

Before the
UNITED STATES ATOMIC ENERGY COMMISSION
Washington, D. C.

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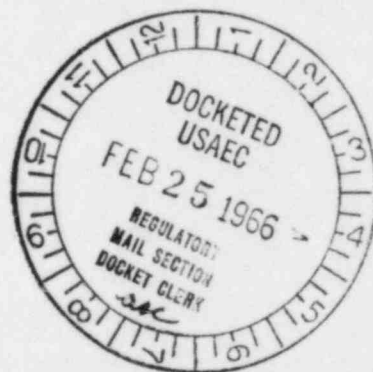
IN RE MATTER OF THE
APPLICATION OF

Nuclear Fuel Services, Inc.
For Construction Permit and Licenses
For a Spent Fuel Processing Plant
Under Sections 53, 63, 81, 104(b) and 185
Of the Atomic Energy Act

AEC DOCKET NO. 50-201

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NUCLEAR FUEL SERVICES, INC.
Application for
Construction Permit and License
for a
Spent Fuel Processing Plant



Part A. General Corporate Financial and Technical Information
INFORMATION SUBSEQUENT TO CONSTRUCTION PERMIT
SUBMISSION NO. 5

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T. C. Runion, President
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Baltimore, Maryland

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Before the
U. S. ATOMIC ENERGY COMMISSION
Washington, D. C.

APPLICATION FOR LICENSE TO CONSTRUCT
AND OPERATE A CHEMICAL PLANT

PART A

Information Subsequent to Construction Permit
Submission No. 5

Applicant, Nuclear Fuel Services, Inc., a Maryland corporation, submits the following amendment to its original application for a construction permit and license dated July 25, 1962 as amended by Submission No. 4 of Information Subsequent to Construction Permit dated November 17, 1965.

1. Amend paragraph 9 to read: "Completion Date. The earliest date for completion of the construction of the facility is January 1, 1965, and the latest date for completion is June 30, 1966."
2. Amend paragraph 2A of the construction permit issued by the AEC on April 30, 1963 and as amended by order of the AEC dated December 10, 1965 to read: "The earliest date for completion of construction of the facility is January 1, 1965, and the latest date for completion is June 30, 1966."
3. Applicant requests the extension of the completion date because of developmental problems attributable to the experimental nature of the facility. The nature of

these problems is set forth in detail in Submission No. 4 of Information Subsequent to Construction Permit dated November 17, 1965, reference being made thereto for greater particularity.

4. The remedial measures to deal with the heavy water run-off during installation of waste storage tanks referred to in paragraph 4 of said Submission No. 4 have been completed and tested. Likewise, the research and development program concerning the fuel segmentation process referred to in paragraph 3 of Submission No. 4 has been completed and the fuel segmentation process is being tested.
5. Applicant believes that construction of the facility will be complete and a provisional license will issue prior to March 31, 1966. However, unforeseen delays related to the developmental problems attributable to the experimental nature of the facility might delay completion until after March 31, 1966.
6. Because of the possibility of delay in completion with resulting delays in obtaining income from the operation of the facility, applicant has made the following supplementary financial arrangements to assure the availability of any funds required for the facility during the period from March 31, 1966 to June 30, 1966 even in the absence of revenue from the operations.

The stockholders, W. R. Grace & Co. (Grace), and American Machine and Foundry Company (AMF), have been

notified that additional funds not exceeding \$1,300,000 will be required for the West Valley plant in the event of a delay in startup until June 30, 1966, and have indicated that such funds will be made available if required, though no definite commitment will be made by either AMF or Grace until after the meeting of the Board of Directors of Grace on March 3, 1966. Applicant will notify AEC of such additional commitments prior to March 31, 1966.

Attached hereto as Annex A is a consolidated balance sheet as of January 31, 1966, and as projected for March 31, 1966. The Annex likewise contains a revised statement of sources and application of funds for the chemical processing plant.

As indicated in the attached Annex, net current assets of applicant as projected for March 31, 1966 will be approximately \$850,000. Cash flow from the Erwin plant from April 1, 1966 to June 30, 1966 should exceed \$150,000. Funds required for the West Valley plant in the absence of revenues from processing operations, during the period from April 1, 1966 to June 30, 1966, will be approximately \$900,000.

Therefore, additional funds from the stockholders of \$1,300,000 will be more than adequate to meet all expenses and to provide a contingency reserve exceeding \$400,000.

7. The extension of the completion date as requested herein is unrelated to and will not affect other matters considered or under consideration by the Commission in this proceeding.
8. Therefore, applicant requests the extension of the latest date for completion of the facility to June 30, 1966.

Respectfully submitted,
NUCLEAR FUEL SERVICES, INC.

By *J. C. Lunion*

Subscribed and sworn to before me this 24th day of
February 1966.

Patricia Murchoke
Notary Public

My Commission expires My Commission Expires Oct. 14, 1967.

(SEAL)



ANNEX "A"

NUCLEAR FUEL SERVICES, INC.

