



Westinghouse Electric Company LLC
Columbia Fuel Site
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USA

Director, Office of Nuclear Material Safety and Safeguards and
Environmental Review
U. S. Nuclear Regulatory Commission
Document Control Desk
11555 Rockville Pike
Rockville, Maryland 20852-2738

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Your ref:
Our ref: LTR-RAC-16-32

May 12, 2016

SUBJECT: Westinghouse Response to Request For Additional Information and Submittal of Revised Decommissioning Funding Plan (TAC # L33376)

Westinghouse Electric Company LLC (Westinghouse) is pleased to submit responses to Questions #3 and #10 in your *"Request for Additional Information: Triennial Update of the Decommissioning Funding Plan"* dated November 17, 2015. Westinghouse previously submitted responses to the other questions in a letter dated December 17, 2015.

Also included is a copy of the revised *"Columbia Fuel Fabrication Facility Decommissioning Funding Plan."* This revised plan incorporates the changes needed based on all the RAI responses.

This revised plan is proprietary in its entirety, and a non-proprietary version is not submitted. In conformance with the requirements of 10 CFR 2.390, as amended, of the Commission's regulations, an Application for Withholding Proprietary Information from Public Disclosure, with Proprietary Information and Copyright Notice, and an Affidavit are submitted. The Affidavit sets forth the basis on which the information identified as proprietary may be withheld from public disclosure by the Commission.

Should you have any questions or require any additional information, please telephone me directly at (803) 647-3338.

Sincerely,

A handwritten signature in blue ink that reads 'Nancy Blair Parr'.

Nancy Blair Parr, Manager
CFFF Licensing
Westinghouse Electric Company LLC

Attachments

1. Application for Withholding Proprietary Information from Public Disclosure with Proprietary Information Notice and Copyright Notice and One (1) copy of Affidavit (Non-Proprietary)
2. Response to RAI #3 (Non-Proprietary)

Enclosures

1. Response to RAI #10: Certificate of Financial Assurance (Security Related)
2. Westinghouse Columbia Fuel Fabrication Facility Decommissioning Funding Plan (Proprietary)

cc: w/o enclosures

U. S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland 20852-2738
Attn: Mr. Christopher Ryder
Mail Stop: T-4A60

U. S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257
Attn: Mr. Thomas Vukovsky

ATTACHMENT 1

**APPLICATION FOR WITHHOLDING PROPRIETARY
INFORMATION FROM PUBLIC DISCLOSURE**

Subject: "Westinghouse Columbia Fuel Fabrication Facility Decommissioning Funding Plan"
(Proprietary)

Reference: Letter from Nancy Blair Parr to Director, Office of Nuclear Material Safety and Safeguards
and Environmental Review, LTR-RAC-16-32, dated May 12, 2016

The Application for Withholding Proprietary Information from Public Disclosure is submitted by Westinghouse Electric Company LLC (Westinghouse), pursuant to the provisions of paragraph (b)(1) of Section 2.390 of the Commission's regulations. It contains technical and commercial cost information proprietary to Westinghouse and customarily held in confidence.

The information for which withholding is being requested is identified in the proprietary version of the subject report. In conformance with 10 CFR Section 2.390, an Affidavit accompanies this Application for Withholding Proprietary Information from Public Disclosure, setting forth the basis on which the identified proprietary information may be withheld from public disclosure.

Accordingly, it is respectfully requested that the subject information which is proprietary to Westinghouse be withheld from public disclosure in accordance with 10 CFR Section 2.390 of the Commission's regulations.

Should you have any questions or require any additional information, please telephone me directly at (803) 647-3338.

