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August 16, 2002

NOTE TO COMMISSIONER ASSISTANTS

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- Alan Levin
- Jennifer Uhle
- Timothy Hoeg
- Keith McConnell
- Bob McOsker
- Marian Zobler
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- Clare Kasputys
- Barbara Gabriel
- Linda Herr
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- Antoinette Waller

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- Cynthia Jones
- Tom Hiltz
- Joe Olencz
- Eric Benner
- Donna Smith
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- James Beall
- Heather Astwood
- Linda Lewis
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- Maria Lopez-Otin
- Roger Davis
- Rick Croteau
- Diane Flack
- Doug Simpkins
- Vicki Bolling
- Kia Jackson

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- Lynne Stauss
- Margie Doane
- Brian McCabe
- John Thoma
- Lorna Kipfer
- Tojuana Fortune

FROM: John W. Craig /RA/
Assistant for Operations, OEDO

SUBJECT: DROP IN MEETING WITH PBMR CO.

On August 1, 2002, David Nicholls, CEO, PBMR Co., Republic of South Africa (RSA) conducted a drop-in visit with management and staff from RES, NRR and OIP. Mr. Nicholls presented an overview of the status and future plans and schedule for the PBMR Project. He indicated that they expect to resume PBMR pre-application activities "in earnest" in 2005, and submit an application for design certification in 2006. Between now and 2005, they would like to interact on a limited basis to try to reach resolution on certain key technical issue areas and to discuss NRC expectations for testing. One area mentioned was the possibility of NRC review of topical reports submitted for PBMR safety analysis codes and methods. Currently, licensing the construction of a demonstration plant module in RSA is a priority focus for PBMR organizational resources. Accordingly, the PBMR company does not have sufficient staff available to interact with the NRC at the level that Exelon had interacted during their PBMR pre-application review (e.g., monthly meetings).

PBMR Co. expects to start construction of a demonstration plant in the RSA in November 2005 and to complete construction in October 2007. Initial fuel loading would occur in August 2008. He indicated that PBMR project was beginning to transition from a purely design focus to an emphasis on major equipment procurement for both the PBMR demonstration plant and the PBMR fuel fabrication facility. This was occurring in anticipation of a favorable outcome of the PBMR feasibility study and a decision to proceed with construction of a demonstration plant. He indicated that the PBMR company had a \$1B budget to achieve these results.

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Mr. Nicholls said that PBMR Co. would not fund the fuel irradiation test program that had been jointly developed by Exelon and DOE and submitted to the NRC as part of the PBMR fuel qualification program since it was not considered necessary for licensing the PBMR in the RSA. However, he indicated that PBMR supported others, such as NRC and DOE, conducting such testing. He also stated that PBMR Co. would assist in acquiring fuel for testing but that this had to be a coordinated effort by all the interested organizations, e.g. NRC, DOE. Finally, he indicated that the PBMR Co. would welcome cooperative technical exchange activities between the National Nuclear Regulator in the RSA and the USNRC in connection with the safety review of the PBMR design.

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