

August 12, 2005

NEF#05-030

ATTN: Document Control Desk
Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Louisiana Energy Services, L. P.
National Enrichment Facility
NRC Docket No. 70-3103

Subject: Response to NRC Request for Additional Information on Depleted Uranium
Disposition Costs and Application for Withholding Information from Public
Disclosure

- References:**
1. Letter NEF#03-003 dated December 12, 2003, from E. J. Ferland (Louisiana Energy Services, L. P.) to Directors, Office of Nuclear Material Safety and Safeguards and the Division of Facilities and Security (NRC) regarding "Applications for a Material License Under 10 CFR 70, Domestic licensing of special nuclear material, 10 CFR 40, Domestic licensing of source material, and 10 CFR 30, Rules of general applicability to domestic licensing of byproduct material, and for a Facility Clearance Under 10 CFR 95, Facility security clearance and safeguarding of national security information and restricted data"
 2. Letter NEF#04-002 dated February 27, 2004, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision 1 to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
 3. Letter NEF#04-029 dated July 30, 2004, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"

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4. Letter NEF#04-037 dated September 30, 2004, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
5. Letter NEF#05-021 dated April 22, 2005, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
6. Letter NEF#05-022 dated April 29, 2005, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
7. Letter NEF#05-025 dated May 25, 2005, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
8. Letter NEF#05-029 dated June 10, 2005, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Revision to Applications for a Material License Under 10 CFR 70, "Domestic licensing of special nuclear material," 10 CFR 40, "Domestic licensing of source material," and 10 CFR 30, "Rules of general applicability to domestic licensing of byproduct material"
9. Letter NEF#05-016 dated March 31, 2005, from R. M. Krich (Louisiana Energy Services, L. P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding " Clarifying Information Related to Depleted UF₆ Disposition Costs and Request for License Condition"
10. Letter NEF#05-028 dated June 6, 2005, from R. M. Krich (Louisiana Energy Services, L.P.) to Director, Office of Nuclear Material Safety and Safeguards (NRC) regarding "Transmittal of Department of Energy Report and Application for Withholding Information from Public Disclosure"
11. Letter dated June 27, 2005 from James W. Clifford (NRC) to Rod Krich (Louisiana Energy Services, L.P.) regarding "Approval of Louisiana Energy Services Request for Withholding Information from Public Disclosure"

(Louisiana Energy Services Gas Centrifuge Uranium Enrichment Facility),”
docket no. 70-3103

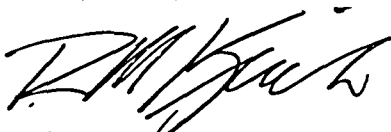
12. Letter dated June 22, 2005 from Timothy C. Johnson (NRC) to Rod Krich (Louisiana Energy Services, L.P.) regarding “Louisiana Energy Services – Request for Additional Information on Depleted Uranium Disposition Costs,” docket no. 70-3103

By letter dated December 12, 2003 (Reference 1), E. J. Ferland of Louisiana Energy Services (LES), L. P., submitted to the NRC applications for the licenses necessary to authorize construction and operation of a gas centrifuge uranium enrichment facility. Revision 1 to these applications was submitted to the NRC by letter dated February 27, 2004 (Reference 2). Subsequent revisions (i.e., revision 2, revision 3, revision 4, revision 5, revision 6, and revision 7) to these applications were submitted to the NRC by letters dated July 30, 2004 (Reference 3), September 30, 2004 (Reference 4), April 22, 2005 (Reference 5), April 29, 2005 (Reference 6), May 25, 2005 (Reference 7), and June 10, 2005 (Reference 8), respectively. In response to an NRC request, the Reference 9 letter referred to and provided the March 1, 2005 letter from the U. S. Department of Energy (DOE), “Conversion and Disposal of Depleted Uranium Hexafluoride (DUF₆) Generated by Louisiana Energy Services, LP (LES),” from Paul M. Golan (DOE) to Rod Krich (LES).

On May 31, 2005, the NRC conducted an in-office review of the information supporting the cost figures in the March 31, 2005 DOE letter. During this in-office review, the DOE agreed to provide the NRC with the report from its consultant LMI Government Consulting that supports the information in the March 31, 2005 DOE letter, “An Analysis of DOE’s Cost to Dispose of DUF₆ (Depleted Uranium Hexafluoride),” report DE523T1, dated December 2004. Accordingly, this report was transmitted to the NRC by letter dated June 6, 2005 (Reference 10). The June 6, 2005 transmittal included an application to withhold from public disclosure the LMI report as confidential (i.e. proprietary) pursuant to 10 CFR 2.390. “Public inspections, exemptions, requests for withholding,” paragraph (a)(4). This application was approved by the NRC as documented in its letter dated June 27, 2005 (Reference 11). Subsequently, NRC letter dated July 22, 2005 (Reference 12), transmitted an additional request for additional information or clarifications. Accordingly, the response to this request is provided in the enclosure to this letter. The clarifications in the enclosure are related to the information in the proprietary LMI report and are also considered proprietary. Therefore, we request that the enclosure be withheld from public disclosure based on the application submitted by LES letter dated June 6, 2005 (Reference 10).

If you have any questions or need additional information, please contact me at 630-657-2813.

Respectfully,



R. M. Krich
Vice President – Licensing, Safety, and Nuclear Engineering

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Enclosure: Louisiana Energy Services, L.P. Response to the NRC Request for Additional Information on U.S. Department of Energy Depleted Uranium Disposition Cost Estimate (Proprietary)

cc: T.C. Johnson, NRC Project Manager

Enclosure

Louisiana Energy Services, L. P.
Response to the NRC Request for Additional Information
on U.S. Department of Energy Depleted Uranium Disposition Cost Estimate (Proprietary)