

**From:** Naquin, Tyrone  
**Sent:** Monday, October 17, 2016 4:41 AM  
**To:** Kline, Kenneth  
**Cc:** Johnson, Robert; McKenney, Christopher  
**Subject:** RE: Acceptance review for the 2016 GNF DFP

Thanks for the quick response Ken. I have had this discussion with GNF before and don't feel the need for an explanation of liquidation of inventory. It's clear to me that inventory will be processed, sold, or transferred. Inventory does not represent a liability; it is an asset. I am satisfied with the discussion of submittal acceptance. Please have ICF continue with the full review. Thanks

Ty

T. D. Naquin, CHP  
NMSS/FCSE/FMB  
(301) 415-7352



---

**From:** Kline, Kenneth  
**Sent:** Friday, October 14, 2016 6:02 PM  
**To:** Naquin, Tyrone <[Tyrone.Naquin@nrc.gov](mailto:Tyrone.Naquin@nrc.gov)>  
**Cc:** Johnson, Robert <[Robert.Johnson@nrc.gov](mailto:Robert.Johnson@nrc.gov)>; McKenney, Christopher <[Christopher.McKenney@nrc.gov](mailto:Christopher.McKenney@nrc.gov)>  
**Subject:** FW: Acceptance review for the 2016 GNF DFP

Ty, GNF didn't specifically address how it is covering inventory. I am having the contractor proceed on the review, but I will leave it up to you and Robert about formally accepting the submission for a more detailed review without the licensee addressing inventory.

---

**From:** Gormsen, Elizabeth [<mailto:Elizabeth.Gormsen@icf.com>]  
**Sent:** Friday, October 07, 2016 2:11 PM  
**To:** Kline, Kenneth <[Kenneth.Kline@nrc.gov](mailto:Kenneth.Kline@nrc.gov)>  
**Cc:** Merritt, Andi <[Andi.Merritt@icf.com](mailto:Andi.Merritt@icf.com)>  
**Subject:** [External\_Sender] Acceptance review for the 2016 GNF DFP

Ken,

As you requested, we conducted an acceptance review of GNF-A's 2016 DFP submission to determine if we have the information we need to conduct the full review. The submission includes an updated DCE, a parent company guarantee with General Electric Corporation and supporting documentation, and a standby trust agreement and supporting documentation.

We conducted an initial review of the 8 factors required to be addressed under 10 CFR 70.25(e)(2), and found the following:

1) Spills of radioactive material.

The 2016 DCE describes three areas on the site where uranium and associated constituents have been identified in soil and groundwater and how the costs for remediating these areas are included in the DCE. (See pages 4.5 - 4.6.)

2) Waste inventory increases.

The 2016 DCE states that waste volumes are reviewed and updated every three years as necessary. (See page 7.1.)

3) Waste disposal cost increases.

The 2016 DCE states that changes in waste categories, waste disposal options, and waste disposal rates are reviewed and updated every three years as necessary. (See page 7.1.)

4) Facility modifications.

The 2016 DCE states that the status of any ongoing or planned facility modifications are reviewed and updated annually as necessary. (See page 7.1.)

5) Changes in authorized possession limits.

GNF's authorized possession limits have not changed relative to the April 2013 DFP.

With regard to the disposition of inventory, GNF's submittal states that inventory will be "liquidated and removed from the site prior to the initiation of decommissioning activities. Operations will continue until inventory quantities of uranium have been removed. Operational waste inventories will be representative of normal operations." (See page 5.1.) This assumption is not consistent with the guidance in NUREG-1757, Volume 3, Rev.1 to assume "routine facility conditions" exist at the time of decommissioning. The 2016 DFP also does not provide sufficient detail on the path for removing the inventory from the site prior to decommissioning. ***ICF recommends that the NRC request that GNF-A describe the plan for dispositioning inventory and how the costs to disposition this material are covered.***

6) Actual remediation costs that exceed the previous cost estimate.

The 2016 DCE states that the cost estimate is updated to reflected completed decommissioning activities annually as necessary. (See page 7.1.)

7) Onsite disposal.

The 2016 DCE describes the process for handling and disposing of waste offsite. (See pages 2.4 – 2.6.)

8) Use of a settling pond.

