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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

February 24, 2006 (4:12pm)

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

In the Matter of:)	
)	Docket No. 70-3103-ML
Louisiana Energy Services, L.P.)	
)	ASLBP No. 04-826-01-ML
(National Enrichment Facility))	

**APPLICANT'S PREFILED TESTIMONY IN MANDATORY HEARING
CONCERNING FINANCIAL ASSURANCE (SAFETY MATTER NO. 4)**

I. WITNESS AND PROCEDURAL BACKGROUND

Q1. Please state your name, occupation, and by whom you are employed.

A1. My name is Rod M. Krich. I am Vice President of Licensing, Safety, and Nuclear Engineering for Louisiana Energy Services, L.P. ("LES"), the license applicant in this matter. I am presently "on loan" to LES from Exelon Nuclear, where I am Vice President, Licensing Projects, and lead Exelon Nuclear's licensing activities relative to future generation ventures. As an Exelon employee, I also have assisted in the Yucca Mountain Project licensing effort, and served as the lead on strategic licensing issues related to the development of a new approach to licensing advanced reactors, such as the Pebble Bed Modular Reactor.

Q2. Please describe your responsibilities relative to the proposed National Enrichment Facility ("NEF").

A2. As Vice President of Licensing, Safety, and Nuclear Engineering for LES, I have the overall responsibility for licensing and engineering matters related to the NEF project. In this

capacity, I oversaw preparation and submittal of the NEF license application, as well as the engineering design of the facility processes and safety systems. As a result, I am very familiar with the NEF license application, and NRC requirements and guidance related to the contents of such an application. This includes Chapter 10 of the NEF Safety Analysis Report ("SAR"), which sets forth LES's Decommissioning Funding Plan. Further, I serve as LES's lead contact with respect to matters related to the Nuclear Regulatory Commission ("NRC") Staff's review of the NEF license application. Finally, I also am responsible for the preparation of all state and federal permit applications related to the NEF.

Q3. Please summarize your educational and professional qualifications.

A3. I hold a B.S. in mechanical engineering from the New Jersey Institute of Technology and an M.S. in nuclear engineering from the University of Illinois. I have over 30 years of experience in the industry, covering engineering, licensing, and regulatory matters. This experience encompasses the design, licensing, and operation of nuclear facilities. A full statement of my professional qualifications is attached hereto.

Q4. What is the purpose of your testimony?

A4. I am providing this testimony on behalf of LES in accordance with the Licensing Board's Memorandum and Order (Memorializing Board Questions/Areas of Concern for Mandatory Hearing) of January 30, 2006 ("January 30th Order"). In its January 30th Order, the Board "memorialized" a series of questions or "areas of concern" upon which the Board has required presentations from LES and/or the NRC Staff in the context of the mandatory hearing in this proceeding. These presentations are intended to assist the Board in making findings with regard to the NRC Staff's safety review of the NEF license application. This testimony is

intended to respond specifically to paragraph 4 of the Board's January 30th Order concerning LES's proposed financial assurance mechanism.

Q5. Please briefly describe your understanding of the findings to be made by the Board relative to the Staff's safety review of the license application.

A5. As I understand it, the Board is required to conduct a "sufficiency" review of uncontested matters. According to the Commission, the Board should confirm that the NRC Staff "has performed an adequate review and made findings with reasonable support in logic and fact." In doing so, the Board is to decide whether the overall safety record is sufficient to support license issuance. This testimony is intended to facilitate the Board's sufficiency review.

II. RESPONSE TO BOARD QUESTIONS

Q6. Please describe the specific issues raised by the Board in paragraph 4 of its January 30th Order.

A6. As set forth in the January 30th Order, paragraph 4 seeks information from LES and the Staff regarding: (a) the process by which LES would modify its surety bond to accommodate potential future increases in necessary decommissioning financial assurance levels, and (b) the specific licensing "mechanisms" by which the NRC will ensure that LES has both an obligation and the capability to provide any increased bond amounts. Paragraph 4 posits a specific scenario, *i.e.*, an increase in depleted uranium ("DU") disposal costs due to a postulated amendment to 10 C.F.R. Part 61 that would preclude the use of LES's current strategy of near-surface disposal of DU. Paragraph 4 states in full:

4. The Commission has directed the staff to investigate whether amendment of 10 C.F.R. Part 61 is required to properly address the issue of disposal of depleted uranium from an enrichment facility. In the context of its decommissioning funding plan, LES will be providing a surety, in the form of a bond, covering all decommissioning costs expected during the term of that bond. The

size of that bond will be determined *a priori* upon the basis of conditions at the time of issuance or renewal. The current sizing of that bond is proposed to be based upon near-surface disposal of depleted uranium. If the Commission determines, at a future date, that near-surface disposal of depleted uranium from an enrichment facility such as the NEF is no longer appropriate, how will the bond be modified to accommodate the accompanying change in decommissioning costs? What *mechanisms* will be put in place at the issuance of the license to ensure that LES, which is a "single purpose" entity with no assets outside its ownership of the NEF, has the wherewithal to, and actually provides, the increased bond amount?

I would note that during a February 6, 2006 telephone conference, the Board explained that Question 4 was based on the "general question" posed by the Board during the October 27, 2005 evidentiary hearing. Tr. at 3246. In October, the Board queried how LES would address a possible increase in "one of the major elements" of LES's decommissioning-related costs. Tr. at 3168. On February 6th, the Board clarified that it intended the "specific case" set forth in Question 4 to be an example that would help LES and the Staff focus their presentations with respect to the generic financial assurance question posed by the Board. Tr. at 3246.

Q7. Please briefly describe the nature and purpose of the surety bond that LES intends to use for decommissioning financial assurance in connection with the NEF.

A7. As NUREG-1757 explains, the objective of the NRC's financial assurance requirements is to ensure that a suitable mechanism for maintaining the required financial assurance for decommissioning of licensed facilities is in place, in the event that a licensee is *unable or unwilling to complete decommissioning*. LES Exh. 82 at 4-1. Financial assurance may be achieved through a variety of financial instruments, some of which provide for prepayment of the applicable costs, others of which guarantee payment by a suitably qualified third party. The

surety bond instrument that LES intends to use falls into the latter category. NUREG-1757

describes a surety bond as follows:

A payment surety bond (or surety bond) is a guarantee by a surety company (or surety) that it will fund decommissioning activities if the principal (i.e., the licensee) fails to do so. In issuing a surety bond, the surety company becomes "jointly and severally" liable for the guaranteed payment, meaning that the surety assumes the licensee's obligation to fund decommissioning as its own and can be sued jointly with the licensee for the obligation. Consequently, most surety bonds include an indemnification provision that requires the principal to reimburse the surety for costs incurred in satisfaction of the principal's obligations.

LES Exh. 125-M at A-88 (emphasis in original).

NRC regulations and guidance set forth a number of key conditions that must be included in any surety bond used by an NRC licensee for decommissioning financial assurance. First, the surety bond must be open-ended or, if written for a specified term (such as 5 years), must be renewed automatically, unless 90 days or more prior to the renewal date, the surety notifies both the NRC and the licensee of its intention not to renew. *See* 10 C.F.R. § 70.25(f)(2)(i); LES Exh. 125-M at A-88. Second, a surety bond must provide that the full face amount of the bond be paid to the beneficiary (NRC) automatically prior to expiration, without proof of forfeiture, if the licensee fails to provide a replacement mechanism acceptable to NRC within 30 days after receipt of notification of cancellation. *See id.* Third, a surety bond must be in an amount that is at least equal to the licensee's estimated cost of decommissioning. *See* 10 C.F.R. § 70.25(e). Finally, funds drawn from a surety bond at the NRC's direction must be placed directly into a "standby trust fund" if the licensee fails to conduct decommissioning as required (insofar as direct payment of the funds to the NRC would require that they be deposited in the U.S. Treasury as general revenue). *See* 10 C.F.R. § 70.25(f)(2)(ii); LES Exh. 125-M at A-14, A-88. NUREG-1757 sets forth additional criteria regarding the qualifications of the issuer

(i.e., surety company), the documentation necessary to support a surety bond, and the necessary components of the associated standby trust fund. *See* LES Exh. 125-M at A-88 to A-91.

Q8. What is the status of LES's surety bond?

