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10.0 DECOMMISSIONING

This chapter presents the National Enrichment Facility (NEF) Decommissioning Funding Plan. The Decommissioning Funding Plan has been developed following the guidance provided in NUREG-1757 (NRC, 2003). This Decommissioning Funding Plan is similar to the decommissioning funding plan for the Claiborne Enrichment Center (CEC) approved by the NRC in NUREG-1491 (NRC, 1994).

Louisiana Energy Services (LES) commits to decontaminate and decommission the enrichment facility and the site at the end of its operation so that the facility and grounds can be released for unrestricted use. The Decommissioning Funding Plan will be reviewed and updated as necessary at least once every three years starting from the time of issuance of the license. Prior to facility decommissioning, a Decommissioning Plan will be prepared in accordance with 10 CFR 70.38 (CFR, 2003a) and submitted to the NRC for approval.

This chapter fulfills the applicable provisions of NUREG-1757 (NRC, 2003) through submittal of information in tabular form as suggested by the NUREG. Therefore a matrix showing compliance requirements and commitments is not provided herein.

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10.1 SITE-SPECIFIC COST ESTIMATE

10.1.1 Cost Estimate Structure

The decommissioning cost estimate is comprised of three basic parts that include:

- A facility description
- The estimated costs (including labor costs, non-labor costs, and a contingency factor)
- Key assumptions.

10.1.2 Facility Description

The NEF is fully described in other sections of this License Application and the NEF Integrated Safety Analysis Summary. Information relating to the following topics can be found in the referenced chapters listed below:

A general description of the facility and plant processes is presented in Chapter 1, General Information. A detailed description of the facility and plant processes is presented in the NEF Integrated Safety Analysis Summary.

A description of the specific quantities and types of licensed materials used at the facility is provided in Chapter 1, Section 1.2, Institutional Information.

A general description of how licensed materials are used at the facility is provided in Chapter 1, General Information.

10.1.3 Decommissioning Cost Estimate

10.1.3.1 Summary of Costs

The decommissioning cost estimate for the NEF is approximately \$942 million (January, 2004 dollars). The decommissioning cost estimate and supporting information are presented in Tables 10.1-1A through 10.1-14, consistent with the applicable provisions of NUREG-1757, NMSS Decommissioning Standard Review Plan (NRC, 2003).

More than 97% of the decommissioning costs (except tails disposition costs) for the NEF are attributed to the dismantling, decontamination, processing, and disposal of centrifuges and other equipment in the Separations Building Modules, which are considered classified. Given the classified nature of these buildings, the data presented in the Tables at the end of this chapter has been structured to meet the applicable NUREG-1757 (NRC, 2003) recommendations, to the extent practicable. However, specific information such as numbers of components and unit rates have been intentionally excluded to protect the classified nature of the data.

The remaining 3% of the decommissioning costs are for the remaining systems and components in other buildings. Since these costs are small in relation to the overall cost estimate, the cost data for these systems has also been summarized at the same level of detail as that for the Separations Building Modules.

The decommissioning project schedule is presented in Figure 10.1-1, National Enrichment Facility – Conceptual Decommissioning Schedule. Dismantling and decontamination of the equipment in the three Separations Building Modules will be conducted sequentially (in three phases) over a nine year time frame. Separations Building Module 1 will be decommissioned during the first three-year period, followed by Separations Building Module 2, and then Separations Building Module 3. Termination of Separations Module 3 operations will mark the end of uranium enrichment operations at the NEF. Decommissioning of the remaining plant systems and buildings will begin after Separations Building Module 3 operations have been permanently terminated.

10.1.3.2 Major Assumptions

Key assumptions underlying the decommissioning cost estimate are listed below:

- Inventories of materials and wastes at the time of decommissioning will be in amounts that are consistent with routine plant operating conditions over time.
- Costs are not included for the removal or disposal of non-radioactive structures and materials beyond that necessary to terminate the NRC license.
- Credit is not taken for any salvage value that might be realized from the sale of potential assets (e.g., recovered materials or decontaminated equipment) during or after decommissioning.
- Decommissioning activities will be performed in accordance with current day regulatory requirements.
- LES will be the Decommissioning Operations Contractor (DOC) for all decommissioning operations. However, in the event that LES is not able to fulfill this role, an adjustment to account for use of a third party for performing decommissioning operations is provided in Table 10.1-14, Total Decommissioning Costs.
- Decommissioning costs, with the exception of tails disposition costs, are presented in January 2002 dollars. In Table 10.1-14, tails disposition costs are presented in January 2004 dollars. In addition, the costs of decommissioning presented in Table 10.1-14 are escalated from January 2002 dollars to January 2004 dollars to provide the total decommissioning costs in January 2004 dollars.

10.1.4 Decommissioning Strategy

The plan for decommissioning is to promptly decontaminate or remove all materials from the site which prevent release of the facility for unrestricted use. This approach, referred to in the industry as DECON (i.e., immediate dismantlement), avoids long-term storage and monitoring of wastes on site. The type and volume of wastes produced at the NEF do not warrant delays in waste removal normally associated with the SAFSTOR (i.e., deferred dismantlement) option.

At the end of useful plant life, the enrichment facility will be decommissioned such that the site and remaining facilities may be released for unrestricted use as defined in 10 CFR 20.1402 (CFR, 2003b). Enrichment equipment will be removed; only building shells and the site infrastructure will remain. All remaining facilities will be decontaminated where needed to acceptable levels for unrestricted use. Confidential and Secret Restricted Data material, components, and documents will be destroyed and disposed of in accordance with the facility Standard Practice Procedures Plan for the Protection of Classified Matter.

Depleted UF₆ (tails), if not already sold or otherwise disposed of prior to decommissioning, will be disposed of in accordance with regulatory requirements. Radioactive wastes will be disposed of in licensed low-level radioactive waste disposal sites. Hazardous wastes will be treated or disposed of in licensed hazardous waste facilities. Neither tails conversion (if done), nor disposal of radioactive or hazardous material will occur at the plant site, but at licensed facilities located elsewhere.

Following decommissioning, no part of the facilities or site will remain restricted to any specific type of use.

Activities required for decommissioning have been identified, and decommissioning costs have been estimated. Activities and costs are based on actual decommissioning experience in Europe. Urenco has a fully operational dismantling and decontamination facility at its Almelo, Netherlands plant. Data and experience from this operating facility have allowed a very realistic estimation of decommissioning requirements. Using this cost data as a basis, financial arrangements are made to cover all costs required for returning the site to unrestricted use. Updates on cost and funding will be provided periodically and will include appropriate treatment for any replacement equipment. A detailed Decommissioning Plan will be submitted at a later date in accordance with 10 CFR 70.38 (CFR, 2003a).

The remaining subsections describe decommissioning plans and funding arrangements, and provide details of the decontamination aspects of the program. This information was developed in connection with the decommissioning cost estimate. Specific elements of the planning may change with the submittal of the decommissioning plan required at the time of license termination.

10.1.5 Decommissioning Design Features

10.1.5.1 Overview

Decommissioning planning begins with ensuring design features are incorporated into the plant's initial design that will simplify eventual dismantling and decontamination. The plans are implemented through proper management and health and safety programs. Decommissioning policies address radioactive waste management, physical security, and material control and accounting.

Major features incorporated into the facility design that facilitate decontamination and decommissioning are described below.

10.1.5.2 Radioactive Contamination Control

The following features primarily serve to minimize the spread of radioactive contamination during operation, and therefore simplify eventual plant decommissioning. As a result, worker exposure to radiation and radioactive waste volumes are minimized as well.

- Certain activities during normal operation are expected to result in surface and airborne radioactive contamination. Specially designed rooms are provided for these activities to preclude contamination spread. These rooms are isolated from other areas and are provided with ventilation and filtration. The Solid Waste Collection Room, Ventilated Room and the Decontamination Workshop meet these specific design requirements.
- All areas of the plant are sectioned off into Unrestricted and Restricted Areas. Restricted Areas limit access for the purpose of protecting individuals against undue risks from exposure to radiation and radioactive materials. Radiation Areas and Airborne Contamination Areas have additional controls to inform workers of the potential hazard in the area and to help prevent the spread of contamination. All procedures for these areas fall under the Radiation Protection Program, and serve to minimize the spread of contamination and simplify the eventual decommissioning.
- Non-radioactive process equipment and systems are minimized in locations subject to potential contamination. This limits the size of the Restricted Areas and limits the activities occurring inside these areas.
- Local air filtration is provided for areas with potential airborne contamination to preclude its spread. Fume hoods filter contaminated air in these areas.
- Curbing, pits, or other barriers are provided around tanks and components that contain liquid radioactive wastes. These serve to control the spread of contamination in case of a spill.

10.1.5.3 Worker Exposure and Waste Volume Control

The following features primarily serve to minimize worker exposure to radiation and minimize radioactive waste volumes during decontamination activities. As a result, the spread of contamination is minimized as well.

- During construction, a washable epoxy coating is applied to floors and walls that might be radioactively contaminated during operation. The coating will serve to lower waste volumes during decontamination and simplify the decontamination process. The coating is applied to floors and walls that might be radioactively contaminated during operation that are located in the Restricted Areas.
- Sealed, nonporous pipe insulation is used in areas likely to be contaminated. This will reduce waste volume during decommissioning.

- Ample access is provided for efficient equipment dismantling and removal of equipment that may be contaminated. This minimizes the time of worker exposure.
- Tanks are provided with accesses for entry and decontamination. Design provisions are also made to allow complete draining of the wastes contained in the tanks.
- Connections in the process systems provided for required operation and maintenance allow for thorough purging at plant shutdown. This will remove a significant portion of radioactive contamination prior to disassembly.
- Design drawings, produced for all areas of the plant, will simplify the planning and implementing of decontamination procedures. This in turn will shorten the durations that workers are exposed to radiation.
- Worker access to contaminated areas is controlled to assure that workers wear proper protective equipment and limit their time in the areas.

10.1.5.4 Management Organization

An appropriate organizational strategy will be developed to support the phased decommissioning schedule discussed in Section 10.1.3.1, Summary of Costs. The organizational strategy will ensure that adequate numbers of experienced and knowledgeable personnel are available to perform the technical and administrative tasks required to decommission the facility.

LES intends to be the prime Decommissioning Operations Contractor (DOC) responsible for decommissioning the NEF. In this capacity, LES will have direct control and oversight over all decommissioning activities. The role will be similar to that taken by Urenco at its facilities in Europe. In that role, Urenco has provided operational, technical, licensing, and project management support of identical facilities during both operational and decommissioning campaigns. LES also plans to secure contract services to supplement its capabilities as necessary.