Consolidated Balance Sheet

(in \$000)

<u>Assets</u>	<u>Actual</u> <u>Jan. 31, 1966</u>	<u>Projected</u> <u>Mar. 31, 1966</u>
Current Assets:		
Cash	\$ 534	\$ 979
Receivables - Net	887	967
Inventories	601	1,207
Other Current Assets	918	562
Total Current Assets	<u>2,936</u>	<u>3,715</u>
Fixed Assets (Note 1)	22,226	22,638
Less: Reserve for Depreciation	1,194	1,243
Fixed Assets - Net	<u>21,032</u>	<u>21,395</u>
Other Assets:		
Pre-Operational Costs -		
Reprocessing Plant	2,701	3,401
Other	78	80
Total Other Assets	<u>2,779</u>	<u>3,481</u>
	<u>\$26,747</u>	<u>\$28,591</u>
<u>Liabilities & Stockholders' Equity</u>		
Current Liabilities:		
Bank Loans Payable -		
Current (Note 2)	1,195	1,358
Accounts Payable	1,052	1,200
Other Current Liabilities	365	290
Total Current Liabilities	<u>2,612</u>	<u>2,848</u>
Deferred Taxes on Income	368	381
Deferred Credit -		
Research Grant (Note 3)	1,636	1,818
Long-Term Debt - Bank Loans (Note 2)	<u>10,158</u>	<u>11,545</u>
Total Liabilities	14,774	16,592
Stockholders' Equity:		
Capital Stock - Issued (Note 4)	11,105	11,105
Paid-In Surplus (Note 5)	500	500
Earned Surplus	368	394
Total Equity	<u>11,973</u>	<u>11,999</u>
	<u>\$26,747</u>	<u>\$28,591</u>

NUCLEAR FUEL SERVICES, INC.

Notes to the Balance Sheet

Note 1 - Fixed assets do not include \$8,500,000 in land and facilities at West Valley, New York, leased to NFS by ASDA. The detail of NFS-owned facilities by location is as follows:

(\$000)	Actual Jan. 31, 1966	Projected Mar. 31, 1966
West Valley, New York:		
Spent Fuel Processing Plant	\$18,829	\$19,208
Other	180	180
Total West Valley, N.Y.	19,009	19,388
Erwin, Tennessee:	3,217	3,250
Total	\$22,226	\$22,638

Note 2 - The availability of funds under the bank loan agreement was extended to March 31, 1966, from December 31, 1965. One-twentieth (\$597,500) of the amount outstanding as of December 31, 1965, was repaid to the banks on January 1, 1966. The balance of the loan will be repaid in nineteen equal semi-annual installments beginning July 1, 1966.

Note 3 - ESADA is contributing \$2,000,000 toward the research and development costs associated with the reprocessing plant. Two of the eleven equal quarterly payments of \$181,818.18 remain to be received in 1966, one on March 31 and the final one on June 30. The total contribution will be amortized against the cost of the plant over its depreciable life.

Note 4 - In accordance with the stockholders' agreement, W. R. Grace & Co. and American Machine and Foundry Company have made the following contributions in return for eighty (80) and twenty (20) percent ownership respectively:

(\$000)	Grace (80%)	AMF (20%)	Total
Cash	\$6,000	\$2,000	\$ 8,000
Existing Facilities - at book value	2,466	639	3,105
	<u>\$8,466</u>	<u>\$2,639</u>	<u>\$11,105</u>

Note 5 - Funds have been contributed by the stockholders for use in expanding the facilities at the Erwin, Tennessee plant.

NUCLEAR FUEL SERVICES, INC.

Sources and Application of Funds for the Chemical Processing Plant
(in \$000)

<u>SOURCES</u>	<u>Received Thru 1/31/66</u>	<u>Balance to be Received</u>	<u>Total</u>
W. R. Grace & Co.	\$ 6,000	\$ -	\$ 6,000
American Machine & Foundry Co. (AMF)	2,000	-	2,000
New York State Atomic & Space Development Authority (ASDA)	7,704	796	8,500
Bank Loan - Manufacturers and Traders Trust Company and Morgan Guaranty Trust Company	11,950	1,550	13,500
Empire State Atomic Development Associates, Inc. (ESADA)	1,636	364	2,000
Funds Obtained From Liquidation of Wholly-Owned Subsidiary, AMF Atomics Canada Co., Ltd.	<u>500</u>	<u>-</u>	<u>500</u>
Total	<u>\$29,790</u>	<u>\$2,710</u>	<u>\$32,500</u>

APPLICATION

Facility Costs:

Bechtel - Constructed Facilities	\$24,011
NFS - Provided Related Facilities	<u>2,062</u>
	26,073
Plant Site (ASDA Provided)	500
Expenses Related to Construction	1,135
Working Capital	1,260
Preoperational Costs (estimated through 3/31/66)	3,401
Available for Contingencies	<u>131</u>
	<u>\$32,500</u>

CERTIFICATE OF SERVICE

I, Bernhard G. Bechhoefer, attorney for applicant Nuclear Fuel Services, Inc. and admitted to practice before the Courts of this jurisdiction, herewith certify that I have this 25th day of February, 1966, sent a copy of the foregoing Submission No. 5 of Information Subsequent to Construction Permit, via regular United States mail, postage prepaid, to each of the following:

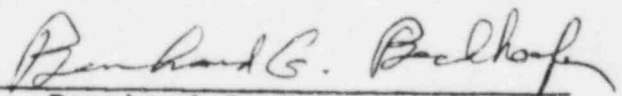
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Bernhard G. Bechhoefer