



Proprietary
Withhold under 10 CFR 2.390

OCT 19 2007

NEF-07-00192-NRC

ATTN: Document Control Desk
Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

Louisiana Energy Services, L.P.
National Enrichment Facility
NRC Docket No. 70-3103

Subject: Louisiana Energy Services, National Enrichment Facility
(SNM 70-2010) – Request for Written Consent to Indirect Transfer of
License (LAR 07-03)

References: 1) NEF-07-00193-NRC, Letter from LES to NRC, License Operating
Agreement of Louisiana Energy Services L.L.C.

LES hereby submits an application for NRC consent to an indirect transfer of control of the subject license to (1) restructure from a Limited Partnership (L.P.) to a Limited Liability Company (L.L.C.) and (2) reorganize the ownership arrangement of Urenco Deelnemingen BV (UDE).

LES has decided to restructure itself as an LLC in order to achieve a more simplified corporate structure and to align itself with other business entities within the Urenco Ltd. Corporate family. In addition, by transferring UDE (currently an LES limited partner) into the US subgroup as a wholly-owned subsidiary of Urenco Investments, Inc. (LES's current general partner), Urenco Ltd. will consolidate all of its US holdings. The background and justification for this restructuring is provided in Enclosure 1. As explained in Enclosure 1, the planned transaction does not result in a change in control of the license. To the extent the NRC considers the transaction to involve a change in control, LES requests that the NRC provide written consent to such indirect license transfer pursuant to 10 CFR 70.36, 10 CFR 30.34(b) and 10 CFR 40.46. The proposed change pages to the Materials License and Licensing Basis Documents are provided in

NMS01

Enclosure 2. Concurrently and separately, the new Operating Agreement is being transmitted to the NRC to transition from the current Partnership Agreement (Ref. 1).

The changes to the SAR are intended to ensure that the State where LES is incorporated is stated, the location of the principal office is stated, the names, addresses and citizenship of the principal officers are stated and includes information concerning the control and ownership exercised over LES by any alien, foreign corporation or foreign government as required by the requirements of 10 CFR 70.22.

No new foreign or domestic entities are being added as partners to LES or to the ownership of LES. Because of this, the change has no effect on the, Foreign Ownership and Control Information (FOCI) posture for the applicant and thus poses no undue risk to the national security of the United States. Changes will not be made that affect LES's existing answers to FOCI questions and there are no changes to indebtedness. Changes to the required form that identifies owners, officers, directors and executive personnel are necessary and will be submitted within 30 days of the effective date of the change as required by 10 CFR 95.17.

For scheduling purposes, LES has targeted a completion of the proposed restructuring and reorganization for the end of January 2008. The implementation of the actual steps to restructure from an LP to an LLC and to reorganize the ownership arrangement of UDE will not occur until the review by the NRC has been finished and the approval by the NRC has been granted to implement the transaction. In that regard, LES requests sufficient time to effectuate the transaction and requests an implementation period following NRC's consent. The following implementation activities, which are described in Enclosure 1, must take place:

- LES files a Certificate of Conversion to an LLC with the State of Delaware
- Once recorded with the State of Delaware, LES files an application for registration as a foreign limited liability company with the Public Regulation Commission of the State of New Mexico
- Urenco Nederland will sell its ownership interest in Urenco UDE to Urenco Ltd, the ultimate parent company.
- Urenco Ltd. will transfer its shares in UDE to Urenco Investments Inc, with the result that ownership of LES will be consolidated in the United States.

Therefore, LES requests an effective date of January 31st, 2008 for the conforming license changes if the approval date is on or before January 18th, 2008. If there are problems with either of these dates please inform us as soon as possible. LES will keep the NRC advised of the implementation schedule and any changes.

Concurrent with the submittal to and review by the NRC of these documents, LES and Urenco are preparing additional implementation documents (e.g., corporate resolutions, filings before appropriate tax authorities, etc.), which, if requested, can be provided to the NRC as well. LES is prepared to meet with NRC personnel to further discuss these documents and the proposed license amendment if needed.

LES requests that the Licensing Basis Documents be withheld from public disclosure in accordance with 10 CFR 2.390. Pursuant to this requirement, enclosed is an affidavit identifying the information that is requested to be withheld from public disclosure.

