August 11, 2005

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

DOCKETED USNRC

August 11, 2005 (4:45pm)

OFFICE OF SECRETARY RULEMAKINGS AND ADJUDICATIONS STAFF

In the Matter of:)
Louisiana Energy Services, L.P. (National Enrichment Facility))
)

: RAS 10331

Docket No. 70-3103-ML

ASLBP No. 04-826-01-ML

STIPULATION BETWEEN LOUISIANA ENERGY SERVICES, L.P. AND NUCLEAR INFORMATION AND RESOURCE SERVICE AND PUBLIC CITIZEN CONCERNING <u>CONTENTIONS NIRS/PC EC-5/TC-2 AND NIRS/PC EC-6/TC-3</u>

Applicant Louisiana Energy Services, L.P. ("LES") and intervenors Nuclear Information and Resource Service and Public Citizen ("NIRS/PC"), through their respective counsel, submit this joint stipulation with respect to Contentions NIRS/PC EC-5/TC-2 and NIRS/PC EC-6/TC-3, as presently admitted by the Licensing Board. Pursuant to discussions held between counsel for LES and NIRS/PC, and Commission Staff, the parties state as follows in support hereof:

- 1. In demonstrating the plausibility of the "private sector" strategy, LES will not rely on the mine disposal option for dispositioning depleted uranium.
- 2. LES will not, for purposes of demonstrating the adequacy of its commercial cost estimate for the disposition of depleted uranium, adduce as evidence in this proceeding cost information obtained from the 1993 Claiborne Enrichment Center proceeding, the 1997 Lawrence Livermore National Laboratory cost analysis report, or the 2002 Uranium Disposition Services contract [as that cost information is set forth in Section 4.13 of the National Enrichment Facility ("NEF") Environmental Report and Chapter 10 of the NEF Safety Analysis Report].¹

Template=SECY-063

SECY-02

¹ In this regard, it is the parties' understanding that the Commission Staff and the Licensing Board would therefore not rely on this historical cost information in presenting and assessing the adequacy of LES's commercial cost estimate, which has been updated to reflect cost information obtained from specific commercial vendors.

- 3. LES will not, in presenting estimates of the cost of facility decommissioning, take credit for any salvage value of materials.
- 4. LES will not, in presenting estimates of the cost of deconversion of depleted uranium, take credit for any sales of byproducts, such as CaF_2 .
- 5. NIRS/PC will not contest the sufficiency of LES's cost estimate for facility decommissioning of the proposed NEF. This representation does not apply, however, to LES's cost estimate for dispositioning depleted uranium generated by NEF enrichment operations.
- 6. Accordingly, based on the foregoing representations, and the concurrence therein by NRC Staff, NIRS/PC hereby withdraw the following contentions and supporting bases thereof:
 - Bases (1), (2), and (3) of Contention NIRS/PC EC-5/TC-2, subject to the following qualification. Basis (1) is withdrawn only to the extent that it challenges the adequacy of the 25% contingency factor applied by LES to its estimated *facility* decommissioning costs. NIRS/PC expressly reserve the right to present testimony and evidence challenging the adequacy of the 25 contingency factor as applied by LES to its estimated *depleted uranium disposition* costs.
 - Bases (A), (B), (C), (D), and (H) of Contention NIRS/PC EC-6/TC-3.²

² This leaves only Bases (E), (G), and (I) insofar as NIRS/PC withdrew Basis (F) pursuant to a prior joint stipulation. *See* "Stipulation Between Louisiana Energy Services, L.P. and Nuclear Information and Resource Service and Public Citizen [NIRS/PC] Concerning Contention NIRS/PC EC-6/TC-3" (Jan. 25, 2005).

Counsel for the NRC Staff has advised NIRS/PC and LES that the Staff has no objection to this stipulation. Counsel for NIRS/PC has authorized counsel for LES to submit this stipulation jointly on behalf of NIRS/PC and LES.

Respectfully submitted,

James R. Curtiss, Esq. David A. Repka, Esq. Martin J. O'Neill, Esq. Amy C. Roma, Esq. WINSTON & STRAWN LLP 1700 K Street, N.W. Washington, DC 20006-3817 (202) 282-5000

John W. Lawrence, Esq. LOUISIANA ENERGY SERVICES, L.P. 100 Sun Avenue, NE Suite 204 Albuquerque, NM 87109

Dated at Washington, District of Columbia this 11th day of August 2005

3

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

)

In the Matter of:

Louisiana Energy Services, L.P.