Management of the decommissioning program will assure that proper training and procedures are implemented to assure worker health and safety. Programs and procedures, based on already existing operational procedures, will focus heavily on minimizing waste volumes and worker exposure to hazardous and radioactive materials. Qualified contractors assisting with decommissioning will likewise be subject to facility training requirements and procedural controls.

10.1.5.5 Health and Safety

As with normal operation, the policy during decommissioning shall be to keep individual and collective occupational radiation exposure as low as reasonably achievable (ALARA). A health physics program will identify and control sources of radiation, establish worker protection requirements, and direct the use of survey and monitoring instruments.

10.1.5.6 Waste Management

Radioactive and hazardous wastes produced during decommissioning will be collected, handled, and disposed of in accordance with all regulations applicable to the facility at the time of decommissioning. Generally, procedures will be similar to those described for wastes produced during normal operation. These wastes will ultimately be disposed of in licensed radioactive or hazardous waste disposal facilities located elsewhere. Non-hazardous and non-radioactive wastes will be disposed of consistent with good industrial practice, and in accordance with applicable regulations.

10.1.5.7 Security/Material Control

Requirements for physical security and for material control and accounting will be maintained as required during decommissioning in a manner similar to the programs in force during operation. The LES plan for completion of decommissioning, submitted near the end of plant life, will provide a description of any necessary revisions to these programs.

10.1.5.8 Record Keeping

Records important for safe and effective decommissioning of the facility will be stored in the LES Records Management System until the site is released for unrestricted use. Information maintained in these records includes:

1. Records of spills or other unusual occurrences involving the spread of contamination in and around the facility, equipment, or site. These records may be limited to instances when contamination remains after any cleanup procedures or when there is reasonable likelihood that contaminants may have spread to inaccessible areas as in the case of possible seepage into porous materials such as concrete. These records will include any known information on identification of involved nuclides, quantities, forms, and concentrations.
2. As-built drawings and modifications of structures and equipment in restricted areas where radioactive materials are used and/or stored and of locations of possible inaccessible contamination such as buried pipes which may be subject to contamination. Required drawings will be referenced as necessary, although each relevant document will not be indexed individually. If drawings are not available, appropriate records of available information concerning these areas and locations will be substituted.
3. Except for areas containing only sealed sources, a list contained in a single document and updated every two years, of the following:
 - (i) All areas designed and formerly designated as Restricted Areas as defined under 10 CFR 20.1003; (CFR, 2003c)
 - (ii) All areas outside of Restricted Areas that require documentation specified in item 1 above;

- (iii) All areas outside of Restricted Areas where current and previous wastes have been buried as documented under 10 CFR 20.2108 (CFR, 2003d); and
 - (iv) All areas outside of Restricted Areas that contain material such that, if the license expired, the licensee would be required to either decontaminate the area to meet the criteria for decommissioning in 10 CFR 20, subpart E, (CFR, 2003e) or apply for approval for disposal under 10 CFR 20.2002 (CFR, 2003f).
4. Records of the cost estimate performed for the decommissioning funding plan or of the amount certified for decommissioning, and records of the funding method used for assuring funds if either a funding plan or certification is used.

10.1.6 Decommissioning Process

10.1.6.1 Overview

Implementation of the DECON alternative for decommissioning may begin immediately following Separations Building Module equipment shutdown, since only low radiation levels exist at this facility. In the phased approach presented herein, dismantling and decontamination of the equipment in the three Separations Building Modules will be conducted sequentially (in three phases) over a nine year time frame. Separations Building Module 1 will be decommissioned during the first three year period, followed by Separations Building Module 2 in the next three years, and then Separations Building Module 3 in the final three years. Termination of Separations Building Module 3 operations will mark the end of uranium enrichment operations at the facility. Decommissioning of the remaining plant systems and buildings will begin after Separations Building Module 3 operations have been permanently terminated. A schematic of the NEF decommissioning schedule is presented in Figure 10.1-1, NEF – Conceptual Decommissioning Schedule.

Prior to beginning decommissioning operations, an extensive radiological survey of the facility will be performed in conjunction with a historical site assessment. The findings of the radiological survey and historical site assessment will be presented in a Decommissioning Plan to be submitted to the NRC. The Decommissioning Plan will be prepared in accordance with 10 CFR 70.38 (CFR, 2003a) and the applicable guidance provided in NUREG-1757 (NRC, 2003).

Decommissioning activities will generally include (1) installation of decontamination facilities, (2) purging of process systems, (3) dismantling and removal of equipment, (4) decontamination and destruction of Confidential and Secret Restricted Data material, (5) sales of salvaged materials, (6) disposal of wastes, and (7) completion of a final radiation survey. Credit is not taken for any salvage value that might be realized from the sale of potential assets (e.g., recovered materials or decontaminated equipment) during or after decommissioning.

Decommissioning, using the DECON approach, requires residual radioactivity to be reduced below specified levels so the facilities may be released for unrestricted use. Current Nuclear Material Safety and Safeguards guidelines for release serve as the basis for decontamination costs estimated herein. Portions of the facility that do not exceed contamination limits may remain as is without further decontamination measures applied. The intent of decommissioning

the facility is to remove all enrichment-related equipment from the buildings such that only the building shells and site infrastructure remain. The removed equipment includes all piping and components from systems providing UF₆ containment, systems in direct support of enrichment (such as refrigerant and chilled water), radioactive and hazardous waste handling systems, contaminated HVAC filtration systems, etc. The remaining site infrastructure will include services such as electrical power supply, treated water, fire protection, HVAC, cooling water and communications.

Decontamination of plant components and structures will require installation of two new facilities dedicated for that purpose. Existing plant buildings, such as the Centrifuge Assembly Building, are assumed to house the facilities. These facilities will be specially designed to accommodate repetitive cleaning of thousands of centrifuges, and to serve as a general-purpose facility used primarily for cleaning larger components. The two new facilities will be the primary location for decontamination activities during the decommissioning process. The small decontamination area in the Technical Services Building (TSB), used during normal operation, may also handle small items at decommissioning.

Decontaminated components may be reused or sold as scrap. All equipment that is to be reused or sold as scrap will be decontaminated to a level at which further use is unrestricted. Materials that cannot be decontaminated will be disposed of in a licensed radioactive waste disposal facility. As noted earlier, credit is not taken for any salvage value that might be realized from the sale of potential assets (e.g., recovered materials or decontaminated equipment) during or after decommissioning.

Any UF₆ tails remaining on site will be removed during decommissioning. Depending on technological developments occurring prior to plant shutdown, the tails may have become marketable for further enrichment or other processes. The disposition of UF₆ tails and relevant funding provisions are discussed in Section 10.3, Tails Disposition. The cost estimate takes no credit for any value that may be realized in the future due to the potential marketability of the stored tails.

Contaminated portions of the buildings will be decontaminated as required. Structural contamination should be limited to structures in the Restricted Areas. The liners and earthen covers on the facility evaporative basins are assumed to be mildly contaminated and provisions are made for appropriate disposal of these materials in the decommissioning cost estimate. Good housekeeping practices during normal operation will maintain the other areas of the site clean.

When decontamination is complete, all areas and facilities on the site will be surveyed to verify that further decontamination is not required. Decontamination activities will continue until the entire site is demonstrated to be suitable for unrestricted use.

10.1.6.2 Decontamination Facility Construction

New facilities for decontamination can be installed in existing plant buildings to avoid unnecessary expense. Estimated time for equipment installation is approximately one year. These new facilities will be completed in time to support the dismantling and decontamination of Separations Building Module 1. These facilities are described in Section 10.1.7, Decontamination Facilities.

10.1.6.3 System Cleaning

At the end of the useful life of each Separations Building Module, the enrichment process is shut down and UF_6 is removed to the fullest extent possible by normal process operation. This is followed by evacuation and purging with nitrogen. This shutdown and purging portion of the decommissioning process is estimated to take approximately three months.

10.1.6.4 Dismantling

Dismantling is simply a matter of cutting and disconnecting all components requiring removal. The operations themselves are simple but very labor intensive. They generally require the use of protective clothing. The work process will be optimized, considering the following.

- Minimizing the spread of contamination and the need for protective clothing
- Balancing the number of cutting and removal operations with the resultant decontamination and disposal requirements
- Optimizing the rate of dismantling with the rate of decontamination facility throughput
- Providing storage and laydown space required, as impacted by retrievability, criticality safety, security, etc
- Balancing the cost of decontamination and salvage with the cost of disposal.

Details of the complex optimization process will necessarily be decided near the end of plant life, taking into account specific contamination levels, market conditions, and available waste disposal sites. To avoid laydown space and contamination problems, dismantling should be allowed to proceed generally no faster than the downstream decontamination process. The time frame to accomplish both dismantling and decontamination is estimated to be approximately three years per Separations Building Module.

10.1.6.5 Decontamination

The decontamination process is addressed separately in detail in Section 10.1.7.

10.1.6.6 Salvage of Equipment and Materials

Items to be removed from the facilities can be categorized as potentially re-usable equipment, recoverable scrap, and wastes. However, based on a 30 year facility operating license, operating equipment is not assumed to have reuse value. Wastes will also have no salvage value.

With respect to scrap, a significant amount of aluminum will be recovered, along with smaller amounts of steel, copper, and other metals. For security and convenience, the uncontaminated materials will likely be smelted to standard ingots, and, if possible, sold at market price. The contaminated materials will be disposed of as low-level radioactive waste. No credit is taken for any salvage value that might be realized from the sale of potential assets during or after decommissioning.

10.1.6.7 Disposal

All wastes produced during decommissioning will be collected, handled, and disposed of in a manner similar to that described for those wastes produced during normal operation. Wastes will consist of normal industrial trash, non-hazardous chemicals and fluids, small amounts of hazardous materials, and radioactive wastes. The radioactive waste will consist primarily of crushed centrifuge rotors, trash, and citric cake. Citric cake consists of uranium and metallic compounds precipitated from citric acid decontamination solutions. It is estimated that approximately 5,000 m³ (6,539 yd³) of radioactive waste will be generated over the nine-year decommissioning operations period. (This waste is subject to further volume reduction processes prior to disposal).

Radioactive wastes will ultimately be disposed of in licensed low-level radioactive waste disposal facilities. Hazardous wastes will be disposed of in hazardous waste disposal facilities. Non-hazardous and non-radioactive wastes will be disposed of in a manner consistent with good industrial practice and in accordance with all applicable regulations. A complete estimate of the wastes and effluent to be produced during decommissioning will be provided in the Decommissioning Plan that will be submitted prior to initiating the decommissioning of the plant.

Confidential and Secret Restricted Data components and documents on site shall be disposed of in accordance with the requirements of 10 CFR 95 (CFR, 2003g). Such classified portions of the centrifuges will be destroyed, piping will likely be smelted, documents will be destroyed, and other items will be handled in an appropriate manner. Details will be provided in the facility Standard Practice Procedures Plan for the Protection of Classified Matter and Information, submitted separately in accordance with 10 CFR 95 (CFR, 2003g).

