

Utilities are great operators, but decommissioning is not a business they have had to be in. We created a business model for it, and the most significant contribution to the decommissioning—besides quality people and a decommissioning project management model—is our assets. That sets us apart and makes us predictable, whether it is in cost or schedule. We own the packaging assets to package the waste, we own the transportation assets to transport the waste, we own the processing assets to process anything that needs it, and we own the disposal assets. When you have all of that in your portfolio, you can control the outcome a lot more than if you were just a project-based company implementing decommissioning from a project-only approach. That is typically where most of our competitors sit. They are looking at the decommissioning market as being a project-only type market.

Contractually, what lessons learned from the Zion agreement with Exelon did EnergySolutions apply to its contracts with Southern California Edison and Dairyland Power Cooperative?

When EnergySolutions, back in 2008 or so, was considering the license transfer with Exelon, we realized we had to stimulate the market. And to do that, we had to show Exelon that we were willing to financially stand behind the project to a greater degree. So the parental guarantees and letters of credit were higher with the Zion agreement than I think they will be in the future. In other words, you have to make sure you can stand behind a first-of-its-kind project like Zion through your financial assurances. Because we have proven that we can, and have proven that we can be predictable on cost and schedule, I see the financial assurances for these jobs going down over time.

Commercially, the biggest difference between Zion and La Crosse is the ownership of the trust fund, which at Zion was totally transferred to us. At La Crosse, we are managing the trust fund, but it still stays with Dairyland. We are the licensee at both Zion and La Crosse. The only difference is who owns the trust fund. Financially, we either benefit from or are hurt by the performance of the trust fund in either case.

The SONGS contract is completely different. It is a general contractor type of agreement, and we are not the licensee. The owner has control of the trust fund. They are the go-between entity between us and the regulators, both in the state of California and at the NRC. They also own any kind of liability for changing laws or delays for permits, approvals, and all that. It is your typical lump-sum contract structure. So there are quite a few differences with SONGS, but as far as doing the

physical work of decommissioning, the model we created and all of the operational aspects will remain the same.

In looking forward to other projects, including SONGS, are there any systems, equipment, or other methodologies that can be transferred from previous projects to help increase efficiencies? What are some of the most notable lessons you've learned from previous projects?

I think they all can be transferred. If you want to know the most significant, at SONGS we are not doing the pool-to-pad [transfer of spent nuclear fuel to dry storage]. That was subcontracted out to Holtec.

But there are a lot of lessons learned in doing the pool-to-pad.

The most significant pieces though that will transfer between projects are two things. One is the lessons learned at Zion for doing reactor vessel and reactor vessel internals segmentation. That is a critical piece of the job. The other is more in the overall methods of doing decommissioning—how it all integrates and the timing of when you start one process and what you do with the others in the meantime. There also are a lot of technologies, such as the diamond wire saw that we used at Zion that we can set up on a piece of pipe and people can cut up

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