(National Enrichment Facility)

Docket No. 70-3103-ML

ASLBP No. 04-826-01-ML

CERTIFICATE OF SERVICE

I hereby certify that copies of the "STIPULATION BETWEEN LOUISIANA ENERGY SERVICES, L.P. AND NUCLEAR INFORMATION AND RESOURCE SERVICE AND PUBLIC CITIZEN CONCERNING CONTENTIONS NIRS/PC EC-5/TC-2 AND NIRS/PC EC-6/TC-3" in the captioned proceeding have been served on the following by e-mail service, designated by **, on August 11, 2005 as shown below. Additional service has been made by deposit in the United States mail, first class, this 11th day of August 2005.

Chairman Nils J. Diaz U.S. Nuclear Regulatory Commission Washington, DC 20555-0001

Office of the Secretary** Attn: Rulemakings and Adjudications Staff U.S. Nuclear Regulatory Commission Mail Stop O-16C1 Washington, DC 20555-0001 (original + two copies) e-mail: HEARINGDOCKET@nrc.gov

Commissioner Peter B. Lyons U.S. Nuclear Regulatory Commission Washington, DC 20555-0001 Commissioner Jeffrey S. Merrifield U.S. Nuclear Regulatory Commission Washington, DC 20555-0001

Commissioner Gregory B. Jaczko U.S. Nuclear Regulatory Commission Washington, DC 20555-0001

Office of Commission Appellate Adjudication Mail Stop O-16C1 U.S. Nuclear Regulatory Commission Washington, DC 20555

Office of the General Counsel** Attn: Associate General Counsel for Hearings, Enforcement and Administration Lisa B. Clark, Esq.** Darani M. Reddick** David A. Cummings** Kathleen A. Kannler, Esq.** Mail Stop O-15D21 **U.S. Nuclear Regulatory Commission** Washington, DC 20555-0001 e-mail: OGCMailCenter@nrc.gov e-mail: lbc@nrc.gov e-mail: dmr1@nrc.gov e-mail: dac3@nrc.gov e-mail: kak1@nrc.gov

Administrative Judge Paul B. Abramson** Atomic Safety and Licensing Board Panel Mail Stop T-3F23 U.S. Nuclear Regulatory Commission Washington, DC 20555-0001 e-mail: pba@nrc.gov

Administrative Judge Charles N. Kelber** Atomic Safety and Licensing Board Panel Mail Stop T-3F23 U.S. Nuclear Regulatory Commission Washington, DC 20555-0001 e-mail: cnk@nrc.gov Ron Curry

Tannis L. Fox, Esq.** New Mexico Environment Department 1190 St. Francis Drive Santa Fe, NM 87502-6110 e-mail: tannis_fox@nmenv.state.nm.us

Administrative Judge G. Paul Bollwerk, III, Chair** Atomic Safety and Licensing Board Panel Mail Stop T-3F23 U.S. Nuclear Regulatory Commission Washington, DC 20555-0001 e-mail: gpb@nrc.gov

Christopher D. Coppin, Esq.** David M. Pato, Esq.** Stephen R. Farris, Esq.** Glenn R. Smith, Esq.** Office of the New Mexico Attorney Gene P.O. Box Drawer 1508 Santa Fe, NM 87504-1508 e-mail: ccoppin@ago.state.nm.us e-mail: dpato@ago.state.nm.us e-mail: sfarris@ago.state.nm.us e-mail: gsmith@ago.state.nm.us Lindsay A. Lovejoy, Jr.** 618 Pasco de Peralta, Unit B Santa Fe, NM 87501 e-mail: lindsay@lindsaylovejoy.com 1.1

Lisa A. Campagna** Assistant General Counsel Westinghouse Electric Co., LLC P.O. Box 355 Pittsburgh, PA 15230-0355 e-mail: campagla@westinghouse.com

Utti

ι

James R. Curtiss Counsel for Louisiana Energy Services, L.P.