note that to date the courts have summarily rejected the Department's interpretations.

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As was the case with the Department of Energy's viability assessment for Yucca Mountain issued in December of 1998, the findings of this Draft Environmental Impact Statement support moving forward with the Yucca Mountain project. Worldwide scientific consensus supports deep geologic disposal as the best means of isolating spent nuclear fuel and high-level radioactive waste. Additionally, the findings of this Draft EIS are based on an extraordinary body of credible, conservative scientific data which is the result of over 125 years of scientific investigations of the Yucca Mountain site. The Draft EIS identifies substantial societal benefits of a central repository at Yucca Mountain. Based on the Department's own analysis, moving spent nuclear fuel to a central location where it can be more effectively managed and monitored results in

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cost savings ranging from 25 billion to 4.8 trillion dollars. The combination of engineered and natural barriers will ensure that the Yucca Mountain repository will protect the public health and safety and the environment for thousands of years. Additionally, potential long-term releases of radiation from the repository are well within the proposed limits set by the Environmental Protection and the Nuclear Regulatory Commission.

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With respect to transportation, the shipment of radioactive materials is strictly regulated by the Department of Transportation and the Nuclear Regulatory Commission. There have been nearly 3,000 shipments of spent nuclear fuel over the past 30 years, not including an additional 700 shipments of spent fuel by the U.S. Navy. During this period there has never been any release of nuclear material due to a transportation accident, and no spent fuel container has ever been breached. Spent nuclear fuel is and will continue to be transported in robust containers that are specifically designed to withstand any accident condition.

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MR. LAWSON: Thirty seconds.

MR. JONES: Tests demonstrate that these

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1 containers can survive the effects of train
2 collisions, highway accidents, earthquakes and
3 fires.

4 Finally, the no-action alternative addressed
5 by the Department in the Draft EIS assumes that
6 the spent nuclear fuel and high-level radioactive
7 waste will remain indefinitely at the sites where
8 they they're currently stored, a scenario which
9 even DOE describes as unrealistic. It is
10 unconscionable to think that, despite the efforts
11 of the U.S. Congress to ensure that this issue is
12 not passed on to future generations, such an
13 option would continue to be considered by the
14 Department of Energy. The storage of spent nuclear
15 fuel and high-level waste at its current locations
16 throughout the U.S. was only meant to be on an
17 interim basis. These facilities were never
18 intended to be permanent. As the Department's own
19 analysis demonstrates, a central repository is far
20 safer and more economical than permanently leaving
21 these materials at 72 commercial sites and five
22 DOE sites in 36 states. For these reasons the no-
23 action alternative addressed in the Draft EIS is
24 completely unacceptable.

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25 Equally unacceptable is the Department's

1 continuing implementation of a no-action
2 alternative with respect to meeting its 1998
3 obligation. The Department must take immediate
5
4 steps to meet its congressional mandate, if for no
5 other reason than to limit the amount of financial
6 liability that they are creating for the federal
7 government through their continued inaction. The
8 Department owes this to the utilities and their
9 customers, who have already contributed $16
10 billion, and they owe it to the nation. Thank
11 you.
12 MS. SWEENEY: Thank you.
13 MR. LAWSON: Thank you, sir. Debra
14 Livingston, Jim Hardeman and then Stanley Parker.