



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)

~~OFFICIAL USE ONLY — SECURITY-RELATED INFORMATION~~

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