



Philip G. Sewell
Senior Vice President

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December 27, 2005

Mr. Larry Brown
Senior Policy Advisor
Under Secretary's Office
U.S. Department of Energy
1000 Independence Avenue, S.W.
Room 7A-219
Washington, DC 20585

Dear Mr. Brown:

We have been discussing the estimate of the cost for DOE to dispose of tails generated at the proposed American Centrifuge Plant for a number of months. On December 8, 2005, USEC provided a letter requesting that that DOE provide USEC with a cost estimate for disposal of tails from the American Centrifuge Plant with a similar level of detail as was provided to LES. In a letter dated December 12, 2005, the DOE provided a cost breakdown of the four principal cost components for disposal of depleted uranium and confirmed that \$4.83/kilogram uranium as a reasonable unit cost for the purposes of decommissioning funding for the American Centrifuge Plant.

Subsequently, on December 19, a telephone conference call was held between the NRC (and consultant ICF) and DOE (and consultant LMI) concerning the basis for the depleted uranium disposition cost estimate of \$4.83/kilogram uranium. DOE participants included Linda Gunter, Ray Miskelley, and Jack Zimmerman. USEC also participated in the call.

Mr. Brian Smith of the NRC stated that the purpose of the telephone conference call was to help NRC understand the basis for DOE's estimate. The telephone conference call was necessary since the information provided in the DOE letter was not detailed enough to accomplish this. The NRC indicated that a report, similar in detail to what was prepared by DOE for LES, was needed. During the call, Mr. Smith requested that certain technical issues be specifically addressed by DOE during preparation of its report to support the unit cost estimate.

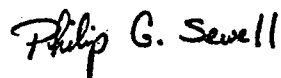
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Based on discussions with the NRC on December 20, it is our understanding that DOE needs a written request by USEC in order to expeditiously proceed with preparing and submitting the report. Accordingly, the purpose of this letter is to request that DOE prepare such a report, in the same detail as the report prepared for LES and addressing the technical issues requested by the NRC during the December 19 telephone conference call. USEC would submit the report to the NRC to support licensing of the American Centrifuge Plant. As previously stated, should DOE require, USEC would enter into a confidentiality agreement with DOE and/or its contractor and would request the NRC to protect the report from public disclosure in accordance with NRC regulations.

We would appreciate your timely response to this request so that it does not delay the licensing process for the American Centrifuge Plant and thereby jeopardize future milestones.

If you should have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, reading "Philip G. Sewell". The signature is written in a cursive style with a large, stylized "P" and "S".

Philip G. Sewell