



**NATIONAL
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ENERGY INDEPENDENCE FOR AMERICA

LES National Enrichment Facility NRC Management Meeting

Rockville, Maryland

June 11, 2007

Opening Remarks



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- Reinhard Hinterreither, President

Action Items

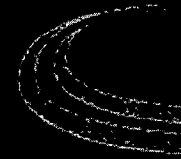


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- None from December 12, 2006 Meeting

License and Permit Status



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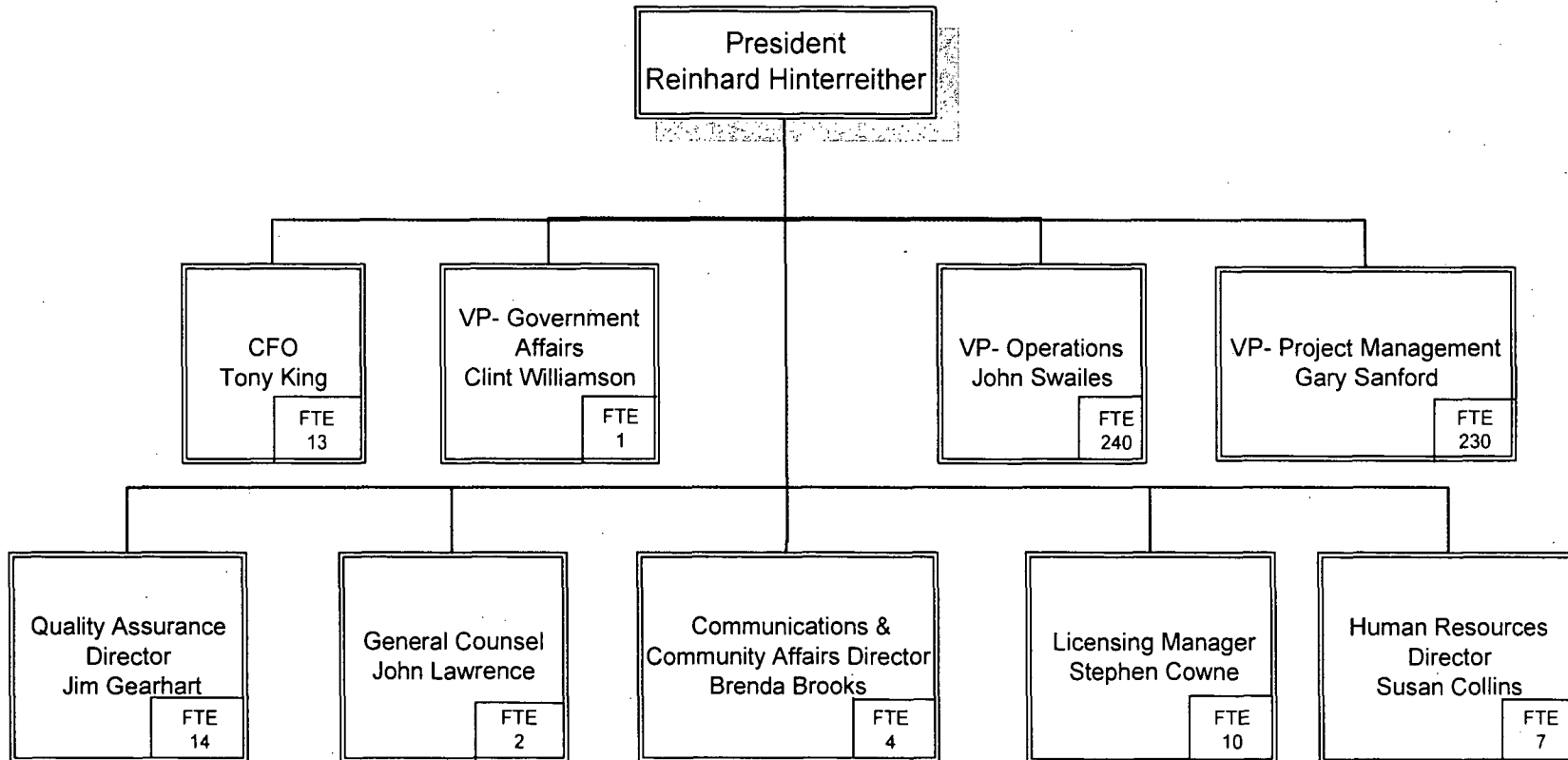
- NIRS/PC challenge of the NRC Issuance of the NEF License
 - Aug. 17 & 31, 2006 Suit filed in US Court of Appeals for DC Circuit
 - April 2, 2007 NIRS/PC filed its Opening Brief
 - May 16, 2007 NRC filed its Response Brief
 - May 31, 2007 LES filed its Response Brief
 - June 28, 2007 NIRS/PC scheduled to file its Reply Brief
 - Sept – Nov. 2007 Oral argument anticipated (date yet to be set by court)
 - 1Q 2008 Anticipated decision

