



Nuclear Management Company, LLC

April 20, 2007

L-HU-07-013

Secretary, U.S. Nuclear Regulatory Commission
ATTN: Rulemakings and Adjudications Staff
Washington, DC 20555-0001

DOCKETED
USNRC

April 20, 2007 (2:30pm)

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Comments on Proposed Rules 10 CFR Parts 40, 72, 74, and 150, "Regulatory
Improvements to the Nuclear Materials Management and Safeguards System,"
RIN: 3150-AH85 (Federal Register Vol. 72, No. 24, February 6, 2007)

Nuclear Management Company, LLC* (NMC) appreciates the opportunity to comment on the proposed changes to the regulations related to the Nuclear Materials Management and Safeguards System (NMMSS). The proposed changes affect 10 CFR Parts 40, 72, 74, and 150. The proposed changes have the potential to impact special nuclear material (SNM) tracking and reporting for the NMC. NMC comments are attached in enclosure 1 to this letter.

A handwritten signature in black ink, appearing to read "Edward J. Weinkam".

Edward J. Weinkam
Director of Nuclear Licensing and Regulatory Services
Nuclear Management Company, LLC

Enclosure

* NMC is the licensed operator of the Monticello Nuclear Generating Plant, Point Beach Nuclear Plant Units 1 and 2, and Prairie Island Nuclear Generating Plant Units 1 and 2.

Enclosure 1
Proposed Rule Comments regarding 10 CFR Parts 40, 72, 74, and 150
“Regulatory Improvements to the Nuclear Materials
Management and Safeguards System”
RIN: 3150-AH85

The proposed rule changes outlined in the Federal Register on February 6, 2007 (Volume 72, Number 24) have the potential to impact special nuclear material (SNM) tracking and reporting for the Nuclear Management Company, LLC (NMC) fleet of power reactors. The following is a summary of the proposed rule changes that impact the NMC with comments.

1. Reducing the reporting threshold from 350 grams of special nuclear material to 1 gram [reference: § 74.2, *Scope*].

Lowering the reporting threshold will have no impact on the NMC fleet of power reactors. All NMC power reactors have more special nuclear material than the current threshold.

2. Requiring that licensees *shall resolve any discrepancies identified during the report review and reconciliation process within 30 calendar days of notification of a discrepancy identified by NRC* [reference: § 72.76, *Material Status Reports*; § 74.13, *Material Status Reports*].

Non-voluntary reconciliation will impact the NMC fleet of power reactors. Complete reconciliation of all reports submitted to Nuclear Materials Management and Safeguards System (NMMSS) may not be practical due to reporting precision and errors caused by rounding. This proposed rule should be limited to reconciliation of the ending inventory balances in the Material Status Reports (742 Section A Line 81 and 742 Section B) between the licensee and NMMSS. This would be consistent with the Discussion section of the proposed rule change (Section IIE).

3. Requiring inventory reports for ‘holding accounts’ [reference: § 74.13, *Material Status Reports*]

The addition of holding accounts to a licensee’s reporting requirements has the potential to impact the NMC fleet of power reactors. Consider providing a definition for ‘holding accounts’ in § 74.4. The definition should be clear to exclude material that is in the fuel cycle and not at the reactor site. The NMC is concerned that excess material from a reload campaign or any other inventory (source or special nuclear material) that may be held at a supplier could be the NMC’s reporting responsibility if ‘holding accounts’ are not adequately defined.

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- 4. Adding the requirement to report material transactions if the licensee *adjusts the inventory in any manner* [reference: § 72.78, *Nuclear Material Transaction Reports*; § 74.15, *Nuclear Material Transaction Reports*]**

Requiring the reporting of on-site inventory adjustments will impact the NMC fleet of power reactors. The proposed change is unclear if the consumption of Uranium or the production of Plutonium due to normal operations will require extra reporting to acknowledge inventory adjustments (daily reporting). This increased reporting is an increased burden on power reactors.

A clarification to this particular proposed rule from the NRC was posted as a Frequently Asked Question (FAQ) (URL: http://ruleforum.llnl.gov/cgi-bin/downloader/nmmss_lib/1836-0004.pdf). The FAQ answer states that the NRC expects that a licensee, at a minimum, report all inventory adjustments no later than when the licensee reports their physical inventory results to NMMSS (i.e. 12 months for power reactors). The proposed rule should be modified to incorporate the following text:

“Each licensee who adjusts the inventory in any manner, other than for transfers and receipts, shall submit a Nuclear Material Transaction Report, in computer-readable format in accordance with instructions, to coincide with the submission of the annual or semi-annual Material Balance Report.”

From: "Gunderson, Lynne" <Lynne.Gunderson@nmcco.com>
To: <SECY@nrc.gov>
Date: Fri, Apr 20, 2007 2:16 PM
Subject: Comments on Proposed Rule 10 CFR Parts 40, 72, 74, and 150

Letter containing comments is attached regarding the above subject.

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Mail Envelope Properties (4629036D.328 : 24 : 13096)

Subject: Comments on Proposed Rule 10 CFR Parts 40, 72, 74, and 150
Creation Date Fri, Apr 20, 2007 2:15 PM
From: "Gunderson, Lynne" <Lynne.Gunderson@nmcco.com>
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