10.1.6.8 Final Radiation Survey

A final radiation survey must be performed to verify proper decontamination to allow the site to be released for unrestricted use. The evaluation of the final radiation survey is based in part on an initial radiation survey performed prior to initial operation. The initial survey determines the

natural background radiation of the area; therefore it provides a datum for measurements which determine any increase in levels of radioactivity.

The final survey will systematically measure radioactivity over the entire site. The intensity of the survey will vary depending on the location (i.e. the buildings, the immediate area around the buildings, and the remainder of the site). The survey procedures and results will be documented in a report. The report will include, among other things, a map of the survey site, measurement results, and the site's relationship to the surrounding area. The results will be analyzed and shown to be below allowable residual radioactivity limits; otherwise, further decontamination will be performed.

10.1.7 Decontamination Facilities

10.1.7.1 Overview

The facilities, procedures, and expected results of decontamination are described in the paragraphs below. Since reprocessed uranium will not be used as feed in the NEF, no consideration of ^{232}U , transuranic alpha-emitters and fission product residues is necessary for the decontamination process. Only contamination from ^{238}U , ^{235}U , ^{234}U , and their daughter products will require handling by decontamination processes. The primary contaminant throughout the plant will be in the form of small amounts of UO_2F_2 , with even smaller amounts of UF_4 and other compounds.

10.1.7.2 Facilities Description

A decontamination facility will be required to accommodate decommissioning. This specialized facility is needed for optimal handling of the thousands of centrifuges to be decontaminated, along with the UF_6 vacuum pumps and valves. Additionally, a general purpose facility is required for handling the remainder of the various plant components. These facilities are assumed to be installed in existing plant buildings (such as the Centrifuge Assembly Building).

The decontamination facility will have four functional areas that include (1) a disassembly area, (2) a buffer stock area, (3) a decontamination area, and (4) a scrap storage area for cleaned stock. The general purpose facility may share the specialized decontamination area. However, due to various sizes and shapes of other plant components needing handling, the disassembly area, buffer stock areas and scrap storage areas may not be shared. Barriers and other physical measures will be installed and administrative controls implemented, as needed, to limit the spread of contamination.

Equipment in the decontamination facility is assumed to include:

- Transport and manipulation equipment
- Dismantling tables for centrifuge externals
- Sawing machines

- Dismantling boxes and tanks, for centrifuge internals
- Degreasers
- Citric acid and demineralized water baths
- Contamination monitors
- Wet blast cabinets
- Crusher, for centrifuge rotors
- Smelting and/or shredding equipment
- Scrubbing facility.

The decontamination facilities provided in the TSB for normal operational needs would also be available for cleaning small items during decommissioning.

10.1.7.3 Procedures

Formal procedures for all major decommissioning activities will be developed and approved by plant management to minimize worker exposure and waste volumes, and to assure work is carried out in a safe manner. The experience of decommissioning European gas centrifuge enrichment facilities will be incorporated extensively into the procedures.

At the end of plant life, some of the equipment, most of the buildings, and all of the outdoor areas should already be acceptable for release for unrestricted use. If they are accidentally contaminated during normal operation, they would be cleaned up when the contamination is discovered. This limits the scope of necessary decontamination at the time of decommissioning.

Contaminated plant components will be cut up or dismantled, then processed through the decontamination facilities. Contamination of site structures will be limited to areas in the Separations Building Modules and TSB, and will be maintained at low levels throughout plant operation by regular cleaning. The Decontamination Workshop Area, Ventilated Room, Vacuum Pump Rebuild Workshop, and a portion of the Laundry Room are included as permanent Restricted Areas. Through the application of special protective coatings, to surfaces that might become radioactively contaminated during operation, and good housekeeping practices, final decontamination of these areas is assumed to require minimal removal of surface concrete or other structural material.

The centrifuges will be processed through the specialized facility. The following operations will be performed.

- Removal of external fittings
- Removal of bottom flange, motor and bearings, and collection of contaminated oil

- Removal of top flange, and withdrawal and disassembly of internals
- Degreasing of items as required
- Decontamination of all recoverable items for smelting
- Destruction of other classified portions by shredding, crushing, smelting, etc.

10.1.7.4 Results

Urenco plant experience in Europe has demonstrated that conventional decontamination techniques are effective for all plant items. Recoverable items have been decontaminated and made suitable for reuse except for a very small amount of intractably contaminated material. The majority of radioactive waste requiring disposal in the NEF will include crushed centrifuge rotors, trash, and residue from the effluent treatment systems.

European experience has demonstrated that the aluminum centrifuge casings can be successfully decontaminated and recycled. However, as a conservative measure for this decommissioning cost estimate, the aluminum centrifuge casings for the NEF are assumed to be disposed of as low-level radioactive waste.

Overall, no problems are anticipated that will prevent the site from being released for unrestricted use.

10.1.7.5 Decommissioning Impact on Integrated Safety Analysis (ISA)

As was described in Section 10.1.3.1, Summary of Costs, dismantling and decontamination of the equipment in the three Separations Building Modules will be conducted sequentially (in three phases) over a nine year time frame. Separations Building Module 1 will be decommissioned during the first three-year period, followed by Separations Building Module 2, and then Separations Building Module 3. Termination of Separations Module 3 operations will mark the end of uranium enrichment operations at the NEF. Decommissioning of the remaining plant systems and buildings will begin after Separations Building Module 3 operations have been permanently terminated.

Although decommissioning operations are planned to be underway while all the activities considered in the ISA continue to occur in the other portions of the plant, the current ISA has not considered these decommissioning risks. An updated ISA will be performed at a later date, but prior to decommissioning, to incorporate the risks from decommissioning operations on concurrent enrichment operations.

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10.2 FINANCIAL ASSURANCE MECHANISM

10.2.1 Decommissioning Funding Mechanism

LES intends to utilize a surety method to provide reasonable assurance of decommissioning funding as required by 10 CFR 40.36(e)(2) (CFR, 2003h) and 70.25(f)(2) (CFR, 2003i). Finalization of the specific financial instruments to be utilized will be completed, and signed originals of those instruments will be provided to the NRC, prior to LES receipt of licensed material. LES intends to provide continuous financial assurance from the time of receipt of licensed material to the completion of decommissioning and termination of the license. Since LES intends to sequentially install and operate the Separations Building Modules over time, financial assurance for decommissioning will be provided during the operating life of the NEF at a rate that is in proportion to the decommissioning liability for these facilities as they are phased in. Similarly, LES will provide decommissioning funding assurance for disposition of depleted tails at a rate in proportion to the amount of accumulated tails onsite up to the maximum amount of the tails as described in Section 10.3, Tails Disposition. An exemption request to permit this incremental financial assurance is provided in Section 1.2.5, "Special Exemptions or Special Authorizations."

The surety method adopted by LES will provide an ultimate guarantee that decommissioning costs will be paid in the event LES is unable to meet its decommissioning obligations at the time of decommissioning. The surety method will also be structured and adopted consistent with applicable NRC regulatory requirements and in accordance with NRC regulatory guidance contained in NUREG-1757 (NRC, 2003). Accordingly, LES intends that its surety method will contain, but not be limited to, the following attributes:

- The surety method will be open-ended or, if written for a specified term, such as five years, will be renewed automatically unless 90 days or more prior to the renewal date, the issuer notifies the NRC, the trust to which the surety is payable, and LES of its intention not to renew. The surety method will also provide that the full face amount be paid to the beneficiary automatically prior to the expiration without proof of forfeiture if LES fails to provide a replacement acceptable to the NRC within 30 days after receipt of notification of cancellation.
- The surety method will be payable to a trust established for decommissioning costs. The trustee and trust will be ones acceptable to the NRC. For instance, the trustee may be an appropriate State or Federal government agency or an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.
- The surety method will remain in effect until the NRC has terminated the license.
- Unexecuted copies of the surety method documentation are provided in Appendices 10A through 10F. Prior to LES receipt of licensed material, the applicable unexecuted copies of the surety method documentation will be replaced with the finalized, signed, and executed surety method documentation, including a copy of the broker/agent's power of attorney authorizing the broker/agent to issue bonds.

10.2.2 Adjusting Decommissioning Costs and Funding

In accordance with 10 CFR 40.36(d) (CFR, 2003h) and 70.25(e) (CFR, 2003i), LES will update the decommissioning cost estimate for the NEF, and the associated funding levels, over the life of the facility. These updates will take into account changes resulting from inflation or site-specific factors, such as changes in facility conditions or expected decommissioning procedures. These funding level updates will also address anticipated operation of additional Separations Building Modules and accumulated tails.

As required by the applicable regulations 10 CFR 70.25(e) (CFR, 2003i), such updating will occur approximately every three years. A record of the update process and results will be retained for review as discussed in Section 10.2.3, below. The NRC will be notified of any material changes to the decommissioning cost estimate and associated funding levels (e.g., significant increases in costs beyond anticipated inflation). To the extent the underlying instruments are revised to reflect changes in funding levels, the NRC will be notified as appropriate.

In addition to the triennial update of the decommissioning cost estimate described above, LES has committed to supplemental updates as described in the request for exemption in SAR Section 1.2.5 in order to ensure adequate financial assurance on an incremental basis. Specifically, LES commits to update the decommissioning cost estimates and to provide to the NRC a revised funding instrument for facility decommissioning prior to the operation of each Separations Building Module at a minimum. LES also commits to updating the cost estimates for the dispositioning of the depleted uranium byproduct on an annual forward-looking incremental basis and to providing the NRC revised funding instruments that reflect these projections of depleted uranium byproduct production. If any adjustments to the funding assurance are determined to be needed during this annual period due to production variations, they would be made promptly and a revised funding instrument would be provided to the NRC.

For the first triennial period, LES intends to provide decommissioning funding assurance for the entire facility, incorporating the three Separations Building Modules, and the amount of depleted uranium byproduct that would be produced by the end of that first three year period. In 2004 dollars, the following cost estimates would be assured: 1) the total facility decommissioning cost estimate of \$131,103,000 from Table 10.1-14, "Total Decommissioning Costs," 2) the cost for dispositioning 4,861 MT of depleted uranium byproduct, the amount produced at the end of the first three years of operation, based on a projected nominal 30 years of operation, and using a cost of \$4.68 per kg of depleted uranium byproduct, (\$4,680 per MT depleted uranium byproduct) from SAR Section 10.3, yielding a total of \$22,749,480, and 3) applying a 25% contingency factor to the total, or \$38,463,120. Accordingly the total projected decommissioning cost estimate for the first triennial period of NEF operation for which financial assurance would be provided would be \$192,315,600. However, if significant deviations to the facility construction or initial operation schedules are encountered after the first triennial period, LES may instead provide decommissioning funding assurance on the incremental basis described above, i.e., prior to the operation of a Separations Building Module and on an annual basis for the depleted uranium byproduct.

