



Bluewater Mill
Post Office Box 638
Grants, New Mexico 87020
Telephone 505 876 2211
Facsimile 505 876 2772

40-8902

January 30, 1997

Mr. Joseph Holonich, Branch Chief
U.S. Nuclear Regulatory Commission
Uranium Recovery Branch
Mail Stop T7J9
11545 Rockville Pike
Rockville, Maryland 20850

RE: LONG TERM CARE FUND Calculation

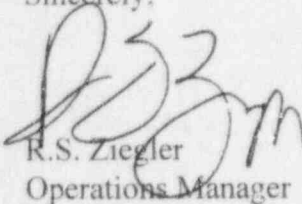
Dear Mr. Holonich:

It appears that all issues related to the Bluewater Mill license termination should be resolved by the end of February 1997. Therefore, by this letter I am proposing the methods for calculating the LONG TERM CARE FUND, including the Bluewater Mill PCB groundwater monitoring component. Please review the two attachments, A and B, and let me know if the calculations meet NRC's needs.

ARCO is prepared to send a check or do an electronic fund transfer within a two week notice that NRC/DOE is ready for license termination.

Please call if you have any questions.

Sincerely,


R.S. Ziegler
Operations Manager

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NL05

Attachment

050038

CC: C. Sanchez - AECL
N. Brody - ARCO
N. Patel - AVM
J. Virgona - DOE

9702050127 970130
PDR ADOCK 04008902
C PDR

ARCO Bluewater, NM Millsite (License SUA-1470)

Attachment A

Long Term Care Fund

- 10 CFR Part 40, Appendix A, Criterion 10 requires \$250,000 in 1978 dollars.
- In today's dollars: \$250,000 x $\frac{\text{February '97 CPI-U}}{\text{December '78 CPI-U}}$
- \$250,000 x $\frac{158.8^*}{67.7} = \mathbf{\$586,410}$

** Estimates used for Jan.-Feb. 97 based on recent monthly increase amounts*

ARCC Bluewater, NM Millsite (License SUA-1470)
Attachment B

Long Term PCB Groundwater Monitoring

- 20 year annual sampling program
- \$1,300 per year sampling cost (1996 \$)
- Present Worth (real disc. rate of 1%): **\$23,460**