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9 March 2011

Mr. Kevin Gunn
Chairman
Missouri Public Service Commission
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360

Dear Sir,

I am a Missouri citizen and I was in the U.S. Navy Nuclear Power Program for seven years. I graduated with a degree in Metallurgical Engineering from the University of Missouri, Rolla, and I worked in nuclear fuels for several of my thirty years of experience in industry. I am very much in support of nuclear power generation. Please consider the following:

Open Letter Regarding the Proposed Callaway Unit 2 Nuclear Plant Construction

1. The estimated cost for a site permit is reportedly \$40 million. What specifically is the money being used for; given that in the 1970s millions of UE dollars were sent to Federal Agencies (agencies that were funded then and are funded now by Federal Tax Dollars) via the SNUPPS organization to fund permitting of Wolf Creek and Callaway 1 & 2 Units? This seems to be an excessive cost for the NRC to research their archives.

2. If Missouri attempts to build a plant without domestic nuclear equipment construction capability then the bulk of the money for the plant will leave the state of Missouri and the United States. The reported estimates are between \$6 and \$11 billion dollars for the construction of Callaway No. 2. If the estimates are as inaccurate as they were for the cost of building the Callaway No. 1 Unit then the actual price will be between \$12 and \$20 billion dollars.

The current plans are for AREVA, a French firm, to construct the plant. The U.S. based engineering and construction firms have not built a nuclear power plant since the late 1970s and the capability to do so now resides with foreign and multinational firms that outsource the major equipment contracts to foreign corporations. For example the pressure vessel (the most expensive component):

*"We should also recognize that Mitsubishi Heavy Industry has the only reactor pressure vessel manufacturing capability in the world at the moment, since the US manufacturers, being without markets, elected to close down the US pressure vessel manufacturing facilities. There is currently a multiyear backlog at Mitsubishi for such pressure vessels, since it is an 18 month process to make one."*¹

1. The World-Wide Advancement of Nuclear Energy, By Michael R. Fox Ph.D., 1/5/2009 7:57:46 AM
<http://www.hawaiireporter.com/story.aspx?1c06e197-4f4a-42b4-a39b-f1162b9551b4>

The long term technical support for the equipment will also reside with the originating vendors. This will drive up maintenance costs for the life of the plant. It is not in the best interest of the Missouri citizens, or the nation as a whole, to generate a redistribution of wealth to foreign nations through taxation and utility charges; that is exactly what would happen if construction of a nuclear power plant is attempted at this time. The utility companies would argue that there is no time to develop domestic construction capability but that argument is not valid; foreign corporations would have to expand and capitalize to meet the U.S. nuclear demands as well.

3. There are very significant economic, environmental and socially hazardous obstacles to being the first to reinstate nuclear power in the United States due to the current status of nuclear fuel production and waste remediation. Those issues were never resolved at the height of the nuclear power industry in this country and still have not been dealt with. Example:

The Nuclear Waste Management Act of 2010 was drafted by NFRC and is attached. A summary of our findings include: 1. The United States Department of Energy has failed to provide suitable off-site commercial spent nuclear fuel disposal to the commercial nuclear utilities per the Nuclear Waste Policy Amendments Act.²

2. Statement of Norris McDonald, Co-Chairman, Nuclear Fuels Reprocessing Coalition
Before the Blue Ribbon Commission on America's Nuclear Future, May 26, 2010
Washington, D.C., http://brc.gov/pdfFiles/May2010_Meeting/BRC_Statement_Norris_McDonald.pdf

The infrastructure for building the plants, fuel mining and processing and nuclear waste issues must be resolved before another commercial plant can be built in the United States. Failure to have that support infrastructure functional will result in another total failure of the U.S. Nuclear Industry again. The silver lining of that cloud is that resolving these issues will create a real economy and nuclear plants will be a boon and not another economic albatross, doomed to failure.

Neither Missouri nor any U.S. State is currently in the position to reinstate nuclear power plant construction. Building a nuclear plant utilizing imported equipment and technical expertise will be very costly. If the U.S. is going to again build nuclear plants then the U.S. Government must assess what types will be built (low enrichment fuel, pressurized light water reactors are very inefficient), implement a long-term waste storage facility and develop the industrial capability to build the plants. Please don't let another facet of the Missouri Economy be the sacrificed by what appears to be a poorly thought out piece meal approach to nuclear power.

Respectfully submitted,



Tom Serandos

cc
Robert M. Clayton III
Commissioner

Jeff Davis
Commissioner

Terry M. Jarrett
Commissioner

Robert S. Kenney
Commissioner