A8. At this juncture, LES has submitted unexecuted draft copies of the surety bond and associated documentation (e.g., standby trust agreement) to the NRC. *See* Appendices 10A-10F to SAR Chapter 10 (LES Exh. 83). These documents conform to the model documents contained in Appendix A to NUREG-1757. *See* LES Exh. 125-M, App. A. LES is still working out the details of its financial assurance instruments and is seeking indicative proposals from appropriate financial institutions. LES must finalize those financial instruments, and provide signed originals of the instruments to the NRC for final review and confirmation, *before* LES can receive licensed material at the NEF. *See* Staff Exh. 49-M at 10-14 to 10-15.

Q9. In the event that LES is confronted with a significant increase in estimated decommissioning/DU dispositioning costs, will LES be able to modify its surety bond to provide for a corresponding increase in the decommissioning financial assurance level?

A9. Yes. In fact, as stated in NUREG-1757, a surety bond must be in an amount that is at least equal to the licensee's estimated cost of decommissioning. *See* LES Exh. 125-M at 89. If the licensee's estimated decommissioning cost increases to a level above the amount assured by the surety bond, then the licensee must either (1) revise the surety bond to assure the higher amount or (2) obtain another financial assurance mechanism to make up the difference between the new coverage level and the amount of the surety bond. *See id.* LES's surety bond, like the NRC model, will contain an explicit provision that allows LES to adjust the penal sum (i.e., the guaranteed payment amount) of the bond yearly. Alternatively, LES could seek to employ an additional financial assurance instrument to cover the difference. For example, LES could use a

combination of a performance bond and some other financial instrument, such as a bank letter of credit.

Q10. In view of the Board's question, what specific licensing mechanisms will be in place, at the time of license issuance, to ensure that LES has a *regulatory obligation* to increase its surety bond amount in response to increased decommissioning costs?

A10. LES will be required by license condition to update its decommissioning and DU dispositioning financial assurance estimates at regular intervals, to revise its associated funding instruments accordingly, and to submit final executed copies of the instruments to the NRC. *See* Staff Exh. 49-M at 10-14 to 10-15. Initially, LES must provide financial assurance for the current estimated dollar cost of facility decommissioning plus the cost of dispositioning the first three years of DU byproduct generation. *See id.* The license condition will require LES to update its financial assurance cost estimate for facility decommissioning at least once every three years (*i.e.*, the interval specified in 10 C.F.R. §70.25(e)). *See id.* With regard DU dispositioning, the license condition will require LES to update its financial assurance cost estimate annually on a forward-looking (prospective) basis, so that the financial assurance level reflects current projections of LES's DU byproduct inventory. *See id.* Therefore, if one of the major elements of LES's decommissioning or DU dispositioning cost estimates were to increase, whether modestly or significantly, LES would be required to adjust the total penal sum of its payment surety bond and make any necessary conforming changes to the other related instruments (*e.g.*, standby trust agreement schedules). Any failure of LES to do so would subject LES to NRC enforcement action up to and including revocation of the operating license for the NEF. 10 C.F.R. § 2.202.

Q11. So, in your view, it would be appropriate to make adjustments for increased DU disposal costs (including those resulting from a revision of 10 C.F.R. Part 61) as part of the periodic update process?

A11. Yes. In fact, when the NRC imposed the current periodic update requirement in 2003, it stated as follows:

The proposed requirement to update decommissioning cost estimates every 3 years will help ensure that financial assurance obtained by licensees will not become inadequate as a result of changing disposal prices or other factors. *Increasing waste disposal costs have been and continue to be a concern for NRC.* However, decommissioning costs also may change for a variety of licensee-specific reasons (e.g., due to changes in the size and scope of operations), as well as for other reasons that may be out of a licensee's control (e.g., inflation). The proposed 3-year cost estimate updates are intended to capture changes in estimated costs *regardless of cause*, and to help ensure that the level of financial assurance required of each licensee is appropriate.

LES Exh. 119 (68 Fed. Reg. 57,327, 57,332 col. 1 (Oct. 3, 2003)) (emphasis added). Similarly, NUREG-1757 states that "[a]djustments should be made to account for inflation, for other changes in the prices of goods and services (e.g., disposal cost increases), for changes in facility conditions or operations, and for changes in expected decommissioning procedures." LES Exh. 82 at A-29.

Q12. Notwithstanding LES's clear regulatory obligation to perform periodic cost updates and to maintain adequate financial assurance, what assurance is there that, as a practical matter, LES would be able to accommodate a substantial increase in projected decommissioning or DU dispositioning costs?