10.2.3 Recordkeeping Plans Related to Decommissioning Funding

In accordance with 10 CFR 40.36(f) (CFR, 2003h) and 70.25(g) (CFR, 2003i), LES will retain records, until the termination of the license, of information that could have a material effect on the ultimate costs of decommissioning. These records will include information regarding: (1) spills or other contamination that cause contaminants to remain following cleanup efforts; (2) as-built drawings of structures and equipment, and modifications thereto, where radioactive contamination exists (e.g., from the use or storage of such materials); (3) original and modified cost estimates of decommissioning; and (4) original and modified decommissioning funding instruments and supporting documentation.

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10.3 TAILS DISPOSITION

The disposition of tails from the NEF is an element of authorized operating activities. It involves neither decommissioning waste nor is it a part of decommissioning activities. The disposal of these tails is analogous to the disposal of radioactive materials generated in the course of normal operations (even including spent fuel in the case of a power reactor), which is authorized by the operating license and subject to separate disposition requirements. Such costs are not appropriately included in decommissioning costs (this principle (in the 10 CFR 50 context) is discussed in Regulatory Guide 1.159 (NRC, 1990), Section 1.4.2, page 1.159-8). Further, the "tails" products from the NEF are not mill tailings, as regulated pursuant to the Uranium Mill Tailings Radiation Control Act, as amended and 10 CFR 40, Appendix A (CFR, 2003j), and are not subject to the financial requirements applicable to mill tailings.

Nevertheless, LES intends to provide for expected tails disposition costs (even assuming ultimate disposal as waste) during the life of the facility. Funds to cover these costs are based on the amount of tails generated and the unit cost for the disposal of depleted UF₆.

It is anticipated that the NEF will generate 132,942 MT of depleted uranium over a nominal 30 year operational period. This estimate is conservative as it assumes continuous production of tails over 30 years of operation. Actual tails production will cease prior to the end of the license term as shown in Figure 10.1-1, NEF – Conceptual Decommissioning Schedule.

Waste processing and disposal costs for UF₆ tails are currently estimated to be \$5.50 per kg U or \$5,500 per MT U. This unit cost was obtained from four sets of cost estimates for the conversion of DUF₆ to DU₃O₈ and the disposal of DU₃O₈ product, and the transportation of DUF₆ and DU₃O₈. The cost estimates were obtained from analyses of four sources: a 1997 study by the Lawrence Livermore National Laboratory (LLNL) (Elayat, 1997), the Uranium Disposition Services (UDS) contract with the Department of Energy (DOE) of August 29, 2002 (DOE, 2002), information from Urenco, and the costs submitted to the Nuclear Regulatory Commission as part of the Claiborne Enrichment Center (CEC) license application (LES, 1993a) in the 1990s.

The four sets of cost estimates obtained are presented in Table 10.3-1, Summary Of Depleted UF₆ Disposal Costs From Four Sources, below, in 2002 dollars per kg of uranium (kg U). Note that the Claiborne Energy Center cost had a greater uncertainty associated with it. The UDS contract does not allow the component costs for conversion, disposal and transportation to be estimated. The costs in the table indicate that \$5.50 per kg U (\$2.50 per lb U) is a conservative and, therefore, prudent estimate of total depleted UF₆ disposition cost for the LES NEF. That is, the historical cost estimates from LLNL and CEC and the more recent actual costs from the UDS contract were used to inform the LES cost estimate. Urenco has reviewed this estimate and, based on its current cost for UBC disposal, finds this figure to be prudent.

In May 1997, the LLNL published UCRL-AR-127650, Cost Analysis Report for the Long-Term Management of Depleted Uranium Hexafluoride (Elayat, 1997). The report was prepared to provide comparative life-cycle cost data for the Department of Energy's (DOE's) Draft 1997 Programmatic Environmental Impact Statement (PEIS) (DOE, 1997) on alternative strategies for management and disposition of DUF₆. The LLNL report is the most comprehensive assessment of DUF₆ disposition costs for alternative disposition strategies available in the public domain.

The technical data on which the LLNL report is based is principally the May 1997 Engineering Analysis Report (UCRL-AR-124080, Volumes 1 and 2) (Dubrin, 1997).

When the LLNL report was prepared in 1997, more than six years ago, the cost estimates in it were based on an inventory of 560,000 MT of DUF_6 , or 378,600 MTU after applying the 0.676 mass fraction multiplier. This amount corresponds to an annual throughput rate of 28,000 MT of UF_6 or about 19,000 MTU of depleted uranium. The costs in the LLNL report are based on the 20 year life-cycle quantity of 378,600 MTU. The LLNL annual DUF_6 quantities are about 3.6 times the annual production rate of the proposed NEF.

The LLNL cost analyses assumed that the DUF_6 would be converted to DU_3O_8 , the DOE's preferred disposal form, using one of two dry process conversion options. The first — the anhydrous hydrogen fluoride (AHF) option — upgrades the hydrogen fluoride (HF) product to anhydrous HF (< 1.0% water). In the second option — the HF neutralization option — the hydrofluoric acid would be neutralized with lime to produce calcium fluoride (CaF_2). The LLNL cost analyses assumed that the AHF and CaF_2 conversion products are of sufficient purity that they could be sold for unrestricted use (negligible uranium contamination). LES will not use a deconversion facility that employs a process that results in the production of anhydrous HF.

The costs in Table 10.3-1, represent the LLNL-estimated life-cycle capital, operating, and regulatory costs, in 2002 dollars, for conversion of 378,600 MTU over 20 years, of DUF_6 to DU_3O_8 by anhydrous hydrogen fluoride (HF) processing, followed by DU_3O_8 long-term storage disposal in a concrete vault, or in an exhausted underground uranium mine in the western United States, at or below the same cost. An independent new underground mine production cost analysis confirmed that the LLNL concrete vault alternative costs represent an upper bound for under ground mine disposal. The discounted 1996 dollar costs in the LLNL report were undiscounted and escalated to 2002 dollars. The LLNL life-cycle costs in 1996 dollars were converted to per kgU costs and adjusted to 2002 dollars using the Gross Domestic Product (GDP) Implicit Price Deflator (IPD). The escalation adjustment resulted in the 1996 costs being escalated by 11%.

On August 29, 2002, the DOE announced the competitive selection of Uranium Disposition Services, LLC to design, construct, and operate conversion facilities near the DOE enrichment plants at Paducah, Kentucky and Portsmouth, Ohio. UDS will operate these facilities for the first five years, beginning in 2005. The UDS contract runs from August 29, 2002 to August 3, 2010. UDS will also be responsible for maintaining the depleted uranium and product inventories and transporting depleted uranium from Oak Ridge East Tennessee Technology Park (ETTP) to the Portsmouth site for conversion. The DOE-UDS contract scope includes packaging, transporting and disposing of the conversion product DU_3O_8 .

UDS is a consortium formed by Framatome ANP Inc., Duratek Federal Services Inc., and Burns and Roe Enterprises Inc. The DOE-estimated value of the cost reimbursement contract is \$558 million (DOE Press Release, August 29, 2002) (DOE, 2002). Design, construction and operation of the facilities will be subject to appropriations of funds from Congress. On December 19, 2002, the White House confirmed that funding for both conversion facilities will be included in President Bush's 2004 budget. However, the Office of Management and Budget has not yet indicated how much funding will be allocated. The UDS contract quantities and costs are given in Table 10.3-2, DOE-UDS August 29, 2002, Contract Quantities and Costs.

Urenco is currently contracted with a supplier for DUF_6 to DU_3O_8 conversion. The supplier has been converting DUF_6 to DU_3O_8 on an industrial scale since 1984.

The CEC costs given in Table 10.3-1, are those presented to John Hickey of the NRC in the CEC letter of June 30, 1993 (LES, 1993b) as adjusted for changes in units and escalated to 2002 (\$6.74 per kgU). The conversion cost of \$4.00 per kg U was provided to CEC by Cogema at that time. It should also be noted that this highest cost estimate is at least 10 years old and was based on the information available at that time. The value of \$5.50 per kgU used in the decommissioning cost estimate is 22% above the average of the more recent LLNL and UDS cost estimates, which is \$4.49 per kgU $\{ (5.06 + 3.92) / 2 \}$. The LLNL Cost Analysis Report (page 30) states that its cost estimate already includes a 30% contingency in the capital costs of the process and manufacturing facilities, a 20% contingency in the capital costs of the balance of plant; and a minimum of a 30% contingency in the capital costs of process and manufacturing equipment.

Also, the 1997 LLNL cost information is five years older than the more recent 2002 UDS cost information. The value of \$5.50 per kgU used in the decommissioning cost estimate for tails disposition is 40% greater than the 2002 UDS-based cost estimate of \$3.92 per kgU, which does not include offset credits for HF sales or proceeds from the sale of recycled products.

The costs in Table 10.3-1, indicate that \$5.50 is a conservative and, therefore, prudent estimate of total DU disposition cost for the NEF. Urenco has reviewed this estimate and, based on its current cost after tails disposal, finds this figure to be prudent.

In summary, there is already substantial margin between the value of \$5.50 per kgU being used by LES in the decommissioning cost estimate and the most recent information (2002 UDS) from which LES derived a cost estimate of \$3.92 per kgU.

Based on information from corresponding vendors, the value of \$5.50 per kgU (2002 dollars), which is equal to \$5.70 per kgU when escalated to 2004 dollars, was revised in December 2004 to \$4.68 per kgU (2004 dollars). The value of \$4.68 per kgU was derived from the estimates of costs from the three components that make up the total disposition cost of DUF_6 (i.e., deconversion, disposal, and transportation). The estimate of \$4.68 per kgU supports the Preferred Plausible Strategy of U.S. Private Sector Conversion and Disposal identified in section 4.13.3.1.3 of the ER as Option 1.

In support of the Option 2 Plausible Strategy identified in section 4.13.3.1.3 of the ER, "DOE Conversion and Disposal," LES requested a cost estimate from the Department of Energy (DOE). On March 1, 2005, DOE provided a cost estimate to LES for the components that make up the total disposition cost (i.e., deconversion, disposal, and transportation) (DOE, 2005). This estimate, which was based upon an independent analysis undertaken by DOE's consultant, LMI Government Consulting, estimated the cost of disposition to total approximately \$4.91 per kgU (2004 dollars). The Department's cost estimate for deconversion, storage, and disposal of the DU is consistent with the contract between UDS and DOE. The cost estimate does not assume any resale or reuse of any products resulting from the conversion process.

