

March 15, 2005

MEMORANDUM TO: Joseph G. Glitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

FROM: Timothy C. Johnson, Project Manager /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

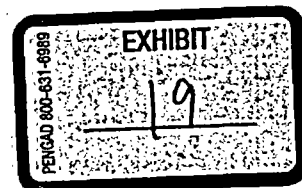
SUBJECT: MARCH 2, 2005, TELEPHONE SUMMARY: LOUISIANA
ENERGY SERVICES DISCUSSIONS ON DECOMMISSIONING
FUNDING

On March 2, 2005, the U.S. Nuclear Regulatory Commission (NRC) staff held a telephone conference call with staff from Louisiana Energy Services (LES) to discuss decommissioning funding issues related to the LES uranium enrichment plant proposed to be built in Eunice, New Mexico. I am attaching the telephone summary for your use. No classified or proprietary information was discussed.

Docket: 70-3103

Attachment: Louisiana Energy Services
Telephone Summary

cc:	William Szymanski/DOE	Claydean Claiborne/Jal	Rod Krich/LES
	Monty Newman/Hobbs	James Curtiss/W&S	Troy Harris/Lovington
	Peter Miner/USEC	Betty Richman/Tatum	James Ferland/LES
	Glen Hackler/Andrews	Lue Ethridge/Lea Cty	John Parker/NMED
	James Brown/Eunice	Richard Ratliff/Texas	Michael Marriotte/NIRS
	Jerry Clift/Hartsville	Carol O'Claire/Ohio	Lee Cheney/CNIC
	Derrith Watchman-Moore/NMED	Joseph Malherek/PC	Ron Curry/NMED
	Tannis Fox/NMED	Patricia Madrid/NMAG	Glenn Smith/NMAG
	Lindsay Lovejoy/NIRS		



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LES website - No

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OFC	GCFLS		GCFLS		DWMEP	GCFLS
NAME	TJohnson:bkh1		LMarshall		TFredrichs	BSmith
DATE	3/14/05		3/15/05		3/15/05	3/15/05

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Telephone Conference Call Summary

Decommissioning Funding

Date and Time: 2:30 PM; March 2, 2005

Call Participants:	C. Dean/ICF	J. Mayer/ICF
	E. Gormsen/ICF	T. Fredrichs/NRC
	T.C. Johnson/NRC	J. Klein/NRC
	L. Clark/NRC	R. Krich/LES
	D. Green/Excel	J. Kay/L&G

On March 2, 2005, a conference call between U.S. Nuclear Regulatory Commission (NRC) and Louisiana Energy Services (LES) staffs was held to discuss decommissioning funding issues related to LES' application for a uranium enrichment facility proposed to be located in Eunice, New Mexico.

Discussion:

Prior to transmitting responses to NRC's clarifying questions discussed with LES on January 27, 2005, LES staff wished to discuss the information it planned to provide.

LES staff indicated that it would update Table 10.1-14 to include a revised escalation factor consistent with the ICF recommendations. LES staff also said it would clarify in a footnote that the \$320,000 for sampling labor is included in the \$1.4 million sampling costs in Table 10.1-5.

LES staff developed unit decommissioning costs by component and compared these values with information in NUREG/CR-6477, "Revised Analyses of Decommissioning Reference Non-Fuel-Cycle Facilities." The most applicable information in NUREG/CR-6477 was for the tritium and C¹⁴ facilities. In general, the unit costs were similar to the information in NUREG/CR-6477. LES staff indicated that where the LES units costs are less than the NUREG/CR-6477 values, the differences are primarily due to the actual Urenco experience where rigorous housekeeping practices are used and contamination is maintained at low levels throughout the plant operations. These housekeeping practices result in reduced effort in decontamination operations needed at the time of decommissioning.

LES staff explained their approach for addressing third-party contractors performing the decommissioning work. A 110 percent overhead rate was added on direct staff labor costs and a 15 percent profit allowance was added to the total cost, which also included an activity-based estimate for restoration of facility grounds, based on NRC's STP-04-003, "Financial Analysis Methodology" of January 2004.

LES staff also clarified that the labor hours in Table 10.1-7 in the decommissioning or dismantling task include the separations modules.

LES staff stated that the basis for the disposal, conversion, and transportation costs would be provided. They said that this information had been previously provided in discovery and included an estimate from Transport Logistics International for transportation and a letter from Waste Control Specialists for disposal. LES staff indicated that it would also provide a letter

from the U.S. Department of Energy that includes a breakout of conversion, transportation, and disposal costs.

ICF and NRC staff indicated that the information discussed is what is needed to complete the review.