License and Permit Status



- CARD challenge of NMED Issuance of NEF GWDP
 - March 28, 2007 Petition filed before Water Quality Control Commission
 - May 25, 2007 Limited Remand to NMED to Supplement Record
 - August 24, 2007 Supplemental order from NMED Secretary due
 - 4Q 2007 Briefs to be filed by all parties
 - 1Q 2008 Anticipated decision

LES Organization



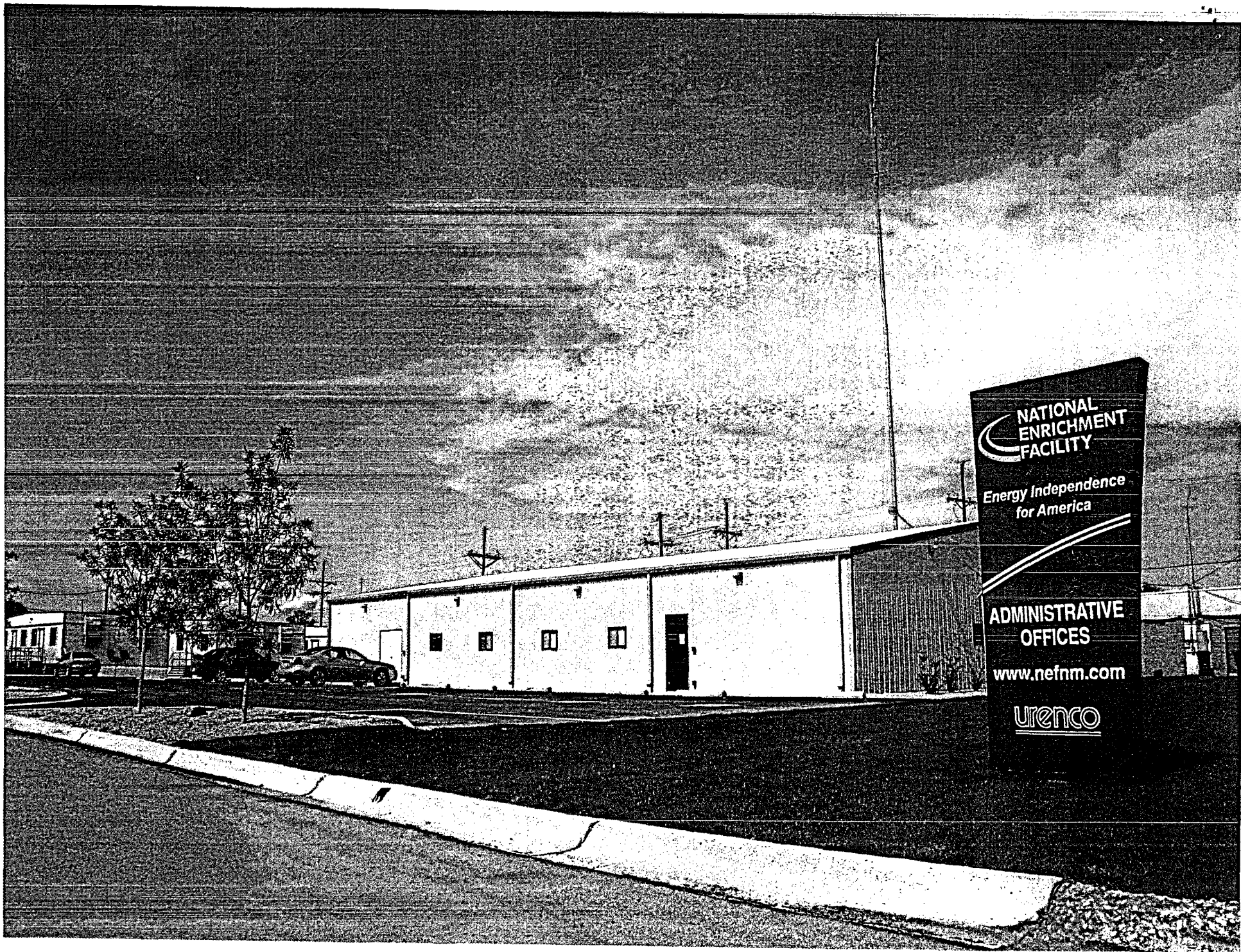
LES Construction Status



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- Design and Construction oversight programs, procedures and personnel in place