If you have any questions regarding the License Amendment Request, please contact Stephen Cowne, Licensing Manager, at 505-394-4646.

Respectfully,



Gregory OD Smith
Chief Operating Officer and Chief Nuclear Officer

Enclosures: as stated

cc:

Timothy Johnson
Project Manager
Enrichment & Conversion Branch T-8F42
Division of Fuel Cycle Safety and Safeguards
U.S. Nuclear Regulatory Commission
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Enclosure 1

Affidavit

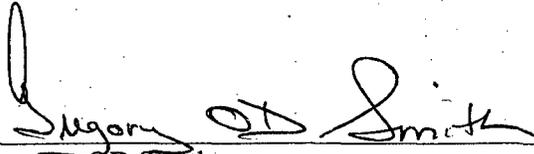
Gregory OD Smith, being duly sworn, states that he is the Chief Nuclear Officer and Chief Operating Officer for Louisiana Energy Services, L.P.; that he is authorized on the part of said company to sign and file with the Nuclear Regulatory Commission this document; and that all statements made and matters set forth herein are true and correct to the best of his knowledge, information and belief.

The documents that the National Enrichment Facility wishes to have withheld from public disclosure are the following LES Licensing Basis Documents:

- Safety Analysis Report
- Safety Analysis Report Appendix A, Quality Assurance Program Description
- Fundamental Nuclear Material Control Plan
- Environmental Report
- Emergency Plan

The information for which exemption from public disclosure is requested is proprietary information related to commercial aspects of the National Enrichment Facility. Louisiana Energy Services requests the above mentioned be exempt from disclosure pursuant to the provisions in 10 CFR 2.390(a)(4).

The information enclosed is of the type that has been consistently held in confidence by Louisiana Energy Services. No public disclosure of this information has been made previously and it is not available from public sources. Public disclosure of the enclosed information has the potential to result in substantial harm to Louisiana Energy Services.



Gregory OD Smith
Chief Operating Officer and Chief Nuclear Officer
Louisiana Energy Services

The foregoing document was acknowledged and sworn to before me on this 19th day of October, 2007 by Gregory OD Smith, who personally appeared before me.



Notary

Seal



My Commission expires 5-5-09

Enclosure 2

National Enrichment Facility
Request for Written Consent to Indirect Transfer of License (LAR 07-03)

Restructuring & Reorganization Background and Justification

RESTRUCTURING AND REORGANIZATION BACKGROUND AND JUSTIFICATION

The following information is submitted consistent with NUREG 1556, Volume 15 (November 2000), "Consolidated Guidance about Material License - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses."

History

On December 11, 2003, the Louisiana Energy Services, L.P. ("LES") Amended and Restated Agreement of Limited Partnership ("Partnership Agreement") was executed by two general partners – Urenco Investments, Inc. and Westinghouse Enrichment Company LLC – and by five limited partners – Urenco Deelnemingen BV, Westinghouse Enrichment Company LLC, Claiborne Energy Services, Inc., Entergy Louisiana, Inc., and Penesco Company, LLC. In addition, two former partners also executed the Partnership Agreement acknowledging their withdrawal from the Partnership. The latter three limited partners (Claiborne Energy Services, Entergy Louisiana, and Penesco Company) were collectively referred to as the Utility Partners in the Partnership Agreement. An amended and restated certificate of limited partnership was duly filed in the State of Delaware.

The LES partnership interests held by each general partner and each limited partner were set forth in Schedule A to the Partnership Agreement. Only the LES general partners were entitled to control the Partnership, through the exercise of voting rights corresponding to their capital ownership interests as set forth in Schedules C and D to the Partnership Agreement. The LES limited partners were passive investors, entitled to certain records and information, and to receive specified payments or distributions. The general partners delegated the responsibility to manage the business and affairs of the Partnership to a Management Committee, which consisted of two members – one from each general partner.

