



HITACHI

GE Hitachi Nuclear Energy

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Security-Related Information Notice

Enclosure 2 to this letter contains and forwards security-related information which is to be withheld from public disclosure in accordance with 10CFR2.390 and RIS 2005-31.

SPM 12-002

January 19, 2012

Mr. Christopher Ryder
Licensing Project Manager
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTN: Document Control Desk

Subject: GEH Response to NRC Second Request for Additional Information Regarding Decommissioning Funding Parent Company Guarantee (TAC No. L331125)

References: 1) Docket Numbers 70-0754, 70-02872 and 72-01
2) NRC Letter - Second Request for Additional Information Regarding Parent Company Guarantee, C. Ryder to S. P. Murray, 12/20/11
3) GEH telecom with NRC to Discuss RAIs, 1/12/12
4) GEH telecom with NRC to Discuss RAIs, 1/19/12

Dear Mr. Ryder:

Attached is GE Hitachi Nuclear Energy's (GEH) response to NRC's request for additional information (RAI), dated December 20, 2011 (Reference 2), as we discussed by telephone on January 12 and January 19, 2012.

Please note that Enclosure 2 to this letter contains security related sensitive information and is requested to be withheld from public disclosure in accordance with 10 CFR 2.390 and RIS 2005-31.

Please contact me on (910) 819-5950, if you have any questions or would like to discuss this matter further.

Sincerely,



Scott P. Murray, Manager
Licensing & Liabilities

Commitments: None

Enclosures:

- 1) RAI Responses
- 2) GNF-A CEO Certification

Enclosure 1

Clarifying question on GE-Hitachi's response to RAI 3: Clarify the basis for the increases in estimated costs [10 CFR 70.25, 10 CFR 70.38(e)(2)].

"It appears that GEH is taking credit for decommissioning work at the site, and it is unclear whether GEH received NRC's approval. Title 10 of the Code of Federal Regulations (10 CFR) 70.38(e)(2) states that "[f]ollowing approval of the decommissioning plan, a licensee may reduce the amount of the financial assurance as decommissioning proceeds and radiological contamination is reduced at the site with the approval of the [NRC]." A decommissioning plan has not been approved for either SNM-960 or SNM-2500. Likewise, it is unclear whether GEH received NRC's approval to reduce the amount of financial assurance."

GEH Response:

Based on the staff's question, it appears that there is some misunderstanding regarding the nature of certain activities performed at the subject sites in 2010 and 2011. As discussed with NRC on January 12 and January 19, 2012 (References 3 and 4), certain decontamination activities were performed under SNM-960 (Vallecitos) and SNM-2500 (Morris) licenses in 2010 and 2011. These activities primarily involved the decontamination of certain discrete cells or areas within site buildings. These activities are authorized under the facility licenses -- SNM 960 (License Conditions – Authorized Activities, Section 1.2.4) and SNM 2500 (Technical Specifications – Functional and Operating Limits, Section 2.1.1(b)), performed in accordance with approved procedures, and subject to review during routine NRC inspections.

These activities do not constitute "decommissioning" within the meaning of the NRC rules. The definition of "decommission" in 10 CFR § 70.4 is to "remove a facility or site safely from service and reduce residual radioactivity to a level that permits...[r]elease of the property...and termination of the license...." The decontamination activities performed at Vallecitos and Morris did not remove any facility or site from service nor allow the release of the property and termination of the license. Therefore, 10 CFR 70.38(e)(2) regarding the expiration or termination of licenses does not apply. Based on the foregoing, we do not believe that the subject adjustments to the decommissioning cost estimates required prior NRC approval.

Clarifying question on GE-Hitachi's response to RAI 4: Provide a Certification of Financial Assurance [10 CFR 70.25].

"In its review, the (NRC) staff identified a typographical error in the Certification of Financial Assurance (Certification) for Global Nuclear Fuel-Americas, LLC (GNF-A). The possession limit for plutonium (in nuclear rods) stated in the Certification is incorrect. The staff requests GEH to provide a corrected Certification for GNF-A."

GEH Response:

Upon review, GEH concurs that there is a typographical error in the exponent for the possession limit for plutonium (in nuclear rods) in the GNF-A Certification for Financial Assurance letter, dated August 15, 2011. The typographical error has been corrected. A revised GNF-A CEO Certification letter is provided as Enclosure 2.

Enclosure 1 (Cont)

“In its review, the (NRC) staff identified a typographical error in the Certification for GE Reuter-Stokes. Specifically, certain materials that GE Reuter-Stokes is licensed to possess are omitted from the Certification.”

GEH Response:

GEH does not concur that there is a typographical error in the Certification for GE Reuter-Stokes, dated August 8, 2011. The Certification pertains to “unsealed” sources. All unsealed sources that GE Reuter-Stokes is licensed to possess are specifically enumerated in the Certification.

The NRC Consolidated NMSS Decommissioning Guidance (NUREG 1757, Volume 3, Appendix A) includes specific guidance on Financial Assurance for Decommissioning. Per NUREG 1757, Section A.2.4 “Model Certification of Financial Assurance” letter, the types of material to be listed are “unsealed” special nuclear material (SNM) licensed under 10 CFR 70. While the GE Reuter-Stokes license authorizes sealed and unsealed sources of SNM, for Part 70 licenses, only unsealed sources are identified by NUREG 1757 for inclusion in the Certification for Financial Assurance.