For purposes of determining the total tails disposition funding requirement and the amount of financial assurance required for this purpose, the value of \$4.68 per kgU (based upon the cost estimate for the Preferred Plausible Strategy) was selected. Based on a computed tails production of 132,942 MTU during a nominal 30 years of operation and a tails processing cost of \$4.68 per kgU or \$4,680 per MTU, the total tails disposition funding requirement is estimated at \$622,169,000. This sum will be included as part of the financial assurance for decommissioning (see Table 10.1-14, Total Decommissioning Costs). See Environmental Report Section 4.13.3.1.6, Costs Associated with UF₆ Tails Conversion and Disposal, for additional details.

10.4 REFERENCES

CFR, 2003a. Title 10, Code of Federal Regulations, Section 70.38, Expiration and termination of licenses and decommissioning of sites and separate buildings or outdoor areas, 2003.

CFR, 2003b. Title 10, Code of Federal Regulations, Section 20.1402, Radiological criteria for unrestricted use, 2003.

CFR, 2003c. Title 10, Code of Federal Regulations, Part 20.1003, Definitions, 2003.

CFR, 2003d. Title 10, Code of Federal Regulations, Part 20.2108, Records of waste disposal, 2003.

CFR, 2003e. Title 10, Code of Federal Regulations, Part 20, Subpart E, Radiological Criteria for License Termination, 2003.

CFR, 2003f. Title 10, Code of Federal Regulations, Part 20.2002, Method for obtaining approval of proposed disposal procedures, 2003.

CFR, 2003g. Title 10, Code of Federal Regulations, Part 95, Security Facility Approval and Safeguarding of National Security Information and Restricted Data, 2003.

CFR, 2003h. Title 10, Code of Federal Regulations, Section 40.36, Financial assurance and recordkeeping for decommissioning, 2003.

CFR, 2003i. Title 10, Code of Federal Regulations, Section 70.25, Financial assurance and recordkeeping for decommissioning, 2003.

CFR, 2003j. Title 10, Code of Federal Regulations, Part 40, Appendix A, Criteria Relating to the Operation of Uranium Mills and the Disposition of Tailings or Wastes Produced by the Extraction or Concentration of Source Material From Ores Processed Primarily for Their Source Material Content, 2003.

DOE, 1997. Programmatic Environmental Impact Statement for Alternative Strategies for the Long-Term Management and Use of Depleted Uranium Hexafluoride, U.S. Department of Energy, December 1997.

DOE, 2002. Department of Energy Selects Uranium Disposition Services for Uranium Hexafluoride Conversion Plants in Ohio and Kentucky, Department of Energy News Release R-02-179, August 29, 2002.

DOE, 2005. Letter from P.M. Golan (Department of Energy) to R.M. Krich (Louisiana Energy Services) regarding Conversion and Disposal of Depleted Uranium Hexafluoride (DUF_6) Generated by Louisiana Energy Services, LP (LES), March 1, 2005.

Dubrin, 1997. "Depleted Uranium Hexafluoride Management Program", UCRL-AR-124080 Vol. 1 Rev. 2 and Vol. 2, Lawrence Livermore National Laboratory, Dubrin, J.W., et. al., May 1997.

Elayat, 1997. "Cost Analysis Report For the Long-Term Management of Depleted Uranium Hexafluoride", UCRL-AR-127650, Lawrence Livermore National Laboratory, Elayat, Hatem, J.Zoller, L. Szytel, May 1997.

LES, 1993a. Clairborne Enrichment Center Safety Analysis Report, Section 11.8, Decommissioning, Louisiana Energy Services, 1993.

LES, 1993b. Letter from Peter G. LeRoy, Louisiana Energy Services, to John W.N. Hickey, U.S. Nuclear Regulatory Commission, June 30, 1993.

NRC, 1990. Assuring the Availability of Funds for Decommissioning Nuclear Reactors, Regulatory Guide 1.159, U.S. Nuclear Regulatory Commission, August 1990.

NRC, 1994. Safety Evaluation Report for the Claiborne Enrichment Center, Homer, Louisiana, NUREG-1491, U.S. Nuclear Regulatory Commission, January 1994.

NRC, 2003. Consolidated NMSS Decommissioning Guidance – Financial Assurance, Recordkeeping, and Timeliness, NUREG-1757, Volume 3, U.S. Nuclear Regulatory Commission, September 2003.

TABLES

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Table 10.1-1A Number and Dimensions of Facility Components

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Separations Modules (Note 1)

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes			
Fume Cupboards			
Lab Benches			
Sinks			
Drains			
Floors			
Walls			
Ceilings			
Ventilation/Ductwork			
Hot Cells			
Equipment/Materials			
Soil Plots			
Storage Tanks			
Storage Areas			
Radwaste Areas			
Scrap Recovery Areas			
Maintenance Shop			
Equipment Decontamination Areas			
Other			

Notes:

1. More than 97% of the decommissioning costs for the facility are attributed to the dismantling, decontamination, processing, and disposal of centrifuges and other equipment in the Separations Building Modules, which are considered classified. Given the classified nature of these buildings, the data presented in these Tables have been structured to meet the applicable NUREG-1757 recommendations, to the extent practicable. However, specific information regarding numbers of components, dimensions of components, and total dimensions, has been intentionally excluded to protect the classified nature of the data.

Table 10.1-1B Number and Dimensions of Facility Components

Page 1 of 1

Decommission Decontamination Facility

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes	None	NA	NA
Fume Cupboards	None	NA	NA
Lab Benches	10	Various sizes of lab and workshop benches ranging from 6.5 to 13 feet long by 2.5 feet wide	(Note 1)
Sinks	6	Standard laboratory sinks and hand wash basins	(Note 1)
Drains	6	Standard laboratory type drains	(Note 1)
Floors	1 Lot (Note 2)	(Note 1)	(Note 1)
Walls	1 Lot (Note 2)	(Note 1)	(Note 1)
Ceilings	1 Lot (Note 2)	(Note 1)	(Note 1)
Ventilation/Ductwork	(Note 3)	Various sizes of ductwork ranging from 3 to 18 inches plus dampers, valves and flexibles	640 feet
Hot Cells	None	NA	NA
Equipment/Materials	20	Various pieces of equipment including citric cleaning tanks, centrifuge cutting machines	(Note 1)
Soil Plots	None	NA	NA
Storage Tanks	1 Lot (Note 2)	Various storage tanks	(Note 1)
Storage Areas	1	Storage area for centrifuges and pipe work	(Note 1)
Radwaste Areas	None	NA	NA
Scrap Recovery Areas	None	NA	NA
Maintenance Shop	None	NA	NA
Equipment Decontamination Areas	None	NA	NA
Other	1 Lot (Note 2)	Hand tools and consumables that become contaminated while carrying out dismantling and decontamination work, unmeasured work and scaffolding	(Note 1)

Notes:

1. Total dimensions not used in estimating model.
2. Allocation based on Urenco decommissioning experience.
3. Total dimensions provided.

Table 10.1-1C Number and Dimensions of Facility Components

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Technical Services Building

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes	None	NA	NA
Fume Cupboards	18	Standard laboratory fume cupboards, approx 6.5 - 8 feet high x 5 feet wide	(Note 1)
Lab Benches	25	Various sizes of lab and workshop benches ranging from 6.5 - 13 feet long by 2.5 feet wide	(Note 1)
Sinks	12	Standard laboratory sinks and hand wash basins plus larger sinks for laundry	(Note 1)
Drains	12	Standard Laboratory type drains plus larger laundry drain	(Note 1)
Floors	(Note 3)	Floor area covers all Workshops and Labs in the Technical Services Bldg that may be exposed to contamination	26,340 ft ²
Walls	(Note 3)	Wall area covers all Workshops and Labs in the Technical Services Bldg that may be exposed to contamination	40,074 ft ²
Ceilings	(Note 3)	Ceiling area covers all Workshops and Labs in the Technical Services Bldg that may be exposed to contamination	26,340 ft ²
Ventilation/ Ductwork	(Note 3)	Various pieces of equipment including, filter banks, extractor fans, vent stack, dampers and approx 2,034 feet of large and small ductwork	2,034 feet
Hot Cells	None	NA	NA
Equipment/ Materials	57	Various pieces of equipment including, mass spectrometers, washing machines, hydraulic lift tables, cleaning cabinets	(Note 1)
Soil Plots	None	NA	NA
Storage Tanks	1	Waste oil storage tank (53 gal)	(Note 1)
Storage Areas	2	Storage area for product removal, dirty pumps	(Note 1)
Radwaste Areas	None	NA	NA
Scrap Recovery Areas	None	NA	NA
Maintenance Shop	None	NA	NA
Equipment Decontamination Areas	None	NA	NA
Other	1 Lot (Note 2)	Hand tools and consumables that become contaminated while carrying out dismantling/decontamination work, unmeasured work and scaffolding	(Note 1)

Notes:

1. Total dimensions not used in estimating model.
2. Allocation based on Urenco decommissioning experience.
3. Total dimensions provided.

Table 10.1-1D Number and Dimensions of Facility Components
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Gaseous Effluent Vent (GEV) System Throughout Plant

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes	None	NA	NA
Fume Cupboards	None	NA	NA
Lab Benches	None	NA	NA
Sinks	None	NA	NA
Drains	None	NA	NA
Floors	None	NA	NA
Walls	None	NA	NA
Ceilings	None	NA	NA
Ventilation/Ductwork	(Note 3)	Various sizes of ductwork ranging from 3 to 18 inches plus dampers, valves and flexibles	5,656 feet
Hot Cells	None	NA	NA
Equipment/Materials	None	NA	NA
Soil Plots	None	NA	NA
Storage Tanks	None	NA	NA
Storage Areas	None	NA	NA
RadWaste Areas	None	NA	NA
Scrap Recovery Areas	None	NA	NA
Maintenance Shop	None	NA	NA
Equipment Decontamination Areas	None	NA	NA
Other	1 Lot (Note 2)	Hand tools and consumables that become contaminated while carrying out dismantling/decontamination work, unmeasured work and scaffolding	(Note 1)

Notes:

1. Total dimensions not used in estimating model.
2. Allocation based on Urenco decommissioning experience.
3. Total dimensions provided.