On January 22, 2004, the LES Partnership created NEF Series 2004, LLC, as a wholly-owned subsidiary for the purpose of purchasing and holding an industrial revenue bond issued by Lea County, New Mexico for the construction of the National Enrichment Facility ("NEF"). LES is the sole member of NEF Series, LLC. A certificate of formation for the limited liability company was duly filed in the State of Delaware.

On March 3, 2006, Westinghouse Enrichment Company LLC offered to sell and Urenco Investments, Inc. agreed to purchase all of the LES general partner and limited partner interests held by Westinghouse Enrichment Company LLC. As a result of this transaction, Urenco Investments, Inc. became the sole general partner in the LES Partnership and obtained 100 percent control of the Partnership. In addition, Urenco Investments, Inc. became a limited partner (in addition to being the sole general partner) by reason of its acquisition of the limited partner interests held by Westinghouse Enrichment Company LLC. Although Urenco Investments, Inc. was the sole general partner (and thus holds 100 percent of the voting rights in the Partnership), the ownership interests of the Partnership were split between Urenco Investments, Inc. and Urenco Deelnemingen, BV. The Partnership interests at the time of the purchase and at the balance sheet date at the end of 2006 were Urenco Investments, Inc. 29.16 percent and Urenco Deelnemingen, BV 70.84 percent. An amended certificate of limited partnership was duly filed in the State of Delaware.

On June 23, 2006, the date the Nuclear Regulatory Commission issued LES a license to construct and operate the NEF, the limited partnership interests of the Utility Partners were redeemed under the terms of the Partnership Agreement. As a result of that redemption, only Urenco Investments, Inc. and Urenco Deelnemingen, BV remained as limited partners. Although no longer limited partners, Claiborne Energy Services, Inc., Entergy Louisiana, Inc., and Penesco Company, LLC, the three Utility Partners continued to enjoy certain contractual rights to a percentage of annual profits under the Partnership Agreement (as set forth in Schedule B to the Partnership Agreement).

On August 28, 2006, Urenco Investments, Inc. altered the structure of the LES Management Committee to expand its size from one member to three members, each with equal (one-third) voting rights. The members of the Management Committee were identified as the Chairman of the Board of Urenco Investments, Inc., the President & Chief Executive Officer of Urenco, Ltd., and the Chief Financial Officer of Urenco Ltd. (Urenco Ltd., a limited company formed under the laws of the United Kingdom, is the parent company and sole shareholder of Urenco Investments, Inc.)

Description of Transaction - Proposed Restructuring

LES is now proposing to restructure itself from a limited partnership into a limited liability company and to reorganize by consolidating its ownership inside the United States. The purpose is two-fold. First, when LES was first created in 1990, the limited liability company concept was in its infancy in the United States without much recognition in the financial community or stability in the legal community. Since that time every state in the nation has recognized limited liability companies and the statutory and legal framework associated with their creation and operation has become well established. Second, the original participants in the effort to license a new centrifuge-based uranium enrichment facility in the United States were collectively predisposed to create a limited partnership for that purpose. Now that the licensing phase for the NEF has been completed and construction has begun on the facility, Urenco Ltd. (the ultimate parent of LES) has concluded that the restructuring of LES from a limited partnership into a limited liability company is more appropriate from a business perspective and brings LES in alignment with other Urenco Ltd. corporate entities.

To accomplish the restructuring, LES will file a Certificate of Conversion in the State of Delaware and a Certificate of Formation in the State of Delaware. Rather than creating a limited liability company, distributing the partnership's assets and liabilities, and then terminating the partnership, pursuant to Section 18-214 of the Delaware Code the limited partnership will convert itself into a limited liability company. Under a conversion, the limited liability company will be deemed to be the same entity as the converting limited partnership, i.e., there will be a continuity of existence. The interests of the sole general partner and two limited partners in the limited partnership will become membership interests in the limited liability company with exactly the same rights and obligations.

- Urenco Investments, Inc. will acquire Class A Membership Units (representing, collectively, its combined general partner and limited partner interests in the current limited partnership), and
- Urenco Deelnemingen BV will acquire Class B Membership Units (representing all of its limited partner interests in the current limited partnership).