Sincerely,

Nancy Blair Parr

Nancy Blair Parr, Manager
CFFF Licensing
Westinghouse Electric Company LLC

AFFIDAVIT

- (1) I am the Vice President and Plant Manager of Columbia Fuel Operations, within Nuclear Fuel, Westinghouse Electric Company LLC (Westinghouse), and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with Westinghouse Columbia Fuel Fabrication Facility (CFFF) submittals to the NRC, and am authorized to apply for its withholding on behalf of Westinghouse.
- (2) I am making this Affidavit in conformance with the provisions of 10 CFR Section 2.390 of the Commission's regulations and in conjunction with the Westinghouse Application for Withholding Proprietary Information from Public Disclosure accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Westinghouse in designating information as a trade secret, privileged or as confidential commercial or financial information.
- (4) Pursuant to the provisions of paragraph (b)(4) of Section 2.390 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.
 - (i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Westinghouse.
 - (ii) The information is of a type customarily held in confidence by Westinghouse and not customarily disclosed to the public. Westinghouse has a rational basis for determining the types of information customarily held in confidence by it and, in that connection, utilizes a system to determine when and whether to hold certain types of information in confidence. The application of that system and the substance of that system constitutes Westinghouse policy and provides the rational basis required.

Under that system, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive advantage, as follows:

- (a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of Westinghouse's competitors without license from Westinghouse constitutes a competitive economic advantage over other companies.
 - (b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.
 - (c) Its use by a competitor would reduce his expenditure of resources or improve his competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing a similar product.
 - (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Westinghouse, its customers or suppliers.
 - (e) It reveals aspects of past, present, or future Westinghouse or customer funded development plans and programs of potential commercial value to Westinghouse.
 - (f) It contains patentable ideas, for which patent protection may be desirable.
- (iii) There are sound policy reasons behind the Westinghouse system which include the following:
- (a) The use of such information by Westinghouse gives Westinghouse a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Westinghouse competitive position.
 - (b) It is information that is marketable in many ways. The extent to which such information is available to competitors diminishes the Westinghouse ability to sell products and services involving the use of the information.

- (c) Use by our competitors would put Westinghouse at a competitive disadvantage by reducing his expenditure of resources at our expense.
 - (d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle, thereby depriving Westinghouse of a competitive advantage.
 - (e) Unrestricted disclosure would jeopardize the position of prominence of Westinghouse in the world market, and thereby give a market advantage to the competition of those countries.
 - (f) The Westinghouse capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.
- (iv) The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2.390, it is to be received in confidence by the Commission.
- (v) The information sought to be protected is not available in public sources or available information has not been previously employed in the same original manner or method to the best of our knowledge and belief.
- (vi) The proprietary information sought to be withheld in this submittal is that which is appropriately marked in the enclosed report, "Westinghouse Columbia Fuel Fabrication Facility Decommissioning Funding Plan" (Proprietary), for submittal to the Commission, being transmitted by Westinghouse letter, LTR-RAC-16-32 and Application for Withholding Proprietary Information from Public Disclosure. The proprietary information as submitted by Westinghouse is that associated with its decommissioning approach, costs and related licensing activities.

Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Westinghouse because it would enhance the ability of competitors to address similar regulatory and licensing issues without commensurate expenses. Also, public disclosure of the information would enable others to use the information to meet NRC requirements for licensing documentation without commensurate expenses.

The development of the decommissioning approach and funding plan described by the information is the result of an intensive Westinghouse effort and the expenditure of a considerable sum of money.

In order for competitors of Westinghouse to duplicate this information, similar technical and procedural programs would have to be performed and a significant manpower effort, having the requisite talent and experience, would have to be expended.

The averments of fact set forth in this Affidavit are true and correct to the best of my knowledge, information, and belief:



David J. Precht, Vice President
Columbia Fuel Operations
Westinghouse Electric Company LLC

PROPRIETARY INFORMATION NOTICE

Transmitted herewith is a proprietary version of a document furnished to the NRC in connection plant-specific decommissioning information, and may be used only for that purpose. A non-proprietary version of the enclosure is essentially blank pages, and therefore is not provided.

COPYRIGHT NOTICE

If any documents transmitted herewith bear a Westinghouse copyright notice, the NRC is permitted to make the number of copies of the information contained in this report which are necessary for its internal use in connection with review of the submittal, "*Westinghouse Columbia Fuel Fabrication Facility Decommissioning Funding Plan*" subject to the requirements of 10 CFR 2.390 regarding restrictions on public disclosure to the extent such information has been identified as proprietary by Westinghouse, copyright protection notwithstanding. Copies made by the NRC must include the copyright notice in all instances and the proprietary notice if the original was identified as proprietary.

