



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

October 26, 2011

Ms. Margaret Henderson
Interim Executive Director
TLLRWDC
3616 Far West Blvd., Ste. 117, #294
Austin, TX 78731

Re: Petition to Export Class A Low-Level Radioactive Waste for Disposal

Dear Ms. Henderson:

Enclosed is the Petition of the STP Nuclear Operating Company (STPNOC) to export Class A low-level radioactive waste (LLRW) for permanent disposal in the EnergySolutions, LLC, facility located in the state of Utah. Disposal would occur pursuant to an existing long-term disposal agreement between STPNOC and EnergySolutions for disposal of Class A LLRW generated at the South Texas Project. For all the reasons stated below, STPNOC requests authorization from the Texas Low-Level Radioactive Waste Disposal Compact Commission (Compact Commission) to export the Class A waste identified in the Petition for the calendar year of 2012.

Although construction of the Compact Waste Disposal Facility (Compact Facility) is underway and expected by Waste Control Specialists, LLC (WCS) to be completed in the next several months, STPNOC understands that there are still a number of major license conditions that must be met before the Compact Facility can be authorized to begin accepting waste for disposal. These include several matters pending at the Texas Commission on Environmental Quality (TCEQ), such as numerous pending applications to amend the disposal license, completion of the construction certification process, a performance assessment update, and financial assurance approval.

The waste acceptance criteria (WAC) that will establish the technical requirements for the receipt, acceptance and disposal of waste at the Compact Facility, and the transfer of title to the State, has not been finalized and issued. STPNOC understands that a revised draft copy of the WAC may be made available for the review and comment of Compact generators in the near future and that the WAC will ultimately need to be adopted as an attachment to the disposal license. Currently, STPNOC's policies and procedures are designed to meet the requirements for disposal in the EnergySolutions facility in Utah. Based on prior versions of the Compact Facility WAC circulated by the TCEQ, STPNOC anticipates that the procedures for disposal in the Compact Facility will be significantly different than the procedures for disposal with EnergySolutions, and that several major operational changes and approvals will be required by STPNOC and its owners before any waste can be shipped for disposal in the Compact Facility.

The interim rates for disposal of Class A waste in the Compact Facility that were recently issued are astronomically higher than what STPNOC currently pays for disposal of Class A waste in the EnergySolutions facility and what STPNOC has budgeted for the disposal of Class A waste in calendar year 2012. These interim rates were established without any meaningful opportunity for Compact generators to examine the necessity, reasonableness, and prudence of the costs WCS has claimed for construction and operation of the Compact Facility and what we



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

understand to be a 17.5% rate of return on equity. The right of Texas and Vermont generators to examine WCS's claimed costs and the rate of return in a rate case does not arise until after the TCEQ issues recommended maximum rates, anticipated to come out later this year. STPNOC is concerned that disposal at the interim rates may result in STPNOC paying prices that are later found to be excessive and that there is no ability to recover overpayments.

Compact generators are for the time-being effectively barred from using commercial processing facilities to volume reduce waste prior to disposal in the Compact Facility, which would allow generators to make the most of the limited capacity in the Compact Facility and to potentially reduce their overall disposal costs. Under Compact Commission Rule 675.22(c)(2), if a Compact generator ships its waste to a commercial processor for volume reduction prior to disposal in the Compact Facility, both the commercial processor and the generator must certify that the waste has not been commingled at the commercial processing facility with waste that was not generated in Texas or Vermont in excess of 5% total activity. The TCEQ is anticipated to initiate new rulemaking in calendar year 2012 on allowable limits of incidental commingling of Compact and non-Compact waste at commercial processing facilities. Currently, however, STPNOC is not confident that it could make the required certification if it elected to use a commercial processor to volume reduce its waste prior to disposal in the Compact Facility.

For all the reasons stated above, STPNOC respectfully requests Compact Commission authorization to export the Class A waste identified in the enclosed Petition for calendar year 2012. Also enclosed herewith is a suggested form of Order Authorizing the Export of LLRW that has been utilized by the Compact Commission in the past. As always, we are available to provide additional information upon request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. Kelton', with a long horizontal stroke extending to the right.

Grady Kelton, NRRPT
Radioactive Material Control Supervisor
STP Nuclear Operating Company

Enclosures: Petition and Order



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

Petition to Export Class A Low-Level Radioactive Waste for Permanent Disposal

1. **Petitioner:** STP Nuclear Operating Company (STPNOC), P.O. Box 289, Wadsworth, Texas 77483.
2. **Proposed Disposal Facility:** EnergySolutions, LLC, non-compact, commercial facility near Clive, Utah, pursuant to life-of-plant contract with STPNOC.

Note: Some waste will require volume reduction processing or treatment at EnergySolutions' facilities in Tennessee prior to disposal in Utah pursuant to existing STPNOC contract with EnergySolutions.

3. **Effective Period:** January 1, 2012 through December 31, 2012.
4. **Specified Amount:** The table below estimates the volume and waste type that will be shipped during the period of this petition. The waste quantity provided below represents an untreated waste volume that will be shipped from the South Texas Project. Pursuant to existing contract with EnergySolutions, waste treatment decisions, methods and timing occur at EnergySolutions' discretion to provide optimized cost.

	<i>Dry Active Waste ft³</i>	<i>Class A Resin ft³</i>	<i>Class A High Dose Rate DAW& Filters ft³</i>	<i>Total Estimate ft³</i>
Totals	20,800	618	1,132	22,550
			10% Contingency	2,255
			Total Petition	24,805

Submitted this 26th day of October 2011

Grady Kelton, NRRPT
 Radioactive Material Control Supervisor
 STP Nuclear Operating Company

**TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL
COMPACT COMMISSION**

Order Authorizing the Export of Waste

STP Nuclear Operating Company

On October 26, 2011 the Texas Low-Level Radioactive Waste Disposal Compact Commission (“Commission”) received from the STP Nuclear Operating Company (“STPNOC”) a Petition to Export Class A Low-Level Radioactive Waste for Permanent Disposal (“Petition”) in the EnergySolutions, LLC, facility located near Clive, Utah. The Petition was filed pursuant to Section 3.05(7) of the Texas Low-Level Radioactive Waste Disposal Compact and the Commission resolution dated December 11, 2009 authorizing consideration of such export petitions.

By a [] vote of those present, with [] absent, at the Commission’s meeting posted for November 9, 2011, a majority of the members of the Commission approved the Petition filed by STPNOC on the terms stated in the Petition, subject only to the following terms and conditions:

1. STPNOC will supply to the Commission:
 - a. Manifests and/or reports of volume, mass, and activity sent for ultimate disposal which are satisfactory to the Commission.
 - b. Final reconciliation of waste volume concluded not later than 180 days post Order period.
2. The period of the shipment of the waste from the site of generation is authorized as effective from the date as submitted in the Petition shall expire at the end of the day on December 31, 2012.

It is hereby Ordered that the STP Nuclear Operating Company is authorized to export low-level radioactive waste as requested in the Petition, subject to the terms and conditions as stated in this Order. The Petition is attached to this Order.

Signed November __, 2011.

Bob Wilson, Chair
Texas Low-Level Radioactive Waste Disposal Compact Commission