

February 4, 2005

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: JANUARY 27, 2005, TELEPHONE SUMMARY: LOUISIANA  
ENERGY SERVICES DISCUSSIONS ON DECOMMISSIONING  
FUNDING

On January 27, 2005, 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

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	JParker/New Mexico	James Brown/Eunice
	Lue Ethridge/Lea County	Richard Ratliff/Texas	Lee Cheney/CNIC
	Michael Marriotte/NIRS	Jerry Clift/Hartsville	CO'Claire/Ohio
	Derrith Watchman-Moore/NM	Joseph Malherek/PC	Ron Curry/NMED
	Tannis Fox/NMED	Patricia Madrid/NMAG	Glen Smith/NMAG
	Lindsay Lovejoy/NIRS		

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FROM: Timothy C. Johnson, Project Manager /RA/  
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SERVICES DISCUSSIONS ON DECOMMISSIONING FUNDING

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<b>OFC</b>	GCFLS		GCFLS		DWMEP		GCFLS	
<b>NAME</b>	TJohnson: os		LMarshall		TFredricks		BSmith	
<b>DATE</b>	2/2/05		2/3/05		2/ 3/05		2/4/05	

**OFFICIAL RECORD COPY**

## Telephone Conference Call Summary

### Decommissioning Funding

Date and Time: 11:00 AM; January 27, 2005

Call Participants:	C. Dean/ICF	J. Mayer/ICF
	T. Fredricks/NRC	T.C. Johnson/NRC
	E. Gormsen/ICF	R. Krich/LES
	D. Green/Excel	J. Kay/L&G

On January 27, 2005, 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:

On December 10, 2004, and January 7, 2005, LES responded to the Requests for Additional Information (RAIs) related to the decommissioning funding plan sent to LES on October 20, 2004. Staff from ICF Consulting (ICF) reviewed these submittals and had several clarifying questions.

Regarding the depleted uranium disposition costs in the January 7, 2005, submittal, ICF staff requested that LES document the sources and bases for the costs presented. LES identified documents submitted in discovery that provide some of the support requested and noted that additional supporting documents would be part of a forthcoming discovery submission. LES requested that they not be required to provide documents for the docket before they are produced through discovery.

Regarding the Gross Domestic Product implicit price deflators used by LES to escalate costs from January 2002 to January 2004, ICF staff could not verify that the appropriate deflator values were used. LES agreed to check the documentation for these calculations.

Regarding the unit transportation costs, LES had stated that the costs are independent of distance traveled and accounts for the different rates for transporting  $UF_6$  and  $U_3O_8$ . ICF staff indicated that this statement needed additional explanation to determine if it is reasonable. LES indicated that the estimate was obtained from Transport Logistics International, that the quoted phrase came directly from the estimate, which had been submitted in discovery, and that further discussion of the basis for the value would be provided.

In Table 10.1-5 of the December 10, 2004, submittal, LES provided an estimate of the decommissioning costs. However, it was unclear if the laboratory sampling costs of \$320,000 were included in this estimate. LES indicated that it would clarify these costs.

ICF is using decontamination method unit cost estimates in NUREG/CR-6477, "Revised Analyses of Decommissioning Reference Non-Fuel-Cycle Facilities," to judge the reasonableness of the LES cost estimates. However, the unit cost values were not presented in

the LES submittals. LES agreed to review NUREG/CR-6477 and determine whether their model was capable of producing unit cost estimates of the type requested so that a comparison with NUREG/CR-6477 could be made, as applicable.

In Table 10.1-14 of the December 10, 2004, submittal, LES presented estimates for third-party contractor costs. However, ICF staff could not duplicate the estimate values used. LES stated it would provide further explanation to the derivation of the numbers.

NRC staff indicated it would transmit via email the specific ICF comments to LES to assist them in preparing its responses. LES suggested that another conference call might be needed before LES transmits the responses to ensure that it has fully responded to the clarifications. NRC and ICF agreed to this suggestion.