



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

July 19, 2013

Mr. Mark Varno, Senior Vice President
Advanced Programs
GE-Hitachi Nuclear Energy
3901 Castle Hayne Road
Office 5506; Bldg. J
Mail Code J32
Wilmington, NC 28402-2819

SUBJECT: GE-HITACHI NUCLEAR ENERGY MORRIS OPERATIONS
INDEPENDENT SPENT FUEL STORAGE INSTALLATION – NRC SECURITY
INSPECTION REPORT NO. 07200001/2012401(DNMS)

Dear Mr. Varno:

On June 20, 2013, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of the physical security program for the GE-Hitachi Nuclear Energy Morris Operation's (GEMO) Independent Spent Fuel Storage Installation (ISFSI) located near Morris, Illinois. The purpose of the inspection was to determine whether the protection of the ISFSI was in compliance with: (1) Title 10 of the *Code of Federal Regulations* (CFR) Part 72 Subpart H, and 10 CFR 73.51; (2) the Physical Security Plan (PSP), Safeguards Contingency Plan (SCP), Training and Qualification Plan (T&QP); (3) ISFSI security implementing procedures; and (4) the NRC Interim Compensatory Measures (ICM) Order EA-02-078, Safeguards Orders EA-03-097, EA-06-298, and EA-07-124. In addition, the inspection also evaluated the implementation of the Material Control and Accounting (MC&A) Program in accordance with 10 CFR 72.72; and the handling and storage of safeguards information. At the conclusion of the on-site inspections on February 21 and May 14, 2013, the inspectors discussed the inspection findings with you and members of your security staff. On June 20, 2013, the inspectors completed an in-office review of additional information regarding your security and MC&A programs and conducted a telephone re-exit meeting with Mr. Partney.

The inspection also examined activities conducted under your license as they relate to security and compliance with the NRC's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel. The enclosed inspection report documents the inspection results. No findings were identified during this inspection.

**Enclosure Contains Sensitive Unclassified
Non-Safeguards Information. When
separated from enclosure, this transmittal
document is decontrolled.**

M. Varno

- 2 -

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. However, because of the security-related discussion contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

We will gladly discuss any questions you may have regarding this inspection.

Sincerely,

/RA by Michael M. LaFranzo Acting for/

Robert J. Orlikowski, Chief
Materials Control, ISFSI, and
Decommissioning Branch
Division of Nuclear Materials Safety

Docket No. 072-00001
License No. SNM-2500

Enclosure:
IR 07200001/2012401(DNMS) (Non Public)

cc w/encl: F. Partney, Acting Plant Manager, GEMO
C. Settles, Head Resident Inspection
Illinois Emergency Management Agency (IEMA)

M. Varno

- 3 -

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. However, because of the security-related discussion contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

We will gladly discuss any questions you may have regarding this inspection.

Sincerely,

/RA by Michael M. LaFranzo Acting for/

Robert J. Orlikowski, Chief
Materials Control, ISFSI, and
Decommissioning Branch
Division of Nuclear Materials Safety

Docket No. 072-00001
License No. SNM-2500

Enclosure:
IR 07200001/2012401(DNMS) (Non Public)

cc w/encl: F. Partney, Acting Plant Manager, GEMO
C. Settles, Head Resident Inspection
Illinois Emergency Management Agency (IEMA)

DISTRIBUTION:
See next page

*See previous concurrence

ADAMS Accession Number: ML 13200A319

DOCUMENT NAME: G:\DNMS\III\Work in progress\IR- GEMO 2012401 ISFSI Security (public).docx

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

To receive a copy of this document, Indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" No copy

OFFICE	RIII DNMS		RIII DNMS		RIII		RIII	
NAME	EABonano:ps*RJO for		RJOrlikowski*MMLaFranzo for					
DATE	07/18/13		07/19/13					

OFFICIAL RECORD COPY

~~OFFICIAL USE ONLY — SECURITY RELATED INFORMATION~~

Letter to Mark Varno from Robert J. Orlikowski dated July 18, 2013

SUBJECT: GENERAL ELECTRIC-HITACHI NUCLEAR ENERGY MORRIS OPERATIONS
INDEPENDENT SPENT FUEL STORAGE INSTALLATION – NRC SECURITY
INSPECTION REPORT NO. 07200001/2012401(DNMS)

DISTRIBUTION w/encl:

Francis Paul Peduzzi, NSIR/DSO/RSOB
Robert Orlikowski, RIII/DNMS/MCID
MCID Branch

DISTRIBUTION w/o encl:

Pamela Longmire
Cynthia Pederson
Anne Boland
Ann Marie Stone
Harral Logaras
Allan Barker
Viktoria Mitlyng
Prema Chandrathil
Patricia Buckley
Carol Ariano
Linda Linn
Tammy Tomczak