Table 10.1-1E Number and Dimensions of Facility Components
Page 1 of 1

Blending and Sampling

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes	None	NA	NA
Fume Cupboards	None	NA	NA
Lab Benches	None	NA	NA
Sinks	None	NA	NA
Drains	None	NA	NA
Floors	None (Note 4)	NA	NA
Walls	None (Note 4)	NA	NA
Ceilings	None (Note 4)	NA	NA
Ventilation/Ductwork	Covered in GEV System estimate	Covered in GEV System estimate	Covered in GEV System estimate
Hot Cells	None	NA	NA
Equipment/Materials	(Note 3)	Various sizes of pipe-work ranging from DN25 to DN65	2,461 feet
	38 Valves	Various types of valve ranging from 0.6 to 2.5 inches and manual to control	(Note 1)
	12	Various pieces of equipment including hot boxes and traps	(Note 1)
Soil Plots	None	NA	NA
Storage Tanks	None	NA	NA
Storage Areas	None	NA	NA
Radwaste Areas	None	NA	NA
Scrap Recovery Areas	None	NA	NA
Maintenance Shop	None	NA	NA
Equipment Decontamination Areas	None	NA	NA
Other	1 Lot (Note 2)	Hand tools and consumables that become contaminated while carrying out dismantling/decontamination work, unmeasured work and scaffolding	(Note 1)

Notes:

1. Total dimensions not used in estimating model.
2. Allocation based on Urenco decommissioning experience.
3. Total dimensions provided.
4. No floors, walls or ceilings are anticipated needing decontamination.

Table 10.1-1F Number and Dimensions of Facility Components
Page 1 of 1

Centrifuge Test and Post Mortem

Component	Number of Components	Dimensions of Components	Total Dimensions
Glove Boxes	None	NA	NA
Fume Cupboards	None	NA	NA
Lab Benches	4	Various sizes of lab and workshop benches ranging from 6.5 – 13 feet long by 2.5 feet wide	(Note 1)
Sinks	2	Standard laboratory sinks and hand wash basins plus larger sinks for laundry	(Note 1)
Drains	2	Standard laboratory type drains plus larger laundry drain	(Note 1)
Floors	None (Note 4)	NA	NA
Walls	None (Note 4)	NA	NA
Ceilings	None (Note 4)	NA	NA
Ventilation/ Ductwork	None	NA	NA
Hot Cells	None	NA	NA
Equipment/ Materials	(Note 3)	Various sizes of pipe-work ranging from DN16 to DN40	164 feet
	56 Valves	Various types of valve ranging from 0.6 to 1.6 inches and manual to control	(Note 1)
	7	Various pieces of equipment including feed take off vessels and traps	(Note 1)
Soil Plots	None	NA	NA
Storage Tanks	None	NA	NA
Storage Areas	None	NA	NA
Radwaste Areas	None	NA	NA
Scrap Recovery Areas	None	NA	NA
Maintenance Shop	None	NA	NA
Equipment Decontamination Areas	None	NA	NA
Other	1 Lot (Note 2)	Hand tools and consumables that become contaminated while carrying out dismantling/decontamination work, unmeasured work and scaffolding	(Note 1)

Notes:

1. Total dimensions not used in estimating model.
2. Allocation based on Urenco decommissioning experience.
3. Total dimensions provided.
4. No floors, walls or ceilings are anticipated needing decontamination.

Table 10.1-2 Planning and Preparation
Page 1 of 1

Activity	Costs (\$000)	Labor Shift-worker (multi-functional) (Man-days)	Labor Project Management (Man-days)	Labor HP&S (Man-days)	Activity Duration (Months)
Project Plan & Schedule	100	0	178	0	4
Site Characterization Plan	200	0	356	0	4
Site Characterization	300	82	368	144	4
Decommissioning Plan	350	0	622	0	6
NRC Review Period	50	0	89	0	12
Site Services Specifications	100	0	178	0	2
Project Procedures	100	0	178	0	4
TOTAL	1,200	82	1,969	144	(Note 1)

Note:

1. Some activities will be conducted in parallel to achieve a 24 month time frame.

**Table 10.1-3 Decontamination or Dismantling of Radioactive Components
(Man-Hours)**
Page 1 of 1

Other Buildings (Note 1)

Component	Decon Method (Note 4)	Craftsman	Supervision (Note 2)	Project Management	HP&S/Chem (Note 3)
Glove Boxes		0	0	0	0
Fume Cupboards		312	62	53	66
Lab Benches		324	64	55	68
Sinks		101	20	17	21
Drains		102	20	17	21
Floors		647	129	111	136
Walls		422	84	72	89
Ceilings		275	55	47	58
Ventilation/Ductwork		8,468	1,693	1,447	1,780
Hot Cells		0	0	0	0
Equipment/Materials		1,533	307	262	322
Soil Plots		0	0	0	0
Storage Tanks		14	3	2	3
Storage Areas		110	22	19	23
Radwaste Areas		0	0	0	0
Scrap Recovery Areas		0	0	0	0
Maintenance Shop		0	0	0	0
Equipment Decontamination Areas		0	0	0	0
Other		1,913	382	327	402
TOTAL Hours	--	14,221	2,841	2,430	2,990

Notes:

1. Includes the Decontamination Facility, Technical Services Building, Gaseous Effluent Vent System Throughout Plant, Blending and Sampling, and Centrifuge Test and Post Mortem Facilities.
2. Supervision at 20%.
3. Supply ongoing monitoring and analysis service for dismantling teams.
4. Specific details of decontamination method not defined at this time.

**Table 10.1-4 Restoration of Contaminated Areas on Facility Grounds
(Work Days)
Page 1 of 1**

Activity	Labor Category	Labor Category	Labor Category	Labor Category	Labor Category	Labor Category
Backfill and Restore Site (Note 1)						
TOTAL						

Note:

1. Deviates from NUREG-1757 because cost is based on volume and unit cost associated with removal and disposal of liners and earthen covers of the facility Treated Effluent Evaporative Basin. The cost (see Table 10.1-14) assumes transport and disposal of approximately 33,000 ft³ of contaminated soil and basin membrane. The cost of removal of the facility Treated Effluent Evaporative Basin material (33,000 ft³) is based on a \$30/ft³ disposal cost and includes the cost of excavation (\$5.00/yc³ which includes labor and equipment costs) and cost of transportation (\$4.00/mile for approximately 1,100 miles from the NEF site to the Envirocare facility in Utah). Based on Urenco experience, other areas outside of the plant buildings are not expected to be contaminated.

Table 10.1-5 Final Radiation Survey
Page 1 of 1

Activity	Costs (\$000)	Labor Shift-worker (multi-functional) (Man-days)	Labor Project Management (Man-days)	Labor HP&S (Man-days)	Activity Duration (Months)
Prepare Survey Plans and Grid Areas	500	439	334	360	8
Collect Survey Readings and Analyze Data	1,400 (Note 1)	1,261	343	1,013	16
Sample Analysis			568		
Final Status Survey Report and NRC Review	300	0	533	0	8
Confirmatory Survey and Report	200	0	355	0	6
Terminate Site License	100	0	178	0	2
TOTAL	2,500	1,700	2,311	1,373	(Note 2)

Notes:

1. The \$1.4 million cost assigned to the conduct of the final radiation survey includes a cost of \$365,000 to conduct the sampling and perform the sample analysis by a contractor. The sampling labor cost component (\$45,000) was estimated assuming \$60/hr (HP&S man-hour rate) for an estimated 500 samples with an average sample duration of 1.5 hours/sample. The analysis cost component (\$320,000) for the 500 samples was estimated using a conservative \$640/sample based on recent actual 2004 lab analysis costs. Because of the modeling for this activity, this sample analysis cost is expressed in terms of equivalent man-hours at the Project Management man-hour rate.
2. Some activities will be conducted in parallel to achieve a 36 month time frame.

Table 10.1-6 Site Stabilization and Long-Term Surveillance
(Work Days)
Page 1 of 1

Activity	Labor Category	Labor Category	Labor Category	Labor Category	Labor Category	Labor Category
(Note 1)	N/A	N/A	N/A	N/A	N/A	N/A

Note:

1. Urenco experience with decommissioning gas centrifuge uranium enrichment plants has been that there is no resultant ground contamination. As a result, site stabilization and long-term surveillance will not be required and associated decommissioning provisions are not provided.

Table 10.1-7 Total Work Days by Labor Category
(Based on a 7.5 hr Working Day)
Page 1 of 1

Task	Shift- worker (multi-functional)	Craftsman	Supervision	Project Management	HP&S	Cleaner
Planning and Preparation (see Table 10.1-2)	82	0	0	1,969	144	0
Decontamination and/or Dismantling of Radioactive Facility Components (Note 2)	58,067	1,896	6,156	1,478	1,828	2,897
Restoration of Contaminated Areas on Facility Grounds (Note 1) (see Table 10.1-4)	-	-	-	-	-	-
Final Radiation Survey (see Table 10.1-5)	1,700	0	0	2,311	1,373	0
Site Stabilization and Long- Term Surveillance (see Table 10.1-6)	0	0	0	0	0	0

Notes:

1. Cost estimate is activity-based.
2. The values shown are inclusive of the Separations Module input derived using the total costs in Table 10.1-9 and dividing by the cost per day for each labor category.

Table 10.1-8 Worker Unit Cost Schedule
Page 1 of 1

Labor Cost Component	Shift- worker (multi- functional)	Craftsman	Supervision	Project Management	HP&S	Cleaner
Salary & Fringe (\$/year)	73,006	65,184	96,000	120,000	96,000	73,006
Overhead Rate (%)	excluded	excluded	excluded	excluded	excluded	excluded
Total Cost Per Year (\$)	73,006	65,184	96,000	120,000	96,000	73,006
Total Cost Per Work Day (\$/day) (Note 1)	342	306	450	563	450	342

Note:

1. Based on 213.33 work days per year at 7.5 hrs per day (1,600 hrs per year).

Table 10.1-9 Total Labor Costs by Major Decommissioning Task
(\$000)
 Page 1 of 1

Task	Shift-worker (multi-functional)	Craftsman	Supervision	Project Management	HP&S	Cleaner
Planning and Preparation (see Table 10.1-2)	28	0	0	1,109	65	0
Decontamination and/or Dismantling of Radioactive Facility Components	19,175	579	2,770	832	823	991
Restoration of Contaminated Areas on Facility Grounds (Note 1) (see Table 10.1-4)	-	-	-	-	-	-
Final Radiation Survey (see Table 10.1-5)	581	0	0	1,301	618	0
Site Stabilization and Long- Term Surveillance (see Table 10.1-6)	0	0	0	0	0	0

Note:

1. Cost estimate is activity-based.

**Table 10.1-10 Packaging, Shipping and Disposal of Radioactive Wastes
(Excluding Labor Costs)**

Page 1 of 1

(a) Waste Disposal Costs (includes packaging & shipping costs)

Waste Type	Disposal Volume (m ³ (ft ³))	Unit Cost (\$/ft ³)	# of drums	Total Disposal Costs (\$000)
Other Buildings :				
Miscellaneous low level waste	83 (2,930)	150	400	440
Separation Modules:				
Solidified Liquid Wastes	432 (15,251)	100	2,159	1,525
Centrifuge Components, Piping and Other Parts	1,036 (36,595)	100	5,180	3,659
Aluminum	3,602 (127,200)	100	NA	12,720
TOTAL	5,153 (181,976)	--	7,739	18,344

