

June 13, 2006

Mr. Steven A. Toelle, Director
Regulatory Affairs
USEC Inc.
6903 Rockledge Dr.
Bethesda, MD 20817-1818

SUBJECT: AMERICAN CENTRIFUGE LEAD CASCADE FACILITY, REQUEST FOR ADDITIONAL
INFORMATION ON THE DECOMMISSIONING FUNDING MECHANISMS AND
UPDATED DECOMMISSIONING FUNDING PLAN, (TAC L32328)

Dear Mr. Toelle:

I am responding to your letter dated May 4, 2006 (AET 06-0048), in which you transmitted information regarding the decommissioning funding mechanisms and the updated decommissioning funding plan for the American Centrifuge Lead Cascade Facility.

We have completed our detailed staff review of the information you provided and found the majority of the information to be acceptable. However, the staff has two comments on the decommissioning funding plan (DFP). First, an older edition of NUREG-1727 was referenced which has been superseded by NUREG-1757, Vol. 3. At this time, the financial assurance guidance in the two documents is substantially the same, so no changes in the DFP are necessary on that basis. However, for future updates you are advised to use the most recent guidance document. Second, the DFP does not state whether the cost estimate included contractor overhead and profit. The cost estimate must be adequate to allow an independent third party to perform the work, therefore, contractor overhead and profit are necessary costs. The licensee must supplement its DFP to either (a) list the amount included for contractor overhead and profit in the submitted cost estimate, or (b) revise the cost estimate to cover those costs. If the cost estimate is revised, conforming changes to the financial instruments may be needed.

If you have any questions regarding this matter, I may be reached at 301-415-6981.

Sincerely,

\RA\

Stan Echols, Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

Docket No.: 70-7003
License No.: SNM-7003

cc: Peter Miner, USEC Inc.

June 13, 2006

Mr. Steven A. Toelle, Director
Regulatory Affairs
USEC Inc.
6903 Rockledge Dr.
Bethesda, MD 20817-1818

SUBJECT: AMERICAN CENTRIFUGE LEAD CASCADE FACILITY, REQUEST FOR ADDITIONAL INFORMATION ON THE DECOMMISSIONING FUNDING MECHANISMS AND UPDATED DECOMMISSIONING FUNDING PLAN, (TAC L32328)

Dear Mr. Toelle:

I am responding to your letter dated May 4, 2006 (AET 06-0048), in which you transmitted information regarding the decommissioning funding mechanisms and the updated decommissioning funding plan for the American Centrifuge Lead Cascade Facility.

We have completed our detailed staff review of the information you provided and found the majority of the information to be acceptable. However, the staff has two comments on the decommissioning funding plan (DFP). First, an older edition of NUREG-1727 was referenced which has been superseded by NUREG-1757, Vol. 3. At this time, the financial assurance guidance in the two documents is substantially the same, so no changes in the DFP are necessary on that basis. However, for future updates you are advised to use the most recent guidance document. Second, the DFP does not state whether the cost estimate included contractor overhead and profit. The cost estimate must be adequate to allow an independent third party to perform the work, therefore, contractor overhead and profit are necessary costs. The licensee must supplement its DFP to either (a) list the amount included for contractor overhead and profit in the submitted cost estimate, or (b) revise the cost estimate to cover those costs. If the cost estimate is revised, conforming changes to the financial instruments may be needed.

If you have any questions regarding this matter, I may be reached at 301-415-6981.

Sincerely,

\RA\

Stan Echols, Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

Docket No.: 70-7003
License No.: SNM-7003

DISTRIBUTION:

FCSS r/f SPB r/f JHenson, RII RHannah, RII DSeymour, RII TFredrichs, DWMEP

ML061640355

**see previous concurrence

OFC	GCFLS		GCFLS		GCFLS	
NAME	JDowns **		SEchols **		BSmith **	
DATE	06/ 13 /06		06/ 13 /06		06/ 14 /06	

OFFICIAL RECORD COPY