- Building and Core Process Design Reviews in progress
- Project Schedule and Budget have been baselined
- Initial Site Preparation has been completed
- Bulk site excavation completed
- Backfill progressing
- Site service and electrical underground distribution substation progressing



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**ADMINISTRATIVE
OFFICES**

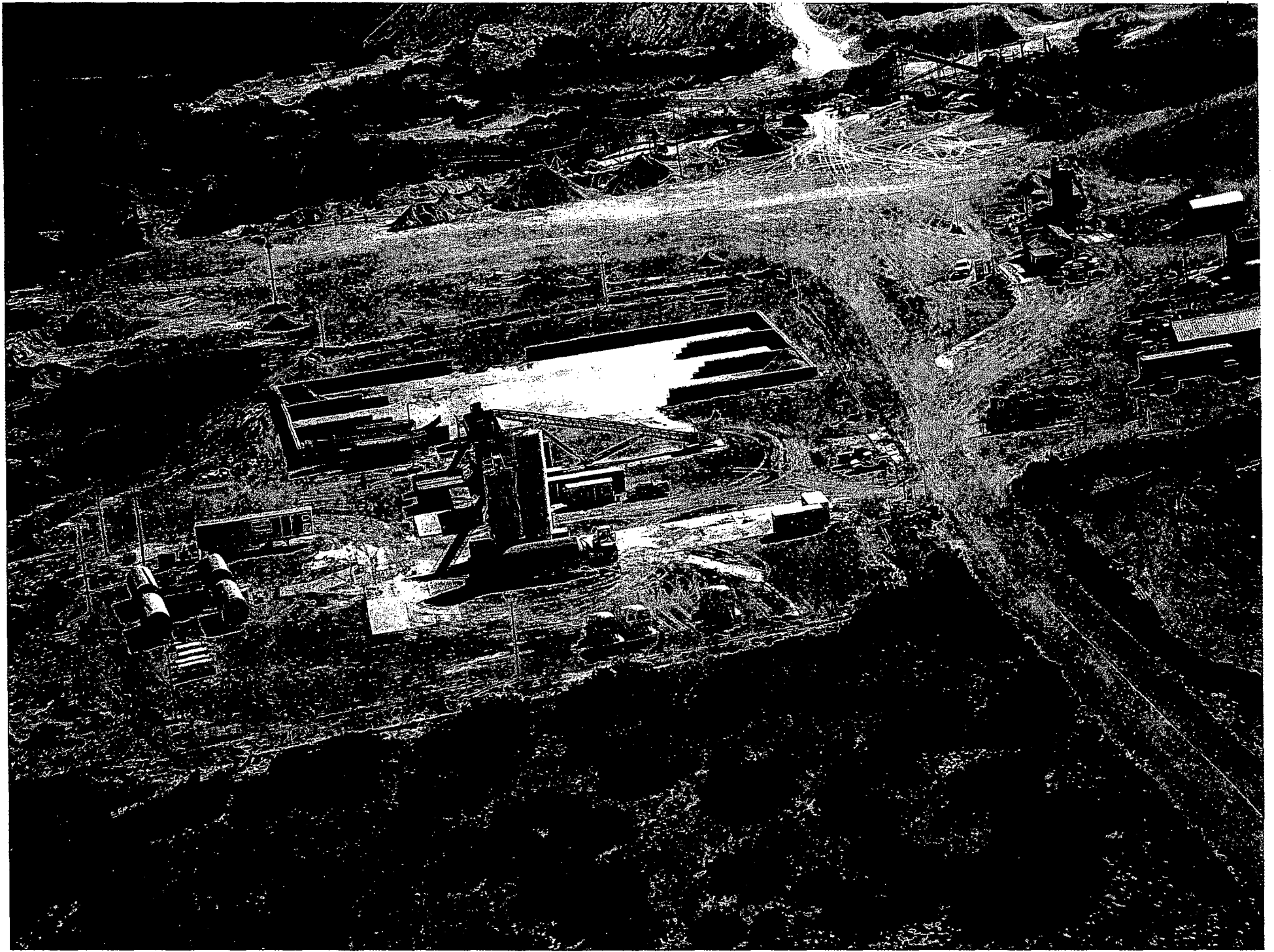
www.nefnm.com

Urenco









Export Control Information (ECI)

