

May 12, 2004

NEF#04-013

ATTN: Document Control Desk
Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Louisiana Energy Services, L. P.
National Enrichment Facility
NRC Docket No. 70-3103

Subject: Response to NRC Request for Additional Information Concerning Tails Disposition
Cost Estimates

- References:**
1. Letter NEF#03-003 dated December 12, 2003, from E. J. Ferland (Louisiana Energy Services, L. P.) to Directors, Office of Nuclear Material Safety and Safeguards and the Division of Facilities and Security (NRC) regarding "Applications for a Material License Under 10 CFR 70, Domestic licensing of special nuclear material, 10 CFR 40, Domestic licensing of source material, and 10 CFR 30, Rules of general applicability to domestic licensing of byproduct material, and for a Facility Clearance Under 10 CFR 95, Facility security clearance and safeguarding of national security information and restricted data"
 2. Letter NEF#04-002 dated February 27, 2004, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision 1 to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
 3. Letter dated April 19, 2004, from T. C. Johnson (NRC) to R. Krich (Louisiana Energy Services) regarding "Request for Additional Information on Louisiana Energy Services Project License Application"

By letter dated December 12, 2003 (Reference 1), E. J. Ferland of Louisiana Energy Services (LES), L. P., submitted to the NRC applications for the licenses necessary to authorize construction and operation of a gas centrifuge uranium enrichment facility. Revision 1 to these applications was submitted to the NRC by letter dated February 27, 2004 (Reference 2). By letter dated April 19, 2004 (Reference 3), the NRC provided the initial technical review of the license application and requested additional information and clarifications be provided within 30 days (i.e., by May 19, 2004).

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The Reference 3 letter includes Request for Additional Information (RAI) D-4. In RAI D-4, the NRC requested that LES provide a contingency factor for the processing and disposal of depleted uranium, and also, provide copies of the four reports used to prepare the tails disposition cost estimates.

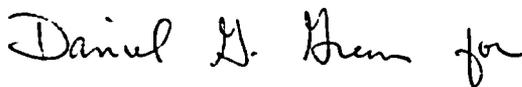
This letter transmits three of the four reports used to prepare the tails disposition cost estimates that are referenced in the Safety Analysis Report (SAR) Table 10.3-1 associated with Notes "a," "b," and "c." The fourth report, associated with SAR Table 10.3-1, Notes "d" and "e," is proprietary and will be submitted under separate letter after receiving appropriate authorization from Urenco.

- Attachment 1 to this letter provides the Lawrence Livermore National Laboratory (LLNL), "Cost Analysis Report for the Long-Term Management of Depleted Uranium Hexafluoride," (UCRL-AR-127650).
- Attachment 2 to this letter provides the Uranium Disposition Services (UDS), "DUF6 Contract" (DE-AC05-02OR22717) (redacted copy, which is the basis for the value provided in SAR Table 3.10-1).
- Attachment 3 to this letter provides the LES letter, "Claiborne Enrichment Center (CEC) Disposition of Depleted Uranium Hexafluoride," dated June 30, 1993.

The requested contingency factor for the processing and disposal of depleted uranium will be provided in a separate letter with the remainder of the RAIs from Reference 3.

If you have any questions, please contact me at 630-657-2813.

Respectfully,



R. M. Krich
Vice President – Licensing, Safety, and Nuclear Engineering

Attachments:

1. Lawrence Livermore National Laboratory, "Cost Analysis Report for the Long-Term Management of Depleted Uranium Hexafluoride," (UCRL-AR-127650)
2. Uranium Disposition Services, "DUF6 Contract" (DE-AC05-02OR22717) (redacted copy)
3. Louisiana Energy Services letter, "Claiborne Enrichment Center (CEC) Disposition of Depleted Uranium Hexafluoride," dated June 30, 1993

cc: T.C. Johnson, NRC Project Manager