

April 11, 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: MARCH 17, 2005, TELEPHONE SUMMARY: LOUISIANA ENERGY
SERVICES DISCUSSIONS ON DECOMMISSIONING FUNDING

On March 17, 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 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 | Lue Ethridge/Lea Cty | John Parker/NMED |
| | James Brown/Eunice | Richard Ratliff/Texas | Michael Marriotte/NIRS |
| | Jerry Clift/Hartsville | Carol O'Claire/Ohio | Lee Cheney/CNIC |
| | Derrith Watchman-Moore/NMED | Joseph Malherek/PC | Ron Curry/NMED |
| | Tannis Fox/NMED | Patricia Madrid/NMAG | Glenn Smith/NMAG |
| | Lindsay Lovejoy/NIRS | | |

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: MARCH 17, 2005, TELEPHONE SUMMARY: LOUISIANA ENERGY
 SERVICES DISCUSSIONS ON DECOMMISSIONING FUNDING

On March 17, 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 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 Lue Ethridge/Lea Cty John Parker/NMED
 James Brown/Eunice Richard Ratliff/Texas Michael Marriotte/NIRS
 Jerry Clift/Hartsville Carol O’Claire/Ohio Lee Cheney/CNIC
 Derrith Watchman-Moore/NMED Joseph Malherek/PC Ron Curry/NMED
 Tannis Fox/NMED Patricia Madrid/NMAG Glenn Smith/NMAG
 Lindsay Lovejoy/NIRS

DISTRIBUTION: Docket 70-3103

FCSS r/f SPB r/f RPierson/FCSS
 JHolonich/FCSS YFaraz/GCFLS JKlein/MOFLS
 MGalloway/TSG LClark/OGC MWong/DWMEP JPark/DWMEP
 CSchulte/DWMEP JDavis/DWMEP SFlanders/DWMEP KEverly/NSIR
 TCombs/OCA SGagner/OPA DMcIntyre/OPA RVirgilio/OSTP
 RHannah/RegII KClark/RegII DSeymour/RegII DAYres/RegII
 JHenson/RegII RTrojanowski/RegIII VMitlyng/RegIII DHartland/RegIII
 WMaier/RegIV FBurrows/TSG DCummings/OGC Hearing file
 LES website - No

ML050960352

| | | | | | | | | |
|-------------|---------------|--|-----------|--|------------|--|---------|--|
| OFC | GCFLS | | GCFLS | | DWMEP | | GCFLS | |
| NAME | TJohnson:bkh1 | | LMarshall | | TFredricks | | BSmith | |
| DATE | 4/6/05 | | 4/6/05 | | 4/7/05 | | 4/11/05 | |

Telephone Conference Call Summary

Decommissioning Funding

Date and Time: 1:00 PM; March 17, 2005

| | | |
|--------------------|------------------|--------------|
| Call Participants: | C. Dean/ICF | J. Mayer/ICF |
| | T. Fredricks/NRC | B. Smith/NRC |
| | T.C. Johnson/NRC | R. Krich/LES |
| | D. Green/Excel | |

On March 17, 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 March 3, 2005, LES staff transmitted responses to NRC's clarifying questions discussed with LES in a March 2, 2005, conference call. NRC and ICF staff had further questions on this information.

LES staff clarified that the transportation cost estimate is independent of distance. LES staff agreed to provide further documentation of this estimate. LES staff also indicated it would clarify the appropriate units for the estimates used, i.e., whether the appropriate units are per kilogram (Kg) uranium (U) or Kg uranium oxide. LES staff indicated that it used the lower bound transportation cost value because it considered the value conservative and converted that value into units of kilograms of uranium metal. LES staff indicated that it would provide a justification for using the lower bound value.

LES staff indicated that the Waste Control Specialists (WCS) disposal costs for uranium oxide convert to the estimate values in kilograms of uranium metal. The Envirocare estimate for disposal was slightly less. LES staff indicated that it would provide a clarifying basis for the derivation of the \$1.14/Kg U disposal cost estimate proposed in its January 7, 2005, letter.

LES staff indicated that it would provide further clarifying information on the spreadsheet referenced for the conversion costs and summarize the basis for the conversion cost estimate.

LES staff also indicated that the DOE cost estimate was provided because it corresponded to option 2 in the license application, which LES may decide to exercise, and it provided a good reference value for their estimate.

Administratively, NRC staff requested that information previously provided in discovery needed to be put on the docket if LES wishes to use this information to support the decommissioning cost estimates. LES staff agreed to provide this information via letter with the appropriate affidavits for any proprietary information.