

August 17, 2006

Mr. Steven A. Toelle, Director
Regulatory Affairs
USEC Inc.
6903 Rockledge Dr.
Bethesda, MD 20817-1818

SUBJECT: AMERICAN CENTRIFUGE LEAD CASCADE FACILITY, APPROVAL OF THE
DECOMMISSIONING FUNDING MECHANISMS AND UPDATED
DECOMMISSIONING FUNDING PLAN, (TAC L32328)

Dear Mr. Toelle:

I am responding to your letters dated May 4, 2006 (AET 06-0048) and July 14, 2006 (AET 06-0083), in which you transmitted information regarding the decommissioning funding mechanisms and the updated decommissioning funding plan (DFP) for the American Centrifuge Lead Cascade Facility (Lead Cascade).

We have completed our review of the information you provided and found it to be acceptable. The amount of General and Administrative cost was identified in the cost estimate and contractor profit was added to the cost estimate. As a result, the new cost estimate is \$8,831,772 and the revised DFP is acceptable.

Also, by letter dated July 31, 2006 (AET 06-0089), you submitted a surety bond, revised certification of financial assurance, and revised Standby Trust Schedules A, B, and C to cover the higher cost estimate. The surety bond rider and the revised certification of financial assurance are acceptable, however, the revised Schedules A, B, and C to the standby trust agreement are not executed documents since they are not signed by the trustee, U.S. National Bank Association. Any change to the standby trust agreement, including Schedules A, B, and C, must be acknowledged by all parties involved. You must submit executed copies of Schedules A, B, and C. Also, it was not requested that NRC send back a signed acknowledgment of the financial instruments. The originals, including the unexecuted Schedules A, B, and C, are being held by the NRC.

The initial requirements of Condition 15, of License Number SNM-7003, are considered to be satisfied, contingent on NRC receiving the revised Schedules A, B, and C, signed by the trustee. The remainder of Condition 15 still applies, however, the DFP must be updated and provided to the NRC for review no later than every three years.

If you have any questions regarding this matter, I may be reached at 301-415-6981.

Sincerely,

/RA/

Stan Echols, Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

Docket No.: 70-7003
License No.: SNM-7003

cc: Peter Miner, USEC Inc.

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cc: Peter Miner, USEC Inc.

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