(b) Processing Costs

Materials	Disposal Weight (tons)	Unit Cost (\$/lb)	Total Disposal Costs (\$000)
Aluminum	10,177	0.14	2,860
Other materials	155	2.67	830
TOTAL	10,332	--	3,690

Table 10:1-11 Equipment and Supply Costs
(Excluded Containers)
Page 1 of 1

(a) Equipment

Equipment	Quantity	Unit Cost (\$/unit)	Total Cost Equipment (\$000)
Separation Building Modules			
Dismantling and decontamination building	45,210 ft ²	1,545	6,490
Special floor and vent system	45,210 ft ²	294	1,240
Plant equipment			
Basic decontamination equipment	lot (Note 1)	600,000	600
Decontamination line equipment	2 units	3,908,850	7,820
Evaporation installation	lot (Note 1)	390,000	390
Radiation and control equipment	lot (Note 1)	410,000	410
Electrical and Instrumentation			
Electrical system	lot (Note 1)	500,000	500
Instrumentation	lot (Note 1)	590,000	590
Design and Engineering			
Building	-	20% (Note 1)	1,550
Plant and equipment	-	15% (Note 1)	1,400
Electrical and Instrumentation	-	25% (Note 1)	270
Other Buildings:			
Dismantling/Cleaning Tools, Equipment and Consumables	lot (Note 1)	100,000	100
TOTAL	--	--	21,360

Note:

1. Allocation based on Urenco decommissioning experience.

(b) Supply

Equipment	Quantity	Unit Cost (\$/ft ³)	Total Cost Equipment (\$000)
Electricity kwh	2,910,344	0.062	180
Gas ft ³	16,900,000	0.004	75
Water ft ³	86,300	0.035	3
Materials	lot (Note 1)	.	653
TOTAL	--	--	910

Note:

1. Allocation based on Urenco decommissioning experience.

Table 10.1-12 Laboratory Costs

Page 1 of 1

Activity	Quantity	Unit Cost (\$)	Total Costs (\$000)
Analysis of batch samples (Note 1)	931	934	870
TOTAL	--	--	870

Note:

1. Sample analysis costs are for aluminum only. The unit cost for this sampling is the cost of performing the analysis using onsite laboratory equipment and assumes 8 samples for each of the estimated 931 batch melts. Costs associated with other sampling and analysis are included in Table 10.1-5, Final Radiation Survey.

Table 10.1-13 Period Dependent Costs
Page 1 of 1

Cost Item	Total Cost (\$000)
License Fees	(Note 1)
Insurance	(Note 1)
Taxes	(Note 1)
Other	(Note 1)
TOTAL	10,000

Note:

1. Period Dependent Costs include management, insurance, taxes, and other costs for the period beginning with the termination of operations of Separations Building Module 3 and the remaining plant facilities. This assumes \$2,000,000 per year for each of the five years at the end of the project. It has been assumed that the period dependent decommissioning costs incurred during concurrent enrichment operations will be funded from operating plant funding and not the decommissioning trust fund.

Table 10.1-14 Total Decommissioning Costs
Page 1 of 2

(Note 7)

Task/Components	Costs (\$000)		Total (\$000)	Percentage	Notes
	Separations Modules	Other Buildings			
Planning and Preparation (see Table 10.1-2)	1,200	0	1,200	1%	1
Decontamination and Dismantling of Radioactive Facility Components (see Table 10.1-9)	24,060	1,110	25,170	20%	8
Restoration of Contamination Areas on Facility Grounds (see Table 10.1-4)	1,357	0	1,357	1%	2
Final Radiation Survey (see Table 10.1-5)	2,500	0	2,500	2%	3
Cost of Third Party Use	39,829	1,232	41,061	32%	11
Site Stabilization and Long-term Surveillance	0	0	0	0%	4
Waste Processing Costs (see Table 10.1-10)	3,690	0	3,690	3%	5
Waste Disposal Costs (see Table 10.1-10)	17,904	440	18,344	14%	6
Equipment Costs (see Table 10.1-11)	21,260	100	21,360	17%	--
Supply Costs (see Table 10.1-11)	910	0	910	1%	--
Laboratory Costs (see Table 10.1-12)	870	0	870	1%	--
Period Dependent Costs (see Table 10.1-13)	10,000	0	10,000	8%	--
SUBTOTAL (2002)	123,580	2,882	126,462		--
SUBTOTAL (with escalation to 2004)	128,115	2,988	131,103		12
Tails Disposition (2004)	--	--	622,169		9
Contingency (25%)	--	--	188,318		--
TOTAL (2004)	--	--	941,590		10

Table 10.1-14 Total Decommissioning Costs
Page 2 of 2

Notes:

1. The \$1,200 includes planning, site characterization, Decommissioning Plan preparation, and NRC review for the entire plant.
2. Cost provided is for removal and disposal of liners and earthen covers of the facility Treated Effluent Evaporative Basin. The cost assumes transport and disposal of approximately 33,000 ft³ of contaminated soil and basin membrane at recent commercial rates. The cost of removal of the facility Treated Effluent Evaporative Basin material (33,000 ft³) is based on a \$30/ft³ disposal cost and includes the cost of excavation (\$5.00/yd³ which includes labor and equipment costs) and cost of transportation (\$4.00/mile for approximately 1,100 miles from the NEF site to the Envirocare facility in Utah). Other areas outside of the plant buildings are not expected to be contaminated.
3. The \$2,500 includes the Final Radiation Survey, NRC review, confirmatory surveys and license termination for the entire plant.
4. Site stabilization and long-term surveillance will not be required.
5. Waste processing costs are based on commercial metal melting equipment and unit rates obtained from Urenco experience in Europe.
6. Includes waste packaging and shipping costs. Waste disposal costs for Other Buildings are based on a \$150 per cubic foot unit rate which includes packaging, shipping and disposal at Envirocare in Utah.
7. More than 97% of the decommissioning costs for the facility are attributed to the dismantling, decontamination, processing, and disposal of centrifuges and other equipment in the Separations Building Modules, which are considered classified. Given the classified nature of these buildings, the data presented in these Tables have been structured to meet the applicable NUREG-1757 recommendations, to the extent practicable. However, specific information such as numbers of components and unit rates has been intentionally excluded to protect the classified nature of the data. The remaining 3% of the decommissioning costs are for the remaining systems and components in Other Buildings.
8. The \$1,110 for Other Buildings includes the decontamination and dismantling of contaminated equipment in the TBS, Blending and Liquid Sampling Area, Centrifuge Test and Post Mortem Facilities, and Gaseous Effluent Vent System.
9. Refer to Section 10.3, for Tails Disposition discussion.
10. Combined total for both decommissioning and tails disposition.
11. An adjustment has been applied to account for use of a third party for performing decommissioning operations associated with planning and preparation, decontamination and dismantling of radioactive facility components, restoration of contaminated grounds, and the final radiation survey. The adjustment includes an overhead rate on direct staff labor of 110%, plus 15% profit on labor and its overheads.
12. The escalation cost factor applied is based on the Gross Domestic Product (GDP) implicit price deflator. The resulting escalation cost factor for January 2002 to January 2004 is a 3.67% increase. The escalation cost factor is not applied to the tails disposition costs since these costs are provided in 2004 dollars.

Table 10.3-1 Summary of Depleted UF₆ Disposal Costs from Four Sources
Page 1 of 1

Source	Costs in 2002 Dollars per kgU			
	Conversion	Disposal	Transportation	Total
LLNL (UCRL-AR-127650) (a)	2.64	2.17	0.25	5.06
UDS Contract (b)	(d)	(d)	(d)	3.92
URENCO (e)	(d)	(d)	(d)	(d)
CEC Cost Estimate (c)	4.93	1.47	0.34	6.74

Notes:

- (a) 1997 Lawrence Livermore National Laboratory cost estimate study for DOE, discounted costs in 1996 dollars were undiscounted and escalated to 2002 by ERI.
- (b) Uranium Disposition Services (UDS) contract with DOE for capital and operating costs for first five years of Depleted UF₆ conversion and Depleted U₃O₈ conversion product disposition.
- (c) Based upon Depleted UF₆ and Depleted U₃O₈ disposition costs provided to the NRC during Claiborne Enrichment Center license application in 1993.
- (d) Cost component is proprietary or not made available.
- (e) The average of the three costs is \$5.24/kg U. LES has selected \$5.50/kg U as the disposal cost for the National Enrichment Facility. Urenco has reviewed this cost estimate, and based on its current experience with UF₆ disposal, finds this figure to be prudent.

Table 10.3-2 DOE-UDS August 29, 2002, Contract Quantities and Costs
Page 1 of 1.

	Target Million kgU	
	DUF ₆ (a)	U (b)
UDS Conversion and Disposal Quantities:		
FY 2005 (August-September)	1.050	0.710
FY 2006	27.825	18.800
FY 2007	31.500	21.294
FY 2008	31.500	21.294
FY 2009	31.500	21.294
FY 2010 (October-July)	26.250	17.745
Total:	149.625	101.147
Nominal Conversion Rate (c) and Target Conversion Rate (Million kgU/Yr)		21.3
UDS Contract Workscope Costs: (d)		Million \$
Design, Permitting, Project Management, etc.		27.99
Construct Paducah Conversion Facility		93.96
Construct Portsmouth Conversion Facility		90.40
Operations for First 5 Years DUF ₆ and DU ₃ O ₈ (e)		283.23
Contract Estimated Total Cost w/o Fee		495.58
Contract Estimated Value per DOE PR, August 29, 2003		558.00
Difference Between Cost and Value is the Estimated Fee of 12.6%		62.42
Capital Cost w/o Fee		212.35
Capital Cost with Fee		239.10
First 5 Years Operating Cost with Fee		318.92
Estimated Unit Conversion and Disposal Costs:		
Unit Capital Cost (f)		\$0.77/kgU
2005-2010 Unit Operating Costs in 2002 \$		\$3.15/kgU
Total Estimated Unit Cost		\$3.92/kgU

Notes:

- (a) As on page B-10 of the UDS contract.
- (b) DUF₆ weight multiplied by the uranium atomic mass fraction, 0.676.
- (c) Based on page H-34 of the UDS contract.
- (d) Workscope costs as on UDS contract pages B-2 and B-3.
- (e) Does not include any potential off-set credit for HF sales.
- (f) Assumed operation over 25 years, 6% government cost of money, and no taxes.