NEPCO is committed to control the export of certain information that has been deemed dual use by the International Atomic Energy Agency (IAEA)



Looking Ahead



Design Activities

- Centrifuge Assembly Building (CAB) redesign as a QL-3 Structure
- Technical Services Building (TSB) redesign as a QL-3 structure
- Cylinder Receipt and Dispatch Building (CRDB) redesign to house TSB functions
- Core Equipment and IROFS design and review

Looking Ahead Continued



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Construction Activities

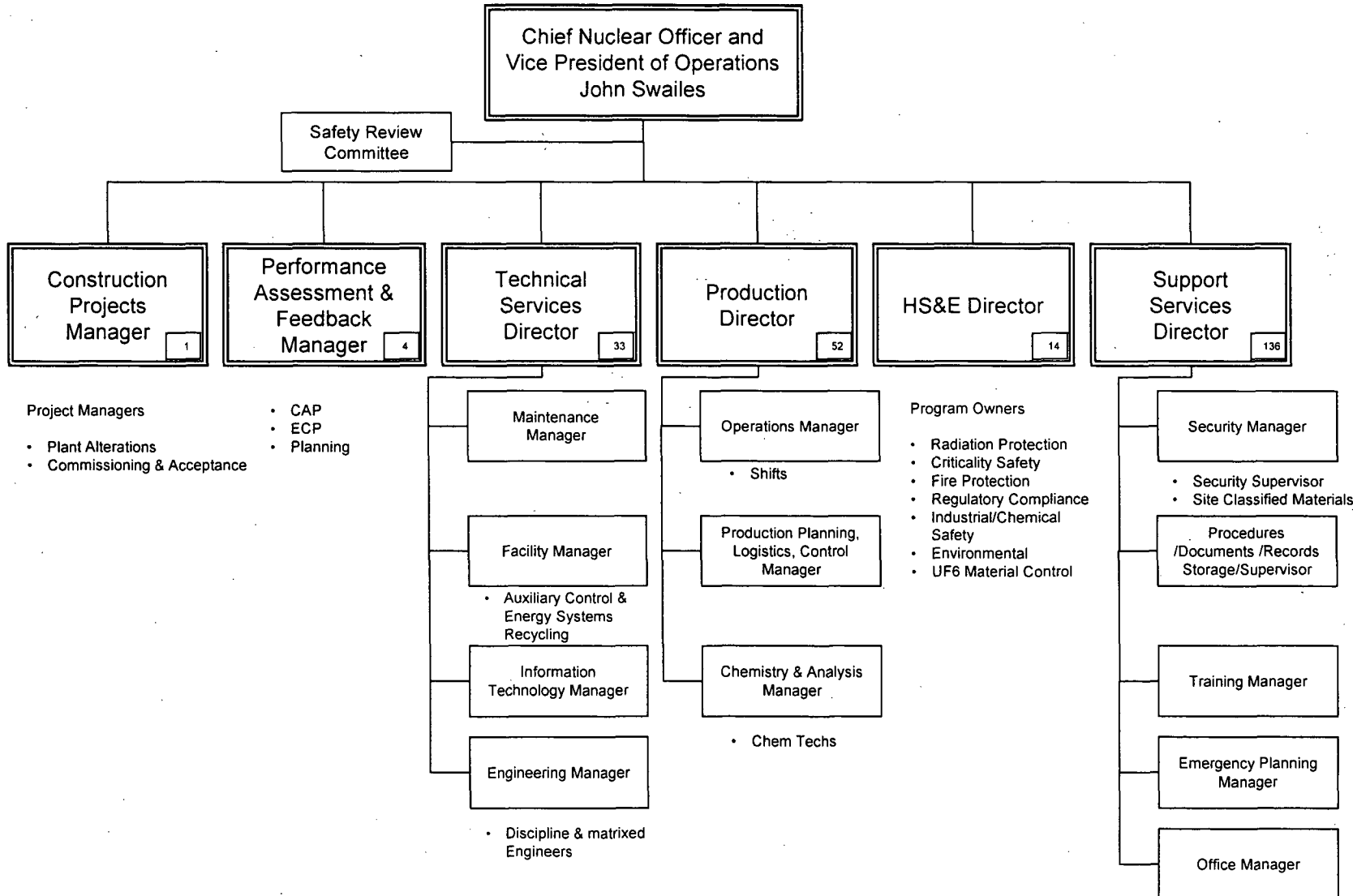
- Continue Phase 1 plant construction
- Complete Temporary Services, Substation and Underground Utilities
- Backfill for QL-1 areas
- Qualify Concrete Batch Plant for QL-1
- Start Foundations and Building Construction for Central Utilities Building, Separations Building Module and CAB