The DCE does not explicitly mention use of a settling pond. The 2016 DCE does state that effluent from the rad waste treatment system and laundry water are included in the combined process wastewater

treatment system “for final precipitate settling and pH adjustment prior to discharge in accordance with permit requirements.” (See page 2.5.) The DCE also describes the remediation of a “final process lagoon area.” (See page 2.5)

Also, we note that the submission included all the documentation listed in Checklist 8-A of NUREG-1757 for parent company guarantees but did not include a copy of General Electric Corporation’s audited financial statements for the most recent fiscal year. ICF was able to obtain a copy of General Electric’s most recent Form 10-K from the SEC EDGAR system.

With the exception of the inventory costs mentioned above, we found that GNF-A provided all required elements of the DFP. We recommend that we proceed with the full review, unless the NRC would like to request additional information from the licensee on the inventory issue. Please let us know how you would like us to proceed.

Thanks, and have a great weekend.

Liz

**LIZ GORMSEN** | Senior Manager | +1.703.934.3103 direct | [elizabeth.gormsen@icf.com](mailto:elizabeth.gormsen@icf.com) | [icf.com](http://icf.com)  
**ICF** | 9300 Lee Highway, Fairfax, VA 22031 USA |

Learn how [ICF makes big things possible for its clients](#).

---

**From:** Kline, Kenneth [<mailto:Kenneth.Kline@nrc.gov>]  
**Sent:** Thursday, September 15, 2016 5:11 PM  
**To:** Gormsen, Elizabeth <[Elizabeth.Gormsen@icfi.com](mailto:Elizabeth.Gormsen@icfi.com)>  
**Subject:** RE: RE: RE: GNF DFP

Yes, thanks for coming to NRC yesterday. Oct. 7<sup>th</sup> should be fine.

Ken

---

**From:** Gormsen, Elizabeth [<mailto:Elizabeth.Gormsen@icfi.com>]  
**Sent:** Thursday, September 15, 2016 10:56 AM  
**To:** Kline, Kenneth <[Kenneth.Kline@nrc.gov](mailto:Kenneth.Kline@nrc.gov)>  
**Subject:** [External\_Sender] RE: RE: GNF DFP

Hi Ken,

Good to see you yesterday. Yes, this ML seems to be the right one. We’ve got the cover letter and the 69 page DFP, which appears to include FA instruments.

Might we be able to have an additional week to complete the acceptance review (to Oct 7<sup>th</sup>)? That would help us smooth out spending between September and October.

Thanks,  
Liz

---

**From:** Kline, Kenneth [<mailto:Kenneth.Kline@nrc.gov>]  
**Sent:** Wednesday, September 14, 2016 9:01 AM  
**To:** Gormsen, Elizabeth <[Elizabeth.Gormsen@icfi.com](mailto:Elizabeth.Gormsen@icfi.com)>  
**Subject:** RE: RE: GNF DFP

Liz, this may be better, ML16252A210.

Ken

---

**From:** Gormsen, Elizabeth [<mailto:Elizabeth.Gormsen@icfi.com>]  
**Sent:** Tuesday, September 13, 2016 3:28 PM  
**To:** Kline, Kenneth <[Kenneth.Kline@nrc.gov](mailto:Kenneth.Kline@nrc.gov)>  
**Subject:** [External\_Sender] RE: GNF DFP

Hi Ken,

When I access that ML #, I'm seeing a document with a GE Company CFO letter, financial test results, PCG documentation, certification statements, and an Independent Auditor's report. I'm not seeing any detail on the decommissioning cost estimate, which I would normally expect in a full DFP. Did you want us to review the GE financial assurance instruments only, or is there a GNF-specific DCE (or set of DCEs) you'd like us to review too?

Thanks,

Liz

---

**From:** Kline, Kenneth [<mailto:Kenneth.Kline@nrc.gov>]  
**Sent:** Tuesday, September 13, 2016 1:51 PM  
**To:** Gormsen, Elizabeth <[Elizabeth.Gormsen@icfi.com](mailto:Elizabeth.Gormsen@icfi.com)>  
**Subject:** GNF DFP

Hi Liz, let me know if you can access ML16102A361, an updated DFP for GNF. If so, can you complete an acceptance review by Sept. 30?

Ken