

June 18, 2004

NEF#04-015

ATTN: Document Control Desk  
Director  
Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Louisiana Energy Services, L. P.  
National Enrichment Facility  
NRC Docket No. 70-3103

Subject: Response to NRC Request for Additional Information and Application for  
Withholding Information from Public Disclosure

- References:
1. Letter NEF#03-003 dated December 12, 2003, from E. J. Ferland (Louisiana Energy Services, L. P.) to Directors, Office of Nuclear Material Safety and Safeguards and the Division of Facilities and Security (NRC) regarding "Applications for a Material License Under 10 CFR 70, Domestic licensing of special nuclear material, 10 CFR 40, Domestic licensing of source material, and 10 CFR 30, Rules of general applicability to domestic licensing of byproduct material, and for a Facility Clearance Under 10 CFR 95, Facility security clearance and safeguarding of national security information and restricted data"
  2. Letter NEF#04-002 dated February 27, 2004, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision 1 to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
  3. Letter dated April 19, 2004, from T. C. Johnson (NRC) to R. Krich (Louisiana Energy Services) regarding "Request for Additional Information on Louisiana Energy Services Project License Application"
  4. Letter NEF#04-018 dated May 19, 2003, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Response to NRC Request for Additional Information Regarding National Enrichment Facility Safety Analysis Report and Emergency Plan"

NMSSO/

Louisiana Energy Services (LES), L. P., hereby submits an application for withholding information from public disclosure pursuant to 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," paragraph (a)(4).

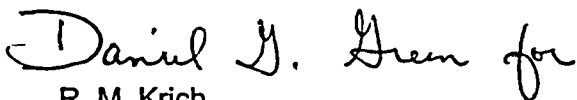
By letter dated December 12, 2003 (Reference 1), E. J. Ferland of Louisiana Energy Services (LES), L. P., submitted to the NRC applications for the licenses necessary to authorize construction and operation of a gas centrifuge uranium enrichment facility. Revision 1 to these applications was submitted to the NRC by letter dated February 27, 2004 (Reference 2). By letter dated April 19, 2004 (Reference 3), the NRC provided the initial technical review of the license application and requested additional information and clarifications to be provided within 30 days (i.e., by May 19, 2004).

The Reference 3 letter includes a Request for Additional Information (RAI) D-4. In RAI D-4, the NRC requested that LES provide a contingency factor for the processing and disposal of depleted uranium, and also, provide copies of the four reports used to prepare the tails disposition cost estimates. The Reference 4 letter provided the LES response to RAI D-4. In this response, a commitment was made to provide the Urenco confirmatory information supporting the tails disposition cost estimate once clearance was obtained from Urenco and its uranium disposition contractor. This confirmatory information is included in the e-mail dated January 9, 2003, from C. Andrews (Urenco Projects Division) to R. Krich (Exelon) regarding "Tails Disposal Costs."

This information is being submitted under affirmation and the affidavit required by 10 CFR 2.390 (b)(1), signed by an authorized representative of Urenco Enrichment Company Limited, the owner of the information, is enclosed. The attachment provides the e-mail dated January 9, 2003, from C. Andrews (Urenco Projects Division) to R. Krich (Exelon) regarding "Tails Disposal Costs," as requested in RAI D-4. This document is considered by LES to be confidential (i.e., proprietary).

If you have any questions, please contact me at 630-657-2813.

Respectfully,



R. M. Krich  
Vice President – Licensing, Safety, and Nuclear Engineering

Enclosure:  
Affidavit

Attachment:  
E-mail dated January 9, 2003, from C. Andrews (Urenco Projects Division) to R. Krich (Exelon) regarding "Tails Disposal Costs."

cc: T. C. Johnson, NRC Project Manager

**ENCLOSURE**

**Affidavit of Christopher R Chater, Urenco Enrichment Company Limited**

Christopher R Chater of Urenco Enrichment Company Limited, being duly sworn, deposes and states as follows:

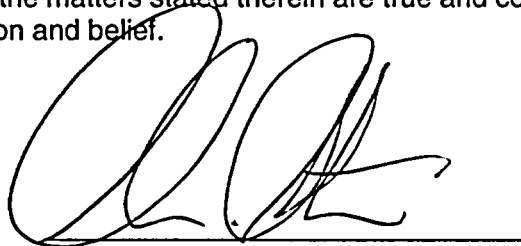
1. I am Christopher Roy Chater and I am duly authorized pursuant to a power of attorney dated 8 June 2004 to execute for and behalf of Urenco Enrichment Company this affidavit in support of a request to withhold certain information described in paragraph 2 below, from public disclosure in accordance with section 2.390(a)(4) of the US Nuclear Regulatory Commission's regulations.
2. The information sought to be withheld from public disclosure is contained in the letter NEF#04-015 from R. M. Krich (Louisiana Energy Services, L.P.) to the U.S. Nuclear Regulatory Commission Document Control Desk.
3. The information which is sought to be withheld from public disclosure is proprietary information of Urenco Enrichment Company Limited, a private limited company registered in the United Kingdom and a wholly owned subsidiary of Urenco Limited, and this information has been provided to Louisiana Energy Services, L.P. and its authorized sub-contractors, as appropriate, subject to agreement that it will be treated as strictly confidential and proprietary information which is not to be disclosed publicly. Urenco Limited has invested substantial funds in the development and operation of its gas centrifuge uranium enrichment facilities of which the information which is sought to be withheld from public disclosure, in part, is used to establish the costs and pricing structures for its uranium enrichment services.
4. The information is proprietary and confidential to Urenco Enrichment Company Limited because it contains commercial and financial information that is not publicly available. Specifically, the information sets forth cost information for uranium tails disposition at Urenco's centrifuge facilities.
5. The information sought to be withheld is being submitted to the U.S. Nuclear Regulatory Commission in confidence. The information is of a nature which is held in strict confidence by Urenco Enrichment Company Limited and it is in fact so held. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following. The information sought to be withheld, to the best of my knowledge and belief, is not available in public sources. All disclosures to third parties including any required transmittals to the U.S. Nuclear Regulatory Commission, have been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence.
6. The designation of the proprietary treatment of a document is made by a member of the Urenco Enrichment Company Limited senior management group and verified by the company classification officer, the personnel most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge.
7. The procedure for approval for external release of such a document requires a review by a member of the senior management group or his authorised designee for technical content, competitive effect, and determination of accuracy of the proprietary designation. Disclosures outside of the Urenco Enrichment Company Limited are

**ENCLOSURE**

**Affidavit of Christopher R Chater, Urenco Enrichment Company Limited**

limited to regulatory bodies, customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary and confidentiality agreements.

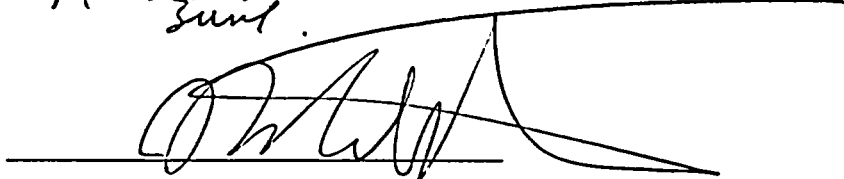
8. Public disclosure of the information sought to be withheld is likely to cause substantial harm to Urenco Limited. These details relate to the uranium tails disposition costs and provide, in part, the basis for the costs and pricing structure for uranium enrichment services provided by Uranium Enrichment Company Limited, a wholly owned subsidiary of Urenco Limited. Urenco Limited's competitive advantage may be lost or damaged if its competitors gain access to and are able to use this information. The value of this information to Urenco Limited and Urenco Enrichment Company Limited would be lost if the information were disclosed to the public. Making such information available to competitors would result in the loss of the competitive advantage that Urenco Limited has when bidding on uranium enrichment services contracts.
9. I have read the foregoing affidavit and the matters stated therein are true and correct to the best of my knowledge, information and belief.



Christopher Roy Chater  
For and on behalf of  
Urenco Enrichment Company

Subscribed and sworn to before me  
this 14 day of May, 2004:

*Sunt*



Notary Public

I certify that I was present and saw  
Christopher Roy Chater  
the above named sign this document at  
33 Queen Street, Maidenhead, Berks. U.K.  
this 14 day of May 2004  
Adrian Peter Mark Watney  
Notary Public