Operations Organization Chart



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Operations Organization



Technical Services

- Design Authority for LES – coordinates with Central Technology Group in Urenco
- Technical Services Director is nuclear safety conscience of facility
- Technical Services Director, Maintenance Manager, Engineering Manager, Information Technology Manager all hired. Recruiting a Facility Manager.
- Business portions of Information Technology will move to Finance over next few months. All control systems responsibilities & cyber security will stay in plant.

Operations Organization



Production

- Production Director, Operations Manager, Production Planning & Logistics, Control Manager (PPLCM) all LES employees.
- Production Director and PPLCM are experienced Urenco plant site employees.
- Operations
 - First class 22 operators – September 2006
 - Second class 22 operators – June 2007
 - Small group of operators & trainers – Almelo June 2007
 - Large group of operators & trainers – Almelo September 2007

Operations Organization



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HSE

- Environmental Monitoring Wells
- Site Environmental Air Monitor
- 6 of 10 positions staffed with 8 contractors
- Integrated Safety and Industrial Hygiene oversight
- Environmental Plan compliance monitoring

Operations Organization



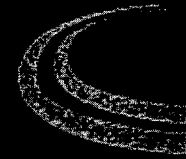
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Support Services

- New Security Manager – Brian Linde
- Security fully staffed 70 contractors & 6 LES
- Transportation Security/Working with U.S. Army. Practiced classified transport from Europe.
- Facility Clearance inspection in June
- New FSO – LES employee
- Training Manager – 2 of 6 LES staff & 12 contractors
- Office Manager – LES employee
- Approximately 50 SRC meetings
- All SRC members are LES employees
- Approximately 150 LES procedures issued through process.
- Emergency Planning staff of 1 employee & 2 contractors

Quality Assurance Status



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- QA Staff Expansion Complete by March
- Internal audits of Training, Design/Configuration Control, Records, Corrective Action
- Vendor Audits of AREVA Procurement, AREVA Design, NTS Design, ETC Design/Configuration Control
- Construction Oversight – More that 25 Surveillances covering Level 3 Backfill, Concrete Batch Plant Certification and Level 3 Concrete Placement, Training – Joint Audit on Procurement
- QA has not recommended lifting the hold on QL-1 Backfill

Quality Assurance Status Continued



Employee Concerns Program

- Program was in place as of June 2006
- Individuals are using the program
- Initial Employee Training has been provided for Employee Concerns and Safety Conscious Work Environment
- Supervisor specific training is being developed and will be presented in July 2007

Looking Ahead



Quality Assurance

- Support Development of Operational Programs and Procedures
- Continue Review of Design and Procurement Activities
 - ETC Cascade Supply
 - ETC Non-Core Supply
 - AREVA IROFS Design and Procurement
 - WGI Procurement, Non-conformances and Field Change Requests
- Continue Oversight of Construction Activities
 - New Civil Testing Subcontractor
 - Begin Concrete Placements
 - Begin Structural Steel Fabrication and Erection
 - Begin Electrical Infrastructure Placement
- Continue Internal Audits to cover all Appendix B areas at least once in 2007

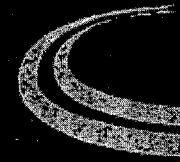
Looking Ahead



Inspection Coordination and License Issues

- Continuing to work with Region II
 - Security review of classified facility site June 12 & 13
 - Inspection of QL-1 backfill activities July 9-13
 - QA Team Inspection planned for late July 2007
- Potential License Amendments
 - CAB
 - Byproduct License
 - LES corporate change to LLC
 - Redesign of future SBMs in later phases

Feedback

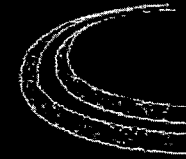


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- Good Cooperation
- Good Communications

Closing Remarks



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