

RAS 11174

February 6, 2006

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

DOCKETED
USNRC

February 6, 2006 (3:19pm)

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

In the Matter of

Docket No. 70-3103

Louisiana Energy Services, L.P.

ASLBP No. 04-826-01-ML

**OUTLINE SUMMARIES SUBMITTED ON BEHALF OF INTERVENORS
NUCLEAR INFORMATION AND RESOURCE SERVICE
AND PUBLIC CITIZEN ("NIRS/PC")
(COST OF CAPITAL AND CYLINDER MANAGEMENT)**

Preliminary statement

The following Outline Summaries are submitted on behalf of Nuclear Information and Resource Service and Public Citizen, Intervenor herein ("NIRS/PC"), pursuant to the order of the Atomic Safety and Licensing Board (the "Board") dated December 27, 2005.

Summaries

Outline Summary concerning deconversion issues:

1. Contention: LES has not presented a plausible strategy for deconversion of depleted uranium hexafluoride to a stable form for disposal. The Commission's standard requires a reasonable or credible plan supported by reasonable cost estimates. The evidence will show as follows:
 2. Expert witness (Dr. Arjun Makhijani):
 - a. Cost of capital:
 1. Omission of cost of capital from LES presentation to Staff.

2. Inadequacy of LES's claim that cost of capital can be met by excess allowance for operations and maintenance.
3. Inadequacy of LES's claim that cost of capital can be met out of escalation of some portion of revenue.
4. Deficiencies of LES spreadsheet analysis. (NIRS/PC Ex. 281).
5. Correct analysis of cost of capital for LES's proposed deconversion plant. (NIRS/PC Ex. 280)
6. Deficiencies of NRC Staff spreadsheet analysis. (NRC Staff Ex. 47).
7. LES proposal to fund deconversion at end of operating life of NEF states a new decommissioning strategy, inconsistent with previous cost estimates based upon agreement with State.
8. LES proposal fails to allow for profits from deconversion operation.
9. LES is required to fund deconversion at any time in the operating life of the NEF.

b. Cylinder management:

1. Practical need to address cylinder management (washing, recertification, possible reuse or disposal) as part of deconversion.
2. Third party assuming decommissioning tasks would need to do cylinder management.
3. Upon closure of NEF, deconversion plant would shut down and be decommissioned.
4. No factual basis to assume that cylinders are a marketable commodity.
5. Cylinder washing costs are discussed in the Urenco business study.

6. Urenco costs in Europe do not correspond to U.S. costs.
7. Urenco costs in Europe do not correspond to costs of cleaning to meet free release standards.
8. DOE assumes that DUF6 cylinders will be disposed of.
9. If a market for reuse is assumed, factual basis for such assumption must be set forth.
10. If reuse cannot be assumed, provision must be made for disposal of cylinders as LLW.
11. Urenco business study estimate of disposal cost does not relate to U.S. conditions.
12. Assertion that cost of cleaning for free release would be less than washing for recertification is unsupported.

Respectfully submitted,



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February 6, 2006

CERTIFICATE OF SERVICE

Pursuant to 10 CFR § 2.305 the undersigned attorney of record certifies that on February 6, 2006, the foregoing Outline Summaries Submitted on behalf of Intervenor Nuclear Information and Resource Service and Public Citizen (Cost of Capital and Cylinder Management) was served by electronic mail and first class mail upon the following:

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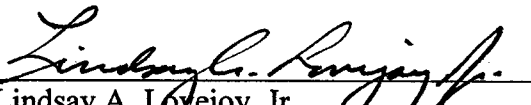
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