

deconversion facility. Tr. 2019, 2021-23. However, the Applicant has not established the exact amount of debt service included in that margin or the corresponding amount for operations and maintenance left after deducting the amount included for the debt service. Thus, it is not evident from the record that the "actual" operations and maintenance cost left after accounting for debt service is adequately conservative. Tr. 2355-2363.

4.54 The Applicant consultant further testified that she assumed that the \$2.67 cost would be escalated by an amount of 3% per year to determine the amount that would have to be set aside at the end of life. Tr. 2041-45. She testified further that when the escalation is taken into account it more than covers the amount of debt service. Tr. 2046.

4.55 Upon questioning by the Board, the Applicant consultant explained that by multiplying the \$2.67 figure, as escalated by 3% annually, by the kgU produced each year one can determine the revenues expected to be generated by the deconversion facility. Tr. 2047-48. When these revenues were compared to the expected costs identified by the Applicant over the life of facility it was apparent that the revenues would substantially exceed costs over the life of facility (by as much as \$200 million). Tr. 2048-52.

4.56 Upon further questioning by the Board, Applicant's consultant stated that she assumed the deconversion facility would begin operations in approximately 2016, after construction and a ramp up period, and would operate for 17 years. Tr. 2290. The funds necessary for construction, licensing and engineering of the deconversion facility, and the associated debt service, would need to be obtained before operations could begin. Tr. 2283-85. Thus, while the expected revenues generated by the facility would ultimately be more than enough to pay for the debt. Tr. 2284-85.

4.57 Notwithstanding that the record does not demonstrate that debt service has been included in the \$2.67 cost, the record shows that the \$2.67 per kgU would account for reasonable and documented costs for the construction, licensing and engineering, operations