

August 31, 2006

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

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

FROM: Stan Echols  
Senior Project Manager  
Gas Centrifuge Facility Licensing Section /RA/  
Special Projects Branch, FCSS

SUBJECT: AUGUST 8, 2006, TELEPHONE CONFERENCE SUMMARY:  
DECOMMISSIONING FUNDING

On August 8, 2006, the U.S. Nuclear Regulatory Commission (NRC) staff participated in a telephone conference with USEC Inc. (USEC) staff to discuss decommissioning funding issues related to USEC's application for a gas centrifuge uranium enrichment facility proposed to be constructed and operated in Piketon, Ohio. I am attaching the telephone conference summary for your use.

Enclosure: NRC/USEC Decommissioning Funding Telephone Conference Summary

Docket: 70-7004

cc: (Cover Memo and Attachment)

William Szymanski/DOE	Michael Marriotte/NIRS	Dan Minter/SODI
Carol O'Claire/Ohio EMA	James Curtiss/W&S	Randall DeVault/DOE
Lindsay Lovejoy/NIRS	Karl Gross/LES	Peter Miner/USEC Inc.
Rocky Brown/Mayor of Beaver	Jim Brushart/Pike Co. Comm.	Geoffrey Sea
David Bowe/SPFPA/USEC	Teddy West/Scioto Twp. Trust.	Robert Owen/Ohio DoH
Billy Spencer/Mayor of Piketon	Vina Colley/PRESS	Donald Silverman/Morgan Lewis
Harry Rioer/Pike Co. Comm	Larry Scaggs/Seal Twp.Trust.	Carrie Mytinger/Cong. Ney
Robert Huff/Portsmouth CoC	Ted Wheeler/Pike County Aud.	Marvin Jones/Chillicothe CoC
Kara Willis/Gov. Taft's Reg. 7	Ewan Todd/PRESS	Dwight Massie/Pike CoC
Joyce Weeth/Pike Co. Rec	Blaine Beekman/Pike CoC	MarJean Kennedy/Gov. Taft

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MBlevins/DWM			

USEC Website: Memo and Attachment

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OFC	GCFLS	GCFLS	GCFLS	TSS	OGC	GCFLS	
NAME	TJohnson	SEchols	RWray	YFaraz	MBupp	BSmith	
DATE	08/ 16 /06	08/ 16 /06	08/ 18 /06	08/ 17 /06	08/ 29 /06	08/ 31 /06	

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## **Telephone Conference Call Summary**

### **Decommissioning Funding**

Date and Time: 3:30 PM; August 8, 2006

Call Participants:	C. Dean/ICF	T.C. Johnson/NRC
	L. Gormsen/ICF	D. Couser/USEC
	V. Burkitt/USEC	

On August 8, 2006, U.S. Nuclear Regulatory Commission (NRC) and USEC Inc. (USEC) staffs held a telephone conference call to discuss decommissioning funding issues related to the American Centrifuge Plant.

#### Discussion:

On July 21, 2006, USEC staff provided draft revisions to the Decommissioning Funding Plan based on a conference call with NRC staff held on July 12, 2006. Following review of the revisions, NRC staff was unable to understand how some of the revised computations were produced.

In Table C3.14, a proration of waste disposal costs is described in the assumptions notes. However, the purpose of this proration was unclear. USEC staff explained that the proration was used in determining the third-party decommissioning contractor profit and is intended to eliminate the direct disposal charges from the profit calculations. Therefore, the contractor profit would be based only on the contractor labor cost portion of the total costs. USEC staff stated that it would provide this explanation in the assumption notes.

In Table C3.14, costs are developed for waste disposal. However, there is no stated basis for the costs. USEC staff explained that the costs are based on component design information and cost information generated from USEC data from the centrifuge remediation project being performed for the U.S. Department of Energy. This explanation will be added to the assumption notes.

In Table C3.16, laboratory cost information is presented for remediation sample analyses. However, no transportation costs are provided for shipping samples to the analytical laboratory. USEC staff explained that it was assumed that the contractor would use the on-site analytical laboratory for these sample analyses and, therefore, no off-site transportation costs would be applicable. This explanation will be added to the assumption notes.

In Table C3.17, indirect costs are presented. One of the line items is for taxes. However, no value is presented. USEC staff explained that taxes were not included because Ohio property taxes would not be charged to the centrifuge project under Ohio law after 2010. USEC staff

indicated that taxes would be charged in the years prior to 2010. These taxes may affect the total costs for years 2007 through 2009. USEC staff indicated that it would check the effects of tax contributions over these years.

In Table C3.17, a business insurance entry is included for indirect costs. However, it does not appear to be included in the contractor profit computation that includes indirect costs. USEC staff indicated that it would check whether or not business insurance should be included in the contractor profit calculation.

In Table C3.18A, NRC staff asked how the fourth bullet assumption was used. USEC staff explained the entries used to compute Total Labor and Materials Costs. NRC staff indicated that it would verify the computations based on the discussion. Also, NRC staff asked USEC staff to explain why the total costs in Tables C3.18 and C3.18A are different. USEC staff stated that the differences are from roundup error. NRC staff discussed the use of up to 10 significant figures in the calculations and that this procedure implied a precision that does not exist for the cost estimates. USEC staff indicated that it would review the use of significant figures and stated that the total costs on both tables should be the same.

On Table C3.19, there appears to be a typographical error in the assumption bullet for the computation of  $R^2$  where two of the plus signs should be minus signs. USEC staff indicated that it would verify the assumption text.

On page C-4, the number of contaminated spare centrifuges is listed as 400. However, in Table 10.2-1, the number is listed as 480. USEC staff explained that the correct number of spare centrifuges should be 480.