A12. First of all, I believe that LES will have ample opportunity to respond to potential increases in decommissioning and DU dispositioning costs given the frequency with which LES will be required to update its associated cost estimates. It is unlikely that major increases in costs

will occur without some prior notice. For example, with respect to the specific scenario postulated by the Board, LES would have advance notice of any potential changes to Part 61 that might bear on the acceptability of its current disposal strategy, *i.e.*, near-surface disposal of DU. If the NRC chooses to substantively revise its Part 61 regulations, then it will do so through notice-and-comment rulemaking, in which potentially affected entities such as LES would be given adequate opportunity to participate in the development of any new regulatory requirements. Accordingly, if it became evident to LES that the NRC might require the use enhanced DU disposal methods, LES could assess the potential cost impacts early in the rulemaking process and plan accordingly.

Q13. How do you respond to the Board's observation that LES is a "single purpose" entity without any significant assets outside of the NEF? In other words, on what basis does LES expect to have the financial "wherewithal" to address potentially large increases in projected decommissioning and DU dispositioning costs?

A13. The source of LES's financial "wherewithal" is twofold, and is reflected in the NRC Staff's financial qualifications findings. In Section 1.2.3.3.2 of the SER, the Staff concluded that:

[] LES and its partner-owners appear to be financially qualified to build and operate the proposed facility, in accordance with 10 CFR 70.23(a)(5). The applicant identified sources of debt and equity for construction, and has reasonable assurance of securing additional financial resources, if needed.

Staff Exh. 49-M at 1-8. Although the focus of the Staff's financial qualifications review was on the availability of sufficient funds to construct and operate a licensed facility safely, the Staff's ultimate finding is indicative of the financial resources available to LES. While LES is a single purpose entity, the LES partners, particularly principal general partner Urenco, clearly are corporations of worth with sizable assets and cash flow. The investment in the NEF will be

financed through a combination of partners' equity, internal cash flow, and an appropriate debt structure. Partner's equity will represent a minimum of 30% of the project cost. The upshot is that, despite LES's "single purpose" designation, the NEF project is supported by entities with significant financial resources and by significant equity contributions.

Additionally, once NEF operations commence and production ramps up, LES expects to generate significant revenues and profits of its own. At the time of SER publication (June 2005), LES already had secured enough contracts with nuclear utilities to account for approximately 70% of the NEF's output through the facility's initial 10 years of production. *See* Staff Exh. 49-M at 1-8. (As the Board will recall, LES provided detailed testimony regarding the details of these contracts during the contested hearing on Contention NIRS/PC EC-7.) That percentage now exceeds 80% in view of recently executed contracts. In sum, these financial resources will contribute to LES's ability to secure any increased bond amounts that might prove necessary to accommodate future increases in decommissioning and/or DU dispositioning costs.

Q14. How does Urenco's role in the project contribute to LES's ability to secure a significantly increased *surety bond amount*, should the need to do so arise from unexpected increases in decommissioning/DU dispositioning costs?

A14. As stated above, most surety bonds include an indemnification provision that requires the principal to reimburse the surety for costs incurred in satisfaction of the principal's obligations. It is my understanding that any surety bond issued on behalf of LES will contain an indemnification provision, or something comparable, requiring that Urenco, as a parent company to LES, be able to meet specified performance requirements or "covenants." In effect, Urenco will provide assurance to the surety that it will be reimbursed if LES defaults on its decommissioning funding obligations and the NRC needs to draw on the surety bond. A

decision by the surety company to issue a larger bond clearly would reflect its confidence in LES's financial resources.

Q15. During the October 27, 2005 hearing, the Board raised the possibility that a future increase in one of the major elements of LES's decommissioning costs could render LES unable or unwilling to bear the additional cost? Do you believe this to be a likely, or even plausible, scenario?

