

April 11, 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

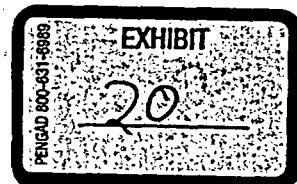
SUBJECT: MARCH 17, 2005, TELEPHONE SUMMARY: LOUISIANA ENERGY  
SERVICES DISCUSSIONS ON DECOMMISSIONING FUNDING

On March 17, 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 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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NAME	TJohnson:bkh1		LMarshall		TFredricks		BSmith	
DATE	4/6/05		4/6/05		4/7/05		4/11/05	

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## Telephone Conference Call Summary

### Decommissioning Funding

Date and Time: 1:00 PM; March 17, 2005

Call Participants:	C. Dean/ICF	J. Mayer/ICF
	T. Fredricks/NRC	B. Smith/NRC
	T.C. Johnson/NRC	R. Krich/LES
	D. Green/Excel	

On March 17, 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:

On March 3, 2005, LES staff transmitted responses to NRC's clarifying questions discussed with LES in a March 2, 2005, conference call. NRC and ICF staff had further questions on this information.

LES staff clarified that the transportation cost estimate is independent of distance. LES staff agreed to provide further documentation of this estimate. LES staff also indicated it would clarify the appropriate units for the estimates used, i.e., whether the appropriate units are per kilogram (Kg) uranium (U) or Kg uranium oxide. LES staff indicated that it used the lower bound transportation cost value because it considered the value conservative and converted that value into units of kilograms of uranium metal. LES staff indicated that it would provide a justification for using the lower bound value.

LES staff indicated that the Waste Control Specialists (WCS) disposal costs for uranium oxide convert to the estimate values in kilograms of uranium metal. The Envirocare estimate for disposal was slightly less. LES staff indicated that it would provide a clarifying basis for the derivation of the \$1.14/Kg U disposal cost estimate proposed in its January 7, 2005, letter.

LES staff indicated that it would provide further clarifying information on the spreadsheet referenced for the conversion costs and summarize the basis for the conversion cost estimate.

LES staff also indicated that the DOE cost estimate was provided because it corresponded to option 2 in the license application, which LES may decide to exercise, and it provided a good reference value for their estimate.

Administratively, NRC staff requested that information previously provided in discovery needed to be put on the docket if LES wishes to use this information to support the decommissioning cost estimates. LES staff agreed to provide this information via letter with the appropriate affidavits for any proprietary information.