In the limited liability company that will be created, a membership unit, regardless of class, provides the member with participatory rights in profits, losses and principal of the company. However, in order to preserve the control aspect associated with a general partner's interest in the existing limited partnership, two classes of members will be created in the limited liability company. Members possessing Class A membership units will be entitled to vote on all matters coming before the limited liability company, however, members possessing Class B membership units will not be entitled to vote on any matter coming before the limited liability company. Therefore, after conversion, Urenco Investments, Inc. will continue to possess 100 percent of the voting power for the limited liability company. The proposed restructuring thus would not result in a change in the current corporate control over LES.

The change in the structure of LES from an LP to an LLC does not alter the financial obligations of the owners. Following NRC approval of the proposed restructuring, LES will file a Certificate of Conversion with the Secretary of State for the State of Delaware to accomplish the restructuring. A copy of the certificate of conversion and the Certificate of Formation that would be filed is appended hereto as Exhibit A. Once filed and recorded in the State of Delaware, LES will file an Application for Registration as a foreign limited liability company with the Public Regulation Commission of the State of New Mexico to permit LES, as restructured, to continue to operate in New Mexico. A copy of the application for registration is appended hereto as Exhibit B. The Management Committee for LES has approved the draft Certificate of Conversion and the draft Application for Registration, and will, upon approval and issuance of conforming amendments to the license for the NEF, execute and file the documents with the appropriate state authorities.

Description of Transaction - Proposed Reorganization

The current ownership structure of LES as a limited partnership is as shown in Exhibit C. After converting from a limited partnership into a limited liability company, the ownership structure of LES will remain the same as shown in Exhibit D. As shown on both figures, all of the current partnership interests and all of the proposed limited liability company membership units are ultimately owned by Urenco Ltd., a limited company established under the laws of the United Kingdom. As a follow-on to the conversion of LES from a limited partnership into a limited liability company, Urenco Ltd. has decided to reorganize and consolidate its LES ownership interest within the US subgroup of the company. In order to accomplish this reorganization, the following steps will be taken after LES is converted from a limited partnership into a limited liability company.

Firstly, Urenco Nederland BV (UNL) will sell its ownership interest in Urenco Deelnemingen BV (UDE) to Urenco Ltd. for market value on an interest-bearing inter-company loan account. See Exhibit E. As a result of this transaction, Urenco Deelnemingen BV will become a direct, wholly-owned subsidiary of Urenco Ltd; however, the ownership interest held by Urenco Deelnemingen BV in LES (which at this point in time will be an ownership interest in the limited liability company) will remain unaffected. Urenco Ltd., Urenco Nederland BV, and Urenco Deelnemingen BV have concluded that the market value of UDE will be the capitalized book value of UDE's ownership interest in LES as of the date of the transfer.

Secondly, Urenco Ltd. will transfer its shares in Urenco Deelnemingen, BV to Urenco Investment, Inc. in return for the issue of shares by Urenco Investments, Inc. As a result of this transaction, Urenco Deelnemingen BV will become a direct, wholly-owned subsidiary of Urenco Investments, Inc.; however, the ownership interest held by Urenco Deelnemingen BV in LES

will continue to remain unaffected. See Exhibit F. Also as a result of this transaction, Urenco Investments, Inc. will acquire, for the first time, 100 percent of the ownership interests in LES (albeit that a percentage of those interests will be held through its wholly-owned subsidiary Urenco Deelnemingen, BV) to complement its complete control of LES. Urenco Deelnemingen, BV will continue to exist as a Netherlands limited company and will continue to file corporate income tax returns in the Netherlands after the reorganization is complete.

Over time Urenco Ltd. and Urenco Investments, Inc. will be free to channel their capital contributions and debt financing for LES through Urenco Deelnemingen BV in whole, in part, or not at all. At this time it is anticipated that LES capital contributions and debt financing will not be channeled through Urenco Deelnemingen, BV, and that therefore, over time, the ownership percentage held by Urenco Deelnemingen, BV will be reduced to a comparatively minimal level. This diminution in ownership percentage does not affect the fact that Urenco Deelnemingen, BV will continue to own a multi-million dollar interest in LES, but rather reflects the reality associated with financing the construction of the NEF that amounts to almost \$2 billion. Moreover, regardless of its ownership percentage in LES, Urenco Deelnemingen, BV will only hold Class B membership that specifically does not afford it any control of LES. Thus the reorganization of the Urenco Deelnemingen, BV ownership interest does not change the existing corporate control over LES.