A15. No. First and foremost, LES is mindful of the responsibility of all NRC licensees to provide adequate decommissioning financial assurance, and fully intends to ensure that appropriate financial resources are available to meet that obligation. Moreover, given the large capital cost of the NEF project (in excess of \$1 billion), along with LES's expectation that the project will be a profitable venture, LES and its partner-owners have every incentive to see the project through to its completion. Doing so requires that LES ensure that adequate financial assurance is made available over the operating life of the facility for decommissioning and DU dispositioning purposes. Finally, I would note that the approximately \$942 million (2004 dollars) in projected decommissioning costs (conservatively assuming a nominal 30 years of DU byproduct generation) that LES already has committed to financially assure over the operating life of the NEF is a substantial sum that, in my view, contains considerable margin. I testified as to the various sources of this margin during the contested evidentiary hearings on LES's base cost estimate for DU dispositioning. *See* "[LES's] Proposed Findings of Fact and Conclusions of Law Concerning Contentions NIRS/PC EC-3/TC-1, EC-5/TC-2, EC-6/TC-3, and EC-4 (As Remanded)" (Nov. 30, 2005) (proprietary); "[LES's] Reply Findings of Fact and Conclusions of Law Concerning Contentions NIRS/PC EC-3/TC-1, EC-5/TC-2, EC-6/TC-3, and EC-4 (As

Remanded)" (Dec. 23, 2005) (proprietary) (summarizing LES's testimony concerning its DU dispositioning cost estimate).

Q16. Does this conclude your testimony?

A16. Yes.

RESUME

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EDUCATION

MS Nuclear Engineering - University of Illinois - 1973
BS Mechanical Engineering - New Jersey Institute of Technology - 1972

EXPERIENCE

1998 to
Present

Exelon (formerly Com Ed)

Vice President, Licensing Projects for Exelon Nuclear, with the overall responsibility for leading Exelon Nuclear's licensing activities on future generation ventures, predominantly leading the licensing effort for a U.S. gas centrifuge enrichment plant. In addition, I have been assisting with the Yucca Mountain project licensing effort and served as the lead on strategic licensing issues with the responsibility of working with the Nuclear Regulatory Commission and the Nuclear Energy Institute on the development of a new approach to licensing new reactors.

Vice President-Regulatory Services responsible for interface with the NRC and State regulatory agencies, and regulatory programs. This responsibility covers all 12 ComEd nuclear units and the Nuclear Generation Group headquarters. With respect to regulatory programs, responsibilities include programs such as the change evaluation process (i.e., 10 CFR 50.59, "Changes, tests and experiments), the operability determination process, and the Updated Final Safety Analysis revision process). In this capacity, I was responsible for improving the relationship with the regulatory agencies such that, taken together with improved plant performance, the special scrutiny applied to the ComEd operating plants will be replaced with the normal oversight process. The Regulatory Services organization consists of a group located at the Nuclear Generation Group headquarters and a Regulatory Assurance group at each plant that has a matrix reporting relationship to the Vice President-Regulatory Services.

1994 to
1998

Carolina Power & Light Company

As Chief Engineer from November 1996 to April 1998, I was head of the Chief Section of the Nuclear Engineering Department. In this capacity, I was responsible for maintaining the plant design bases and developing, maintaining and enforcing the engineering processes procedures. In addition to the corporate Chief Section, the Design Control groups at each of the nuclear plant sites reported to me starting in February 1997.

As Manager - Regulatory Affairs at the H. B. Robinson Steam Electric Plant, Unit No. 2 (Westinghouse PWR) from February 1994 to November 1996, the managers of Licensing/Regulatory Programs, Emergency Preparedness, and Corrective Action/Operating Experience Program organizations reported to me. As such, I was responsible for all interface and licensing activities involving the NRC headquarters and regional office, environmental regulatory agencies, and the Institute of Nuclear Power Operations. My responsibilities also included implementation of the Emergency Preparedness program, and administration of the Corrective Action and Operating Experience programs. After assuming my position in Carolina Power &

Light Company, I was instrumental in revising and upgrading the IOCFR50.59 safety evaluation program, and was responsible for its implementation at the plant site. My group was also responsible for leading the team that prepared the NRC submittal containing the conversion to the improved Technical Specifications.

1988 to
1994

Philadelphia Electric Company

As Manager - Limerick Licensing Branch at the Nuclear Group Headquarters, responsible for all licensing activities for the two unit Limerick Generating Station (General Electric BWR) conducted with the NRC headquarters and all enforcement issues involving NRC Region I, including completion of the final tasks leading to issuance of the Unit 2 Operating License. Special projects included assisting in the development of the Design Baseline Document program, obtaining NRC approval for an Emergency Operations Facility common to two sites, preparation of the Technical Specification changes to extend the plant refueling cycle to 24 months and to allow plant operation at uprated power, and obtaining NRC approval of a change to the Limerick Operating Licenses to accept and use the spent fuel from the Shoreham plant. I was also responsible for the development and implementation of the IOCFR50.59 safety evaluation process used throughout the nuclear organization, development of the initial Updated Final Safety Analysis Report for Limerick Generating Station, and served as the Company's Primary Representative to the BWR Owners' Group.

