

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)

LOUISIANA ENERGY SERVICES, L.P.)

(National Enrichment Facility))

Docket No. 70-3103

ASLBP No. 04-826-01-ML

NRC STAFF'S PROPOSED FINDING OF FACT AND CONCLUSIONS OF LAW
CONCERNING NIRS/PC CONTENTIONS
EC-3/TC-1 (DEPLETED URANIUM HEXAFLUORIDE STORAGE AND DISPOSAL),
EC-5/TC-2 (DECOMMISSIONING COSTS),
EC-6/TC-3 (COSTS OF MANAGEMENT AND DISPOSAL OF DEPLETED UF₆),
AND EC-4 (IMPACTS OF WASTE STORAGE AND DISPOSAL)

DOCKETED
USNRC

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OFFICE OF THE SECRETARY
OF THE NUCLEAR REGULATORY COMMISSION
ADJUDICATIONS STAFF

U.S. NUCLEAR REGULATORY COMMISSION

In the Matter of Louisiana Energy Services, L.P.

Docket No. 70-3103-ML Official Exhibit No. NIRS/PC 287

OFFERED by: Applicant NIRS/PC

NRC:

Other:

IDENTIFIED on 2/13/06 by Staff Panel

Action Taken: ADMITTED REJECTED WITHDRAWN

Reporter/Clerk Bethany Engel

Lisa B. Clark
Margaret J. Bupp
Counsel for NRC Staff

November 30, 2005

deconversion facility. Tr. 2019, 2021-23. However, the Applicant has not established the exact amount of debt service included in that margin or the corresponding amount for operations and maintenance left after deducting the amount included for the debt service. Thus, it is not evident from the record that the "actual" operations and maintenance cost left after accounting for debt service is adequately conservative. Tr. 2355-2363.

4.54 The Applicant consultant further testified that she assumed that the \$2.67 cost would be escalated by an amount of 3% per year to determine the amount that would have to be set aside at the end of life. Tr. 2041-45. She testified further that when the escalation is taken into account it more than covers the amount of debt service. Tr. 2046.

4.55 Upon questioning by the Board, the Applicant consultant explained that by multiplying the \$2.67 figure, as escalated by 3% annually, by the kgU produced each year one can determine the revenues expected to be generated by the deconversion facility. Tr. 2047-48. When these revenues were compared to the expected costs identified by the Applicant over the life of facility it was apparent that the revenues would substantially exceed costs over the life of facility (by as much as \$200 million). Tr. 2048-52.

4.56 Upon further questioning by the Board, Applicant's consultant stated that she assumed the deconversion facility would begin operations in approximately 2016, after construction and a ramp up period, and would operate for 17 years. Tr. 2290. The funds necessary for construction, licensing and engineering of the deconversion facility, and the associated debt service, would need to be obtained before operations could begin. Tr. 2283-85. Thus, while the expected revenues generated by the facility would ultimately be more than enough to pay for the debt. Tr. 2284-85.

4.57 Notwithstanding that the record does not demonstrate that debt service has been included in the \$2.67 cost, the record shows that the \$2.67 per kgU would account for reasonable and documented costs for the construction, licensing and engineering, operations