

HOLTEC HIGHLIGHTS

A Summary Report to Our Clients, Suppliers, and Company Personnel

HOLTEC WINS UKRAINIAN GOVERNMENT'S INTERNATIONAL DRY STORAGE TENDER ON FAILED CHERNOBYL FUEL

We are pleased to announce that Holtec has won a competition conducted by the State Specialized Enterprise "Chernobyl NPP" (SSE ChNPP) to develop a storage system design to place the "failed" spent fuel (that is not covered by the Donor/Ukraine agreement) in dry storage ISF-2. As we reported in a previous issue of Holtec Highlights (Issue 22.07) Holtec had signed an EBRD-administered contract with the Ukraine's Specialized State Enterprise for Chernobyl to place all of Chernobyl fuel's intact and damaged fuel *that could be handled by normal means* in ISF-2. This donor-funded contract encompassed virtually all of Chernobyl's fuel (almost 22,000 fuel assemblies) except for a small number of badly damaged fuel assemblies ("failed fuel") whose dry storage implementation remains the responsibility of the Ukrainian Government. To ensure that uncertainty about the small population of the failed fuel does not hold up decommissioning of the three Chernobyl reactor units, the SSE ChNPP issued a tender for the failed fuel project in August 2007. SSE ChNPP selected Holtec's offer as technically and commercially most acceptable from among a field of three bidders.

Work on the failed fuel project has been started with Holtec's headquarters (U.S. based) project team ably supported by the Company's Kiev Operations Center staff.

The "failed fuel" project poses a whole new array of challenges because a failed fuel is too disfigured to enable it to be cut into two parts, as envisioned for all other physically intact Chernobyl fuel, to reduce the length of the storage canister. The cross section of the fuel canister also varies, depending on the distortion of the fuel rods and the extent of the grid spacers' disintegration. Therefore, the Double Wall canister for the "failed fuel" must be full-length (almost 35 feet) and the storage cavities for each failed fuel canister must be custom sized. The attendant technical challenges are enormous.

The "failed fuel" project is Holtec's third major undertaking in Ukraine. The Company is committed to meeting all of Ukraine's backend fuel cycle needs with proven U.S. technical know-how. Commenting on the latest Chernobyl award, Holtec's V.P. of Technical Services, Dr. W.S. Woodward, stated, "The Company had promised to Ukraine's national leadership that Holtec will localize the spent fuel management know-how to the maximum extent practicable. The growing size of the Company's Kiev Operations Center is tangible evidence of Holtec's commitment to fulfill that promise."



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