



CONVERSATION RECORD

NAME OF PERSON(S)/TITLE CONTACTED OR IN CONTACT WITH YOU		DATE OF CONTACT		TYPE OF CONVERSATION	
GE Hitachi Nuclear Energy Americas LLC (GEH)		04/06/2021		<input type="checkbox"/> E-MAIL <input checked="" type="checkbox"/> TELEPHONE <input type="checkbox"/> INCOMING <input checked="" type="checkbox"/> OUTGOING	
E-MAIL ADDRESS		TELEPHONE NUMBER			
ORGANIZATION		DOCKET NUMBER(S)			
GE Hitachi Nuclear Energy Americas LLC (GEH)		72-01			
LICENSE NAME AND NUMBER(S)		MAIL CONTROL NUMBER(S)			
SNM-2500					
SUBJECT					
Discuss GE Hitachi Nuclear Energy Americas LLC (GEH) Morris Operation decommissioning funding plan					
SUMMARY AND ACTION REQUIRED (IF ANY)					
GEH attendees: Scott Murray (Manager, Facility Licensing), Tony McFadden (Site Manager, Morris Operation)					
NRC attendees: Kristina Banovac (Project Manager), Mai Henderson (Financial Analyst), Shawn Harwell (Financial Analyst)					
A teleconference was held between NRC and GEH representatives to discuss the March 6, 2020 decommissioning funding plan (DFP) for the GEH Morris Operation independent spent fuel storage installation. GEH's submittal of the 2020 DFP reflects a reduction in the decommissioning cost estimate (DCE) and requests NRC approval to decrease the amount of financial assurance. The purpose of the call was to discuss NRC questions on the DFP and determine whether any related information exists on the docket.					
<u>Waste disposal costs</u>					
The NRC staff noted that a comparison of the 2020 DFP to the previous 2018 DFP shows that approximately 6,500 ft ³ of radioactive waste was reclassified from "Class B" waste to "Debris" in Table 6.8 of the DFP, which provides radioactive waste disposal costs. This resulted in a disposal cost reduction of approximately \$25.3 million from the 2018 DFP to the 2020 DFP. The NRC staff asked what the reason for the reclassification of the waste in the DFP is.					
NAME OF PERSON DOCUMENTING CONVERSATION					
Kristina L. Banovac					
SIGNATURE AND DATE					
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CONVERSATION RECORD (continued)

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SUMMARY AND ACTION REQUIRED (IF ANY) (Continued)

GEH clarified that "Debris" in Table 6.8 is considered "Class A" waste. GEH noted the DCE was reviewed and updated in 2019 by an independent third-party engineering firm, which resulted in lower waste inventory and disposal costs in the DCE. The previous DCEs (prior to the 2019 DCE update) assumed that the material that makes up the racks/baskets (that hold the fuel bundles in place in the fuel basin) would be classified as *Class B* waste because of expected neutron activation and generation of activation products (e.g., Cobalt-60) in the material. The 2019 DCE update assumed this material would be classified as *Class A* waste, based on practice with similar materials in nuclear power plant spent fuel pools and on the expected radioactive decay of the Cobalt-60 in the material. There is a large difference in the disposal cost (per volume) between Class B waste and Class A waste, which accounts for the cost reduction in the 2020 DFP. GEH noted that the disposal costs (per volume) for Class A waste (debris, soil and soil-like debris) used in the 2020 DFP are based on actual rates from the disposal site operators. The disposal costs (per volume) for Class B waste are taken from published rates such as those shown in NUREG-1307 "Report on Waste Burial Charges."

GEH noted that this specific information is not included in the 2020 DFP or other docketed correspondence. GEH noted that it plans to send a correspondence to the NRC providing this information, to support NRC's review of the DFP.

Remainder of cost estimate reduction

The 2020 DFP notes that as a result of the independent third-party review, the cost estimate has been reduced from approximately \$104.6 million in the current financial surety bond to approximately to \$77.9 million. This is a difference of approximately \$26.7 million. The NRC staff asked what constitutes the remainder of the DCE reduction, other than the waste disposal costs, of approximately \$1.4 million.

GEH noted that various other factors affect the DCE and account for the remainder of the DCE reduction. For example, some of the disposal costs (per volume) and container costs in Table 6.8 of the DFP *decreased* since the 2018 DFP. However, some costs *increased* since the 2018 DFP, like the labor rates in Table 6.6. Also, the DCE is adjusted for inflation over time. GEH noted that in its planned correspondence to the NRC, it will provide a general explanation of the remaining cost variation.

GEH also provided some additional background information related to the DFPs and the instrument used for financial assurance, as follows. GE originally used a self guarantee as the financial instrument. When GEH formed as a subsidiary of GE in the 2007 timeframe, GEH then started using a parent company guarantee. After GE no longer met the financial test for the parent company guarantee in 2018, GEH began to use surety bonds from a third party.

ACTION:

GEH will send a correspondence to the NRC providing information on the change in waste disposal costs and the remaining cost variation between the 2018 and 2020 DFPs, to support NRC's review of the DFPs.

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