Operation of LES

As part of the restructuring process reviewed above, and in order to properly effectuate the conversion of LES from a limited partnership to a limited liability company, an Operating Agreement has been prepared. The Operating Agreement will replace the existing Partnership Agreement, and it will serve to control the operations of LES once it has been converted into a limited liability company.

Neither the State of Delaware nor the State of New Mexico requires an operating agreement for a limited liability company to be filed as a public corporate record. (The Certificate of Conversion and the application for registration serve as the information that is required by state statute to be filed and maintained as public records.) As such, the operating agreement for a limited liability company operates much like a set of by-laws for a corporate entity. Since LES filed the Partnership Agreement with the NRC during the licensing process for the NEF and at that time requested the LES Partnership Agreement to be withheld from public disclosure as a proprietary document, LES is concurrently requesting that similar treatment be afforded the Operating Agreement. Accordingly, the Operating Agreement is being concurrently submitted to the NRC under separate cover with the supporting affidavit justifying withholding under 10 CFR 2.390(a)(4).

New Name of Licensed Organization

Following implementation of the proposed transactions, the new name of the licensed organization will be:
Louisiana Energy Services, L.L.C.

New Licensee Contact and Telephone Numbers

The updated address and contact information for LES's principal office is:
Louisiana Energy Services, L.L.C.
P.O. Box 1789
1008 12th St.
Eunice, New Mexico 88231
Phone: 505-394-4646
Fax: 505-394-4545

Changes of Personnel

The planned transaction does not involve any change in the current LES management team and personnel will remain the same. The transaction does not involve any change in the personnel involved in licensed activities. The current LES Management Committee will become the Board of Managers of the LLC.

- Dr. Helmut Engelbrecht
Chief Executive Officer, Urenco Limited
Dr. Engelbrecht is a citizen of the Federal Republic of Germany
- Mr. Bart Le Blanc
Chief Financial Officer, Urenco Limited
Mr. LeBlanc is a citizen of the Netherlands
- Dr. Charles W. Pryor, Jr.
Chairman of the Board, Urenco Investments Inc.
Dr. Pryor is a citizen of the United States of America

Changes of Location, Equipment, Procedures and Records

There are no planned changes in the organization, location, facility, equipment, or procedures related to the NEF. There are no planned changes in the use, possession, location or storage of the licensed materials to occur in connection with the transaction. All surveillance items and records will continue to be maintained without regard to the planned transaction.

Decommissioning and Related Records

The planned transaction will have no impact on any decommissioning plans, including financial assurance arrangements, for the NEF. The financial commitment of the partners in the LES limited partnership will continue unchanged, i.e., the members in the LES limited liability company will have the same financial commitment as the partners in the LES limited partnership with one exception. As noted above under "Description of Transaction – Proposed Reorganization," over time Urenco Ltd. is free to channel its capital contributions and debt financing for LES through either or both Urenco Investments, Inc. and Urenco Deelnemingen, BV. To the degree that such capital contributions and debt financing does not flow through Urenco Deelnemingen, BV, its ownership interest in LES will reduce over time while the ownership interest of Urenco Investments, Inc. will correspondingly increase over time.

Commitment to Abide by License and Licensee's Commitments

Following the transaction, LES will continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. The planned transaction will not affect these license constraints, conditions, requirements, representations, and commitments. Further, LES will continue to abide by all other commitments and representations previously made to the NRC. The proposed transaction will not affect these commitments and representations. With regard to any open inspection items, LES will continue to have full responsibility for such items and any resulting NRC actions. The planned transaction will not affect this responsibility.

Timing and Conclusion

LES has prepared this request, the accompanying proposed conforming license amendment, the supporting regulatory justification, and the Operating Agreement (provided under separate cover) for review and approval by the NRC. For the reasons noted above, LES does not believe the planned transaction results in a change of control of the license. To the extent the NRC considers the transaction to involve a license transfer, LES requests NRC consent under 10 CFR 70.36. LES is prepared to meet with appropriate NRC personnel to further discuss this submittal as necessary.