FIGURES

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NATIONAL ENRICHMENT FACILITY - CONCEPTUAL DECOMMISSIONING SCHEDULE

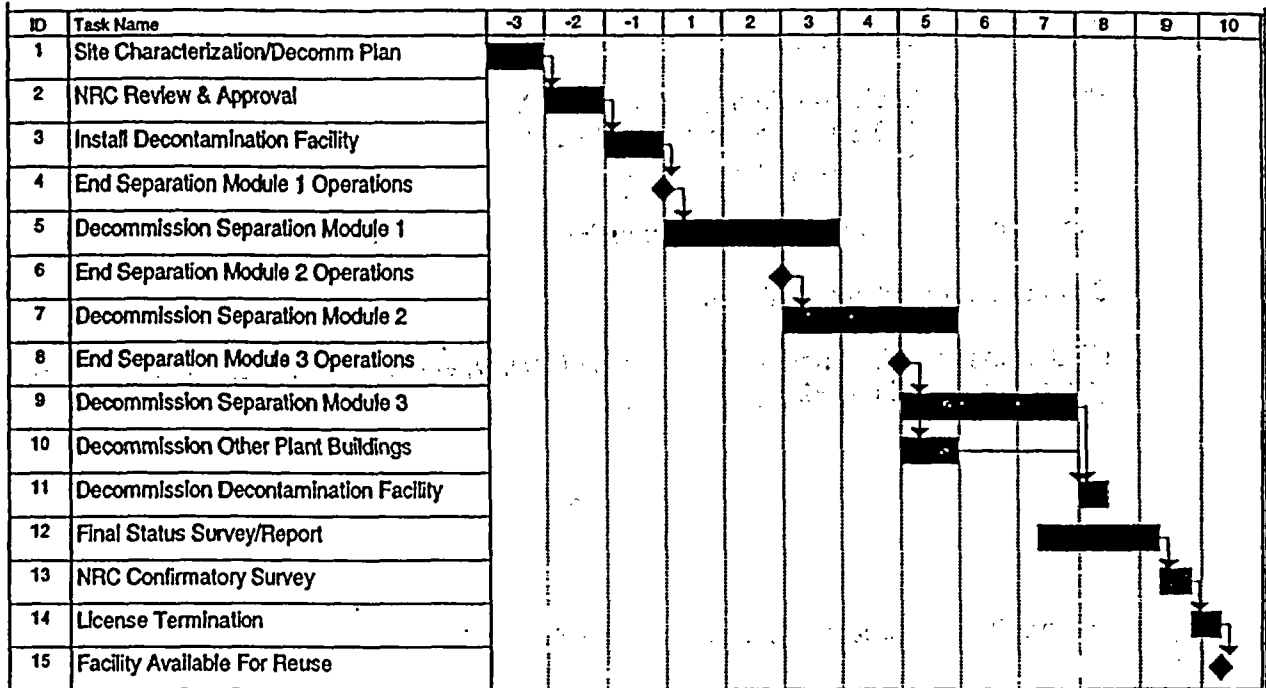


FIGURE 10.1-1

NATIONAL ENRICHMENT FACILITY -
CONCEPTUAL DECOMMISSIONING SCHEDULE

REFERENCE NUMBER
Figure 10.1-1.doc

REVISION DATE: DECEMBER 2003

**APPENDIX 10A
PAYMENT SURETY BOND**

Date bond executed: _____

Effective date: _____

Principal: Louisiana Energy Services, L.P.
100 Sun Avenue NE, Suite 204
Albuquerque, NM 87109

Type of organization: Limited Partnership

State of incorporation: Delaware

NRC license number, name and address of facility, and amount for decommissioning activities guaranteed by this bond: _____

Surety: *[Insert name and business address]*

Type of organization: *[Insert "proprietorship," "partnership," or "corporation"]*

State of incorporation: _____ *(if applicable)*

Surety's qualification in jurisdiction where licensed facility is located.

Surety's bond number: _____

Total penal sum of bond: \$_____

Know all persons by these presents, that we, the Principal and Surety hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum

only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in title 10, Chapter I of the *Code of Federal Regulations*, Parts 30, 40, and 70, applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by NRC or a U.S. District Court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance, and obtain NRC's written approval of such assurance, within 30 days after the date a notice of cancellation from the Surety is received by both the Principal and NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by NRC that the Principal has failed to perform as guaranteed by this bond, the Surety shall place funds in the amount guaranteed for the facility into the standby trust fund.

The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety hereunder exceed the amount of said penal sum.

The Surety may cancel the bond by sending notice of cancellation by certified mail to the Principal and to NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to NRC and to the Surety 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety receives written authorization for termination of the bond from NRC.

The Principal and Surety hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year and no decrease in the penal sum takes place without the written permission of NRC.

If any part of this agreement is invalid, it shall not affect the remaining provisions that will remain valid and enforceable.

In Witness Whereof, the Principal and Surety have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety.

Principal

[Signatures]

E. James Ferland

President, Louisiana Energy Services, L.P.

[Corporate seal]

Corporate Surety

[Name and address]

State of incorporation: _____

Liability limit: \$ _____

[Signatures]

[Names and titles]

[Corporate seal]

Bond Premium: \$ _____

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APPENDIX 10B
STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of *[insert date]* by and between Louisiana Energy Service, L. P., a Delaware limited partnership, herein referred to as the "Grantor," and *[insert name and address of a trustee acceptable to NRC]*, the "Trustee."

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in title 10, Chapter I, of the *Code of Federal Regulations*, Parts 30, 40, and 70. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Parts 30, 40, and 70 provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a surety bond to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a surety bond, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee;

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in License Number *[insert license number]* issued pursuant to 10 CFR Parts 30, 40, and 70, as shown in Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the Fund) for the benefit of NRC. The Grantor and the Trustee intend that no third party shall have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash, securities, or other liquid assets acceptable to the Trustee. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described

in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund," together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- (a) A certificate duly executed by the Secretary of the Grantor's Management Committee attesting to the occurrence of the events, and in the form set forth in the attached Certificate of Events, and
- (b) A certificate attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan;
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan; and
 - (3) that NRC has been given 30 days prior notice of Louisiana Energy Service's intent to withdraw funds from the trust fund.

No withdrawal from the Fund for a particular license can exceed 10 percent of the remaining funds available for that license unless NRC written approval is attached.

In addition, the Trustee shall make payments from the Fund as NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by NRC from the Fund for expenditures for required activities in such amounts as NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of

prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims, except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80a-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal government, and in obligations of the Federal government such as GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services; and
- (c) For a reasonable time, not to exceed 60 days, the Trustee is authorized to hold uninvested cash, awaiting investment or distribution, without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and
- (b) To purchase shares in any investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), including one that may be created, managed, underwritten, or to which investment advice is rendered, or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals at the joint request of the Grantor and NRC or to reinvest in securities at the direction of the Grantor;
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in its own name, or in the name of a nominee, and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee

or such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing with the Grantor. (See Schedule C.)

Section 13. Successor Trustee. Upon 90 days notice to NRC and the Grantor, the Trustee may resign; upon 90 days notice to NRC and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee, the successor accepts the appointment, the successor is ready to assume its duties as trustee, and NRC has agreed, in writing, that the successor is an appropriate Federal or State government agency or an entity that has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. When the resignation or replacement is effective, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for

any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust, in a writing sent to the Grantor, NRC, and the present Trustee, by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If NRC issues orders, requests, or instructions to the Trustee these shall be in writing, signed by NRC or its designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or NRC, except as provided for herein.

Section 15. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. All amendments shall meet the relevant regulatory requirements of NRC.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and NRC, or by the Trustee and NRC if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 17. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor or NRC issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 18. This Agreement shall be administered, construed, and enforced according to the laws of the State of *[insert name of State]*.

Section 19. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. If any part of this Agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the
respective officers duly authorized and the incorporate seals to be hereunto affixed and attested
as of the date first written above.

Louisiana Energy Services, L. P.
[Signature of E. James Ferland]
E. James Ferland
President, Louisiana Energy Services, L. P.

ATTEST:

[Title]

[Seal]

[Insert name and address of Trustee]
[Signature of representative of Trustee]
[Title]

ATTEST:

[Title]

[Seal]

APPENDIX 10C
STANDBY TRUST AGREEMENT SCHEDULES

Schedule A

This Agreement demonstrates financial assurance for the following cost estimates or prescribed amounts for the following licensed activities:

U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER(S)	NAME AND ADDRESS OF LICENSEE	ADDRESS OF LICENSED ACTIVITY	COST ESTIMATES FOR REGULATORY ASSURANCES DEMONSTRATED BY THIS AGREEMENT
	Louisiana Energy Services, L.P. 100 Sun Avenue NE, Suite 204 Albuquerque, NM 87109		

The cost estimates listed here were last adjusted and approved by NRC on *[insert date]*.

Schedule B

DOLLAR AMOUNT _____

AS EVIDENCED BY _____

Schedule C

[Insert name, address, and phone number of Trustee.]
Trustee's fees shall be \$ _____ per year.

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APPENDIX D
SPECIMEN CERTIFICATE OF EVENTS

[Insert name and address of trustee]

Attention: Trust Division

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, I, _____,
Secretary of the Management Committee of Louisiana Energy Services, L. P., hereby certify
that the following events have occurred:

1. Louisiana Energy Services, L. P., is required to commence the decommissioning of its facility located in Lea County, New Mexico (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Management Committee of Louisiana Energy Services, L. P., has adopted the attached resolution authorizing the commencement of the decommissioning.

Secretary of the Management Committee of
Louisiana Energy Services, L. P.

Date

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APPENDIX 10E
SPECIMEN CERTIFICATE OF RESOLUTION

I, _____, do hereby certify that I am Secretary of the Management Committee of Louisiana Energy Services, L. P., a Delaware Limited Partnership, and that the resolution listed below was duly adopted at a meeting of this Limited Partnership's Management Committee on _____, 20__.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of this Limited Partnership this ____ day of _____, 20__.

Secretary of the Management Committee of
Louisiana Energy Services, L. P.

RESOLVED, that this Management Committee hereby authorizes the President, or such other employee of the Limited Partnership as he may designate, to commence decommissioning activities at the National Enrichment Facility in accordance with the terms and conditions described to this Management Committee at this meeting and with such other terms and conditions as the President shall approve with and upon the advice of Counsel.

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APPENDIX 10F
LETTER OF ACKNOWLEDGMENT

STATE OF _____

To Wit: _____

CITY OF _____

On this ____ day of _____, before me, a notary public in and for the city and State aforesaid, personally appeared _____, and she/he did depose and say that she/he is the [insert title] of _____ [if applicable, insert ", national banking association" or ", State banking association"], Trustee, which executed the above instrument; that she/he knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she/he signed her/his name thereto by like order.

[Signature of notary public]

My Commission Expires: _____
[Date]

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