

September 16, 2005

MEMORANDUM TO: James W. Clifford, Acting 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: Yawar Faraz, Project Manager **/RA/**
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: TELEPHONE SUMMARY: CONCERNING REQUESTS FOR
ADDITIONAL INFORMATION ON USEC INC.'s AMERICAN
CENTRIFUGE PLANT

Attached you will find a summary of a telephone conference call between the Nuclear Regulatory Commission (NRC) staff and the applicant, USEC Inc. (USEC) held on September 9, 2005. This telephone conference call was intended for the NRC to request additional information from USEC regarding USEC's most recent revisions to its license application and decommissioning funding plan related to financial assurance for dispositioning depleted uranium. I am attaching the telephone summary for your use.

Docket: 70-7004

Attachment 1: Decommissioning Funding (September 9, 2005) (Public)

cc: (Cover Memo and Attachment 1)

William Szymanski/DOE	Michael Marriotte/NIRS	Dan Minter/SODI
Carol O'Claire/Ohio EMA	James Curtiss/W&S	Randall DeVault/DOE
Lindsay Lovejoy/NIRS	Rod Krich/LES	Peter Miner/USEC Inc.
Rocky Brown/Mayor of Beaver	Jim Brushart/Pike Co. Comm.	Geoffrey Sea
David Bowe/SPFPA/USEC	Teddy West/Scioto Twp. Trust.	Roger Suppes/Ohio DoH
Billy Spencer/Mayor of Piketon	Vina Colley/PRESS	Donald Silverman/Morgan Lewis
Harry Rioer/Pike Co. Comm	Larry Scaggs/Seal Twp.Trust.	Mary Glasgow/Cong.Schmidt
Robert Huff/Portsmouth CoC	Ted Wheeler/Pike County Aud.	Marvin Jones/Chillicothe CoC
Kara Willis/Gov. Taft's Reg. 7	Ewan Todd/PRESS	

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RTrojanowski/RII	JDavis/DWM	RHannah/RII	ISpivack/SPB	WBrach/SFPO
DMcIntyre/OPA	RWescott/SPB	TFrederichs/DWM	MBupp/OGC	
BThomas/SFPO	TCombs/OCA	SGagner/OPA	TJohnson/SPB	
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USEC Website: Memorandum and Attachment 1
HEARING FILE

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OFFICIAL RECORD COPY

Telephone Conference Call Summary

Decommissioning Funding

Date and Time: September 9, 2005 10:00 am

Call Participants:

NRC:

B. Smith
L. Clark
T. Fredrichs
Y. Faraz

USEC Inc:

P. Miner
D. Stout
V. Lopiano
D. Scott
J. Dorian

On September 9, 2005, a conference call between U.S. Nuclear Regulatory Commission (NRC) and USEC Inc. (USEC) staffs was held at the request of the NRC to discuss the revised cost estimate contained in Revision 5 of the Decommissioning Funding Plan and Revision 7 of the License Application for the dispositioning of depleted uranium (DUF_6) tails that would be generated by the American Centrifuge Plant (ACP). In this revised cost estimate, USEC provided a range between \$3.00 and 4.83/kg uranium. According to USEC, its decommissioning financial assurance will be based on the upper limit of this range which is based on the amount that the Department of Energy (DOE) provided to Louisiana Energy Services (LES) minus costs for transportation.

Since USEC has based the \$4.83/kg uranium amount on the assumption that the total quantity of tails generated during ACP operation are going to be processed by the DOE DUF_6 conversion facility in Piketon, Ohio, the NRC staff stated that USEC should request from DOE, an estimate of the cost of dispositioning the tails specific to the USEC proposed plant along with the bases for the estimate. The NRC staff noted that, based on its knowledge of the bases for the DOE estimate provided to LES, it is possible that the cost to USEC could be different than that for LES because of the differences in the proposed plants (e.g., amount of tails generated) and transportation requirements. The NRC staff asked USEC whether in its discussions with DOE concerning this matter, it had requested DOE to provide an estimate with its bases to USEC as the DOE had provided to LES. USEC responded that such a request had not been made. USEC acknowledged the comment and indicated that it would get back to the NRC on this issue.

The NRC staff indicated that since at this time there remains some uncertainty associated with the cost of dispositioning the depleted uranium, USEC should raise the depleted uranium disposition cost contingency factor from 10 percent to 25 percent. USEC acknowledged the comment and indicated that it would get back to the NRC on this issue.

Attachment