For scheduling purposes, LES has targeted completion of the proposed restructuring and reorganization for January 31, 2008. The implementation of the actual steps to restructure from an LP to an LLC and to reorganize the ownership arrangement of UDE will not occur until the review by the NRC has been finished and the approval by the NRC has been granted to implement the transaction. In that regard, LES recognizes that the issuance of the requested license amendment will need to be coordinated with the implementation of the transaction. To accommodate the time required to complete the transaction, LES requests that the NRC provide by letter its consent of the restructuring and reorganization as outlined above, and therein allow LES sufficient time to effectuate the transaction. The requested NRC approval date is January 18, 2008. Immediately following approval, LES will proceed with implementing the transaction. The requested NRC effective date is January 31, 2008, if the approval date is on or before January 18, 2008.

EXHIBIT A

**Certificate of Conversion
and
Certificate of Formation
in the State of Delaware**

**Louisiana Energy Services, L.P.
to
Louisiana Energy Services, L.L.C.**

STATE OF DELAWARE

CERTIFICATE OF CONVERSION

*From a Limited Partnership to a Limited Liability Company
Pursuant to Section 18-214 of the Limited Liability Act*

- 1) The jurisdiction where the Limited Partnership first formed is **Delaware**.
- 2) The jurisdiction immediately prior to filing this Certificate is **Delaware**.
- 3) The date the Limited Partnership first formed is **April 9, 1990**.
- 4) The name of the Limited Partnership immediately prior to filing this Certificate is **Louisiana Energy Services, L.P.**
- 5) The name of the Limited Liability Company as set forth in the Certificate of Formation is **Louisiana Energy Services, LLC**.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the
_____ day of _____, A.D. 2007.

By: _____
Authorized Person

Name: _____
Print or Type

STATE OF DELAWARE

**LIMITED LIABILITY COMPANY
CERTIFICATE OF FORMATION**

FIRST: The name of the limited liability company is **Louisiana Energy Services, LLC.**

SECOND: The address of its registered office in the State of Delaware is **1209 Orange Street in the City of Wilmington, County of New Castle, Zip Code 19801.**

The name of its registered agent at such address is **The Corporation Trust Company.**

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this _____ day of _____, 2007.

By: _____
Authorized Person(s)

Name: _____
Typed or Printed

EXHIBIT B

**Application for Registration
in the State of New Mexico
as a
Foreign Limited Liability Company
for
Louisiana Energy Services, L.L.C.**

Foreign Limited Liability Company

APPLICATION FOR REGISTRATION

The undersigned limited liability company, in order to apply for a Certificate of Registration to transact business in New Mexico under the Limited Liability Company Act, submits the following statement to the Public Regulation Commission:

1. The name of the limited liability company is: **Louisiana Energy Services, LLC.**
2. It is organized under the laws of: **Delaware.**
3. The date of organization in its domestic state is: *[to be completed after filing the Certificate of Formation in DE]*
4. If so required by the laws of the domestic state, the address of the office required to be maintained in the domestic state is:

**1209 Orange Street
Wilmington, Delaware 19801**

5. The street address of the registered office in New Mexico is:

**123 East Marcy
Santa Fe, New Mexico 87501**

The name of the registered agent at the address of the New Mexico registered office is: **CT Corporation System**

6. The names of the persons in whom management of the limited liability company is vested are: **Dr. Charles W. Pryor, Jr., Dr. Helmut Engelbrecht, Mr. Bart Le Blanc.**

The company is a foreign limited liability company as defined in Section 2 of the New Mexico Limited Liability Company Act. The Secretary of State is appointed the agent of the foreign limited liability company for service of process if, upon resignation of the appointed registered agent no agent has been appointed, or, if appointed, the agent's authority has been revoked or the agent cannot be found or served in the exercise of reasonable diligence.

