

January 4, 2007

Mr. Charlie F. Holman, Manager
Environmental, Health, Safety
and Licensing
AREVA NP, Inc.
1724 Mount Athos Road
P.O. Box 11646
Lynchburg, VA 24506-1646

SUBJECT: ACKNOWLEDGMENT OF RECEIPT OF DECOMMISSIONING FUNDING COST
ESTIMATE AND FUNDING ADJUSTMENT FOR SNM-1168 (TAC L32600)

Dear Mr. Holman:

We have received your submittal of the Decommissioning Funding Cost Estimate and Funding Adjustment for Materials License SNM-1168, transmitted by letter dated December 1, 2006. Your request has been assigned Technical Assignment Control Number (TAC) L32600.

During our initial processing, a deficiency was identified. Although your submission provides the total revised cost estimate, and generally describes the adjustments which led to its increase, we need the details of the revised decommissioning cost estimate in order to evaluate its adequacy. Guidance on the appropriate level of detail is presented in Appendix A to the Consolidated NMSS Decommissioning Guidance - Financial Assurance, Recordkeeping, and Timeliness (NUREG-1757, Volume 3). Appendix A provides a series of cost estimating tables to assist licensees in preparing decommissioning cost estimates that contain sufficient detail, and are likely to be acceptable to the Nuclear Regulatory Commission (NRC). The NRC staff generally recommends that licensees pattern their cost estimates after these cost estimating tables. The detailed decommissioning cost estimate to support your total revised cost estimate should be provided within 30 days of receipt of this letter, so that your request can be forwarded for technical review.

Please note that the complete review may identify other omissions in the submittal information, or technical issues that require additional information.

Based on our preliminary review and projection of current review schedules, we anticipate completing our final review by May 2007. This date could change depending on the findings of our technical review, urgent assignments, or other factors. We will promptly communicate any significant changes to this schedule.

Please reference TAC L32600 in any future correspondence associated with these actions.

C. Holman

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If you have any questions regarding this matter, I can be reached at (301) 415-8103, or via e-mail, to bmr@nrc.gov.

In addition, a copy of your submittal has been forwarded to the License Fee and Accounts Receivable Branch, Office of the Chief Financial Officer, who will contact you separately if the appropriate license fee has not been submitted for your request, or for billing if your request is subject to full cost fee recovery.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electron Reading Room).

Sincerely,

/RA/

M. Breeda Reilly, Project Manager
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-1201
License No.: SNM-1168

C. Holman

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Sincerely,

/RA/

M. Breeda Reilly, Project Manager
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-1201
License No.: SNM-1168

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