

December 15, 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, Project Manager /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: DECEMBER 7, 2004, TELEPHONE SUMMARY: LOUISIANA
ENERGY SERVICES DISCUSSIONS ON DECOMMISSIONING
FUNDING

On December 7, 2004, the U.S. Nuclear Regulatory Commission (NRC) staff held a telephone conference call with staff from Louisiana Energy Services (LES) to discuss decommissioning funding issues related to the LES uranium enrichment plant proposed to be built in Eunice, New Mexico. I am attaching the telephone summary for your use. No classified or proprietary information was discussed.

Docket: 70-3103

Attachment: Louisiana Energy Services
Telephone Summary

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OFC	GCFLS		GCFLS		GCFLS	
NAME	TJohnson:bkh1		LMarshall		BSmith	
DATE	12/14/04		12/15/04		12/15/04	

OFFICIAL RECORD COPY

Telephone Conference Call Summary

Decommissioning Funding

Date and Time: 4:00 PM; December 7, 2004

Call Participants:	C. Dean/ICF	J. Mayer/ICF
	B. Smith/NRC	T.C. Johnson/NRC
	D. Green/Excel	

On December 7, 2004, a conference call between U.S. Nuclear Regulatory Commission (NRC) and Louisiana Energy Services (LES) staffs was held to discuss decommissioning funding issues related to LES' application for a uranium enrichment facility proposed to be located in Eunice, New Mexico.

Discussion:

Prior to responding to the Requests for Additional Information (RAIs) related to the decommissioning funding plan sent to LES on October 20, 2004, LES staff wished to discuss its approach for presenting unit cost information on the decommissioning methods expected to be used for the LES facility. For its unit costs, LES will present information in cost per equipment component or cost per unit length or area, as applicable. For example, for decontaminating pumps, costs per pump will be presented. For piping, costs per linear length will be used. LES staff indicated that some components, due to size or shape, may not be able to effectively be decontaminated. In these cases, these components would be treated as wastes for disposal at a low-level radioactive waste disposal site. Labor rates for dismantling and processing would also be presented as unit costs per dimension or component. NRC staff indicated that it considered this approach to be acceptable.

NRC asked how third party contractor costs would be incorporated, and whether the applicant had considered the overhead and profit rates from Appendix A of NUREG/CR-6477. LES staff indicated that it would propose to use a 10 percent adjustment of the total costs for contract overhead based on the 8 to 15 percent range recommended in the R.S. Means cost estimating handbooks. NRC staff asked if the 10 percent value would be applicable to speciality decontamination contractors dealing with classified and proprietary decommissioning activities. LES staff said it considered contractors obtained by Urenco in its gas centrifuge decommissioning activities and thought it would be representative. LES staff also indicated that it would reconsider this before submitting its RAI responses.

LES staff indicated that it is scheduled to submit its RAI responses on December 10, 2004.