Dated: _____

LOUISIANA ENERGY SERVICES, LLC

By _____
Signature of Authorized Person

**STATEMENT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED INITIAL REGISTERED AGENT**

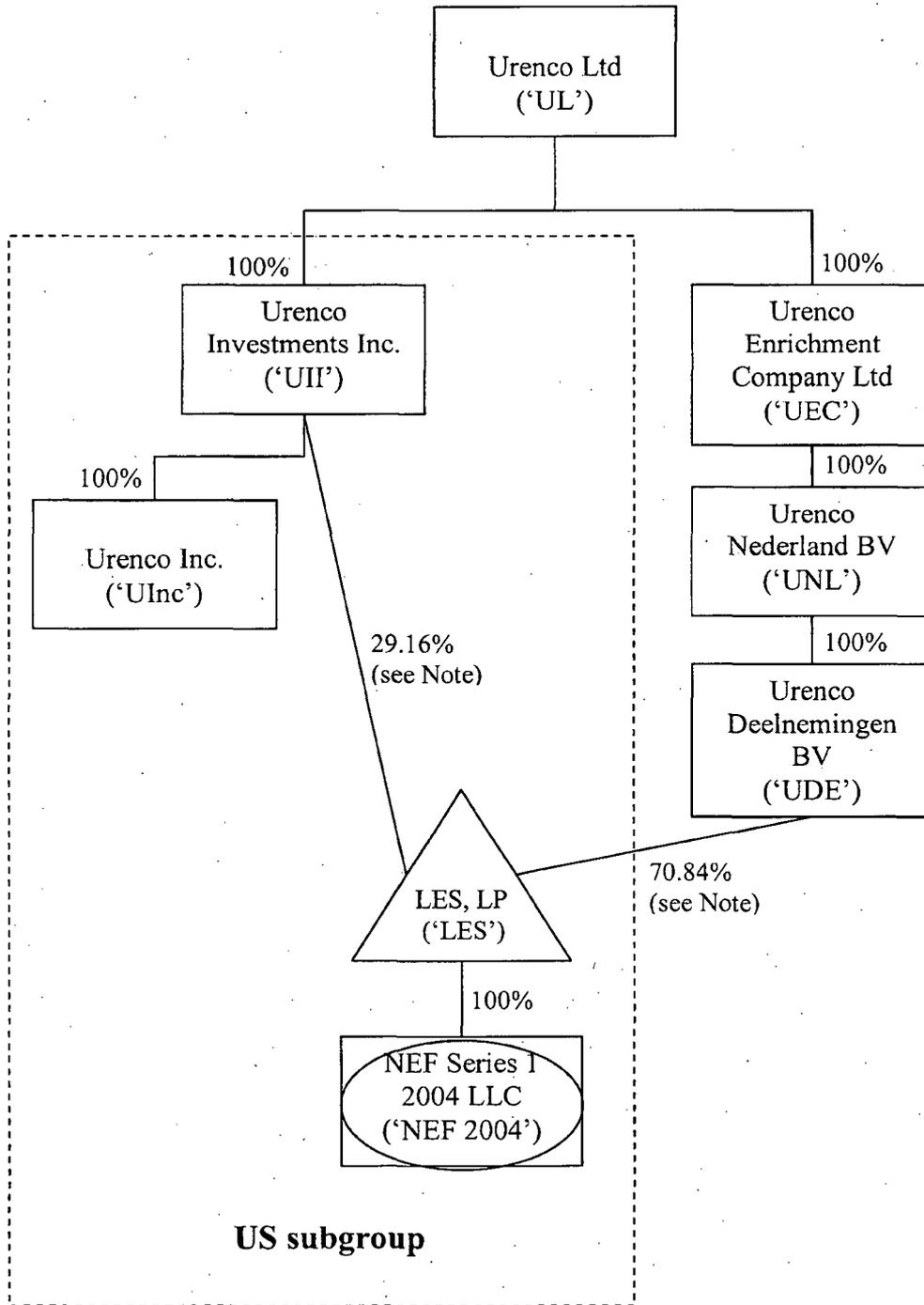
I, _____, hereby acknowledge that the undersigned corporation accepts the appointment as Initial Registered Agent of Louisiana Energy Services, LLC, the limited liability company which is named in the annexed Application for Registration of Foreign Limited Liability Company.