ATTACHMENT 2

RESPONSE TO RAI #3

3. Discuss and include estimated costs for removal and disposition of uranium hexafluoride (UF6) cylinders. Certify the cost estimate. Provide a suitable method of financial assurance.

The DFP includes estimated costs for preparing UF6 cylinders for removal from the site of the Columbia Fuel Fabrication Facility (CFFF), but does not include estimated cost for removal and disposition of the UF6 cylinders. Westinghouse stated¹ that the additional inventory of UF6 cylinders is owned by customers of Westinghouse, not by Westinghouse; in the event of decommissioning, the customers would be responsible for claiming their UF6 cylinders. The staff at the U.S. Nuclear Regulatory Commission (NRC) presumes that the same applies to the entire inventory UF6 cylinder. In addition to the customer-owned UF6 cylinders, Westinghouse has its own UF6 cylinders.

A DFP has three aspects, the cost estimate, a certification, and an acceptable method for providing financial assurance.

- Cost estimate. To ensure that adequate funding is available at the time of decommissioning, the amount of financial assurance for the facility, which is based on the Decommissioning Cost Estimate (DCE), should cover the decommissioning liability for all activities covered by the license regardless of the ownership interest in licensed materials.*
- Certification. Neither NRC regulations nor special nuclear materials (SNM) license SNM-1107 distinguish the amount of SNM that is owned by other licensees from that owned by Westinghouse. The possession limits of the SNM refer to all of the SNM on the CFFF site.*
- Acceptable method. Methods of provided financial assurance are specified by regulation.*

Account for all relevant costs, such as loading, shipping, interim storage for as long as a year, and end-destination of UF6. Provide an acceptable financial assurance method to cover the DCE (e.g., surety method, insurance, or other guarantee). cylinders and other forms SNM. Distinguish between customer-owned and Westinghouse-owned UF6 cylinders. Account for "empty" 30B cylinders containing heels of UF6.

Westinghouse Response:

Inventory quantities of Special Nuclear Materials (SNM), including raw material such as UF6; work-in-process material, such as powder, pellets and rods; and finished product fuel assemblies, will be removed from the site in a timely manner prior to the start of decommissioning. Inventory disposition will be performed prior to CFFF notification to the NRC that it has decided to permanently cease principal activities and begin decommissioning. This task is performed in the same manner, whether decommissioning is planned or sudden. In the event of a sudden shutdown of the CFFF, Westinghouse has a business interruption plan and a global insurance program (property and liability) to provide financial protection from unplanned events. For the CFFF, this insurance coverage includes damage caused by issues such as fire, lightning, aircraft, explosion, earthquake, windstorm, flood, theft, machinery breakdown, acts of terrorism, radioactive contamination, etc. In addition, within Westinghouse, each fuel assembly plant is independent in operations and finances.

Inventory disposition plans are as follows: The majority of UF6 material stored in cylinders is owned by other entities, but Westinghouse owns some of the material as well.

For material owned by other entities, UF6 material stored in cylinders will be retrieved by their rightful owner, at the owner's expense in a timely manner. Typical contract language for cylinder return follows:

WESTINGHOUSE and [Entity] shall agree to a schedule for the prompt return of Protective Shipping Packages (PSPs) and Cylinders to [Entity]. According to the agreed schedule, WESTINGHOUSE shall make Cylinders available in PSPs if either required or requested by [Entity] for collection by [Entity] or [Entity] authorized agent at the WESTINGHOUSE Facility.

Westinghouse owns approximately 120 UF6 cylinders. In the event of a CFFF shutdown, the SNM inventory would be transferred in a timely manner to other Westinghouse fuel assembly locations such as Vasteras, Sweden or Springfields, UK. Westinghouse has internal transfer pricing practices for these transactions. These practices include that the receiving location pay for material, packaging and transportation costs to the receiving location. The CFFF would not have any additional costs. Most likely, the CFFF would ship the UF6 material to the Westinghouse facility in Sweden. The CFFF has an export license which authorizes this activity. Typically, the CFFF makes UF6 material shipments to Sweden 2 – 4 times per year.

Other SNM materials, items such as powder, pellets and rods will be processed into finished fuel assemblies by Westinghouse personnel. This processing time will take approximately 60 days. The finished product fuel assemblies and any residual inventory will be retrieved by the customer at the customer's expense.