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Date: Tue, Dec 4, 2001 4:12 PM
Subject: Exelon plans for new enrichment plant

I ran into Rod Krich (Exelon) today. He was here for a drop-in with the Commissioners to discuss plans for a new enrichment plant. He said the proposed plant may supply uranium for the existing fleet as well as PBMR.

Here is a clip from INSIDE NRC:

COMMISSIONERS TO GET BRIEFING ON PLANS FOR NEW ENRICHMENT PLANT

Exelon Corp. Chairman/Co-CEO Corbin McNeill and Urenco Chief Executive Klaus Messer are scheduled to meet this week with NRC Chairman Richard Meserve and several other commissioners to discuss plans by

a consortium of companies (including Exelon, Duke Energy, and Entergy) to build a gas centrifuge enrichment

plant in the U.S. using Urenco's technology. The three utilities indicated in late October that the consortium would be filing early next year a license application to build the plant (NuclearFuel, 12 Oct., 17).

McNeill and Messer were on Capitol Hill in October briefing several senators and staffers on Urenco's technology and its possible use in the U.S. to ensure adequate domestic enrichment capacity (NuclearFuel, 15 Oct., 1).

The consortium appears to be going ahead with its planning despite signals from the Bush administration that it may provide some assistance to USEC Inc. in deploying a new version of U.S. centrifuges (NF, 12 Nov., 1). But there are other factors that could affect the resolve of the consortium to go forward with concrete plans to build a new enrichment plant in the U.S. One such factor is the final outcome of a trade case brought by USEC against Urenco and the other European enrichment company, Eurodif. A ruling favoring Urenco (limiting or eliminating duties on Urenco imports) might make it less likely that the company

would expand in the U.S. as opposed to expanding in Europe, some sources said.

Another factor that could impact the consortium's decision is whether USEC is successful in negotiating a favorable long-term deal to buy the enrichment services component of blended-down Russian warhead uranium under the U.S.-Russian high-enriched uranium (HEU) agreement.

And then there is the question of where to site a new plant. A previous consortium involving Duke, Urenco, and several other utilities—but not Exelon (or its predecessor companies Commonwealth Edison and PECO)—planned to build a plant in Homer, La. The plant was scrapped after nearly a seven-year licensing effort.

This new consortium, which is likely an evolution of the older Louisiana Energy Services (LES) consortium,

has not indicated where it is considering building a plant, although McNeill is said to have suggested on a recent visit to the commission on another matter that he expected DOE to provide a site. One such site is

at Portsmouth, Ohio, where DOE constructed facilities in the early 1980s for a centrifuge plant. DOE abandoned the centrifuge effort in favor of laser technology in 1985. USEC subsequently abandoned the laser technology project it inherited from DOE.—

CC: Akstulewicz, Frank; Caruso, Ralph; Gamberoni, Marsha; Lyons, James

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