

June 7, 2004

MEMORANDUM TO: Joseph G. Giitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief **/RA/**
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

FROM: Timothy C. Johnson **/RA/**
Senior Mechanical Systems Engineer
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: JUNE 1, 2004, TELEPHONE SUMMARY: LOUISIANA ENERGY
SERVICES URANIUM DISPOSITION COST INFORMATION

On June 1, 2004, U.S. Nuclear Regulatory Commission (NRC) staff held a telephone conference call with staff from Louisiana Energy Services (LES) to discuss the basis for its cost estimates for the disposition of depleted uranium. I am attaching the telephone summary for your use. The summary contains no proprietary or classified information.

Docket: 70-3103

Attachment: Louisiana Energy Services
Telephone Summary

cc:	William Szymanski/DOE	Claydean Claiborne/Jal	Rod Krich/LES
	Monty Newman/Hobbs	James Curtiss/W&S	Troy Harris/Lovington
	Peter Miner/USEC	Betty Richman/Tatum	James Ferland/LES
	Glen Hackler/Andrews	Dennis Holmberg/Lea Cty	William Floyd/NMED
	James Brown/Eunice	Richard Ratliff/Texas	M. Marriotte/NIRS
	Jerry Clift/Hartsville	CO'Claire/Ohio	Lee Cheney/CNIC
	Derrith Watchman-Moore/NMED	Joseph Malherek/PC	Ron Curry/NMED
	Clay Clark/NMED	Patricia Madrid/NMAG	Glen Smith/NMAG
	Lindsay Lovejoy/NIRS		

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Memo (ML041590106) Pkge (ML 041590117) Attachment (ML041590357)

OFC	SPB		SPB		SPB	
NAME	TCJohnson		LGross		BSmith	
DATE	6/2/04		6/02/04		6/07/04	

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Telephone Conference Call Summary

Depleted Uranium Disposition Cost Estimates

Date and Time: 2:00 PM; June 1, 2004

Call Participants:	L. Clark/NRC	L. Pittiglio/NRC
	A. Andrisano/NRC	M. Wong/NRC
	B. Smith/NRC	T.C. Johnson/NRC
	A. Zeitoun/ATL	D. Palmrose/ATL
	R. Krich/LES	J. Styne/ERI
	M. Schwartz/ERI	

During the conference call, staff discussed the basis for calculating the costs for dispositioning depleted uranium for the proposed Louisiana Energy Services (LES) uranium enrichment facility. LES had provided its calculation basis (see Attachment) for the costs using a 1997 report prepared by Lawrence Livermore National Laboratory (LLNL) entitled, "Cost Analysis Report for the Long-Term Management of Depleted Uranium Hexafluoride," a 2002 contract between the U.S. Department of Energy (DOE) and Uranium Disposition Services (UDS) for conversion of depleted uranium hexafluoride at the two DOE gaseous diffusion plant sites, and cost estimates used in the Homer, LA, application. LES used data from these reports to compute total disposition costs for the decommissioning funding plan required for a uranium enrichment facility. In the analyses LES performed, it's intent was to provide data sets that would be comparable.

LES staff identified the specific information used from the LLNL and UDS documents and showed how these data were escalated to 2002 dollars. In this discussion, the following points were noted:

1. Cost estimates using LLNL data included credits for the sale of anhydrous hydrogen fluoride;
2. LLNL data assumed transportation distances of 1000 km to conversion facility and from the conversion facility to the final storage or disposal site; it was recognized that transportation costs are a small fraction of the total disposition cost as discussed in the LLNL sensitivity analysis;
3. LLNL data did not include the costs associated with damaged DOE cylinders or old cylinders that do not meet current standards; and
4. UDS costs included the incentive awards in the contract and the special handling of old cylinders.