1986 to
1988

Virginia Power Company

As the Senior Staff Engineer in the Safety Evaluation and Control section, my activities involved responding to both routine and special licensing issues pertaining to North Anna Power Station (Westinghouse PWR). My duties ranged from preparing Technical Specification interpretations and change requests, exemption requests, and coordinating responses to NRC inspection reports, to developing presentations for NRC enforcement conferences and coordinating licensing activities associated with long-term issues such as ATWS and equipment qualification. I was also the Company representative to the utility group formed to address the station blackout issue, and was particularly involved in developing an acceptable method by which utilities can address equipment operability during station blackout conditions.

1981 to
1986

Consumers Power Company

During my employment with Consumers Power Company, I worked at the General Office in the Nuclear Licensing Department and the Company's Palisades Plant (Combustion Engineering PWR). While in the Nuclear Licensing Department, I held the position of Plant Licensing Engineer for the Big Rock Point Plant (General Electric BWR), Section I-lead - Special Projects Section, and Section Head - Licensing Projects and Generic Issues Section. My responsibilities while in these positions included managing the initial and continuing Palisades Plant FSAR update effort, developing and operating a computerized commitment tracking system, managing the licensing activities supporting the expansion of the Palisades Plant spent fuel storage capacity, and coordinating activities associated with various generic issues such as fire protection and seismic qualification of equipment. As the administrative point of contact for INPO, I coordinated the Company's efforts in responding to plant and corporate INPO evaluations. At the Palisades Plant, I was head of the Plant Licensing Department. My responsibilities primarily entailed managing the on-site licensing activities, including preparation of Licensee Event Reports and responses to

inspection reports, interfacing with NRC resident and regional inspectors, and serving as chairman of the on-site safety review committee. I also administered the on-site corrective action system and managed the on-site program for the review and implementation of industry operating experience.

1974 to
1981

General Atomic Company

My positions while at the General Atomic Company were principally concerned with fuel performance development efforts for the High Temperature Gas-Cooled Reactor (HTGR). Specific responsibilities included two assignments to the French Atomic Energy Commission laboratories at Saclay and Grenoble (France) for the purpose of coordinating a cooperative test program. I was also assigned as a consultant to the Bechtel Corporation, Los Angeles Power Division, and worked in the Nuclear Group of the Alvin M. Vogtle Nuclear Project for Georgia Power.

RELATED EXPERIENCE

University of Illinois

As a graduate research assistant, I assisted in both the experimental and analytical phases of a NASA-funded program in the study and modeling of far-field noise generated by near-field turbulence in jets.

PUBLICATIONS

General Atomic Company

"CPL-2 Analysis: Fission Product Release, Plateout and Liftoff."

University of Illinois

"Prediction of Far-Field Sound Power Level for Jet Flows from Flow Field Pressure Model," paper 75-440 in the AIAA Journal, co-authored by Jones, Weber, Hammersley, Planchon, Krich, McDowell, and Northranandan.

MEMBERSHIPS

American Nuclear Society
Pi Tau Sigma -Mechanical Engineers 1-Honorary Fraternity
American Association for the Advancement of Science

REFERENCES

Furnished upon request

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of:)	Docket No. 70-3103-ML
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Louisiana Energy Services, L.P.)	ASLBP No. 04-826-01-ML
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(National Enrichment Facility))	

CERTIFICATE OF SERVICE

I hereby certify that copies of the "APPLICANT'S PREFILED TESTIMONY IN MANDATORY HEARING CONCERNING FINANCIAL ASSURANCE (SAFETY MATTER NO. 4)" in the captioned proceeding has been served on the following by hand-delivery on February 24, 2006 as shown below.

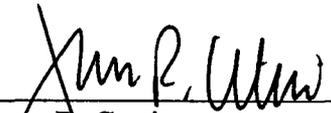
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