CT CORPORATION SYSTEM

By: _____
Authorized Person

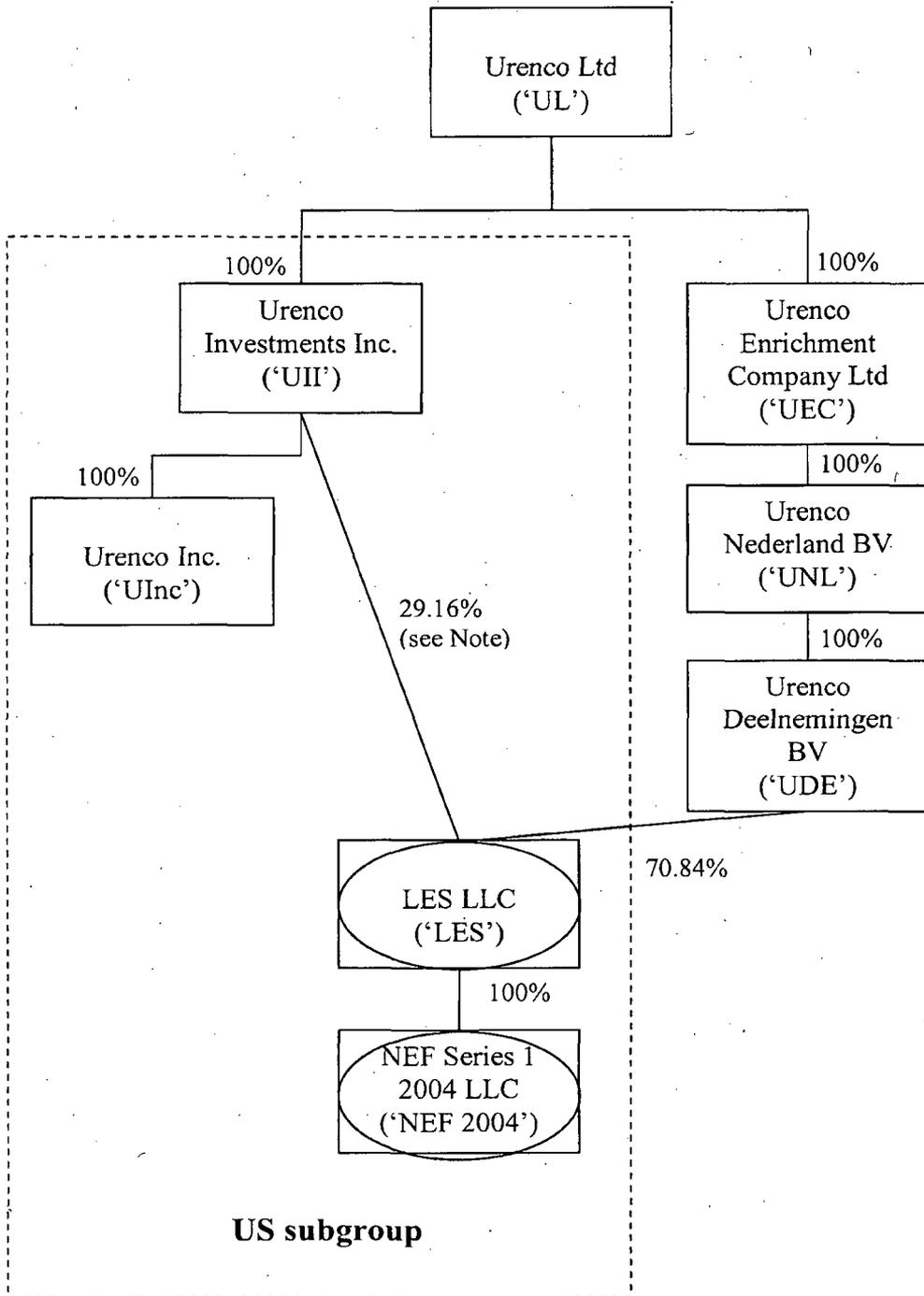
Name and Title: _____

**EXHIBIT C
Current LES Ownership Structure**



Note: UII holds 100% of the voting rights of the LES partnership. The percentages shown above represent the entitlement to participate in the profits and capital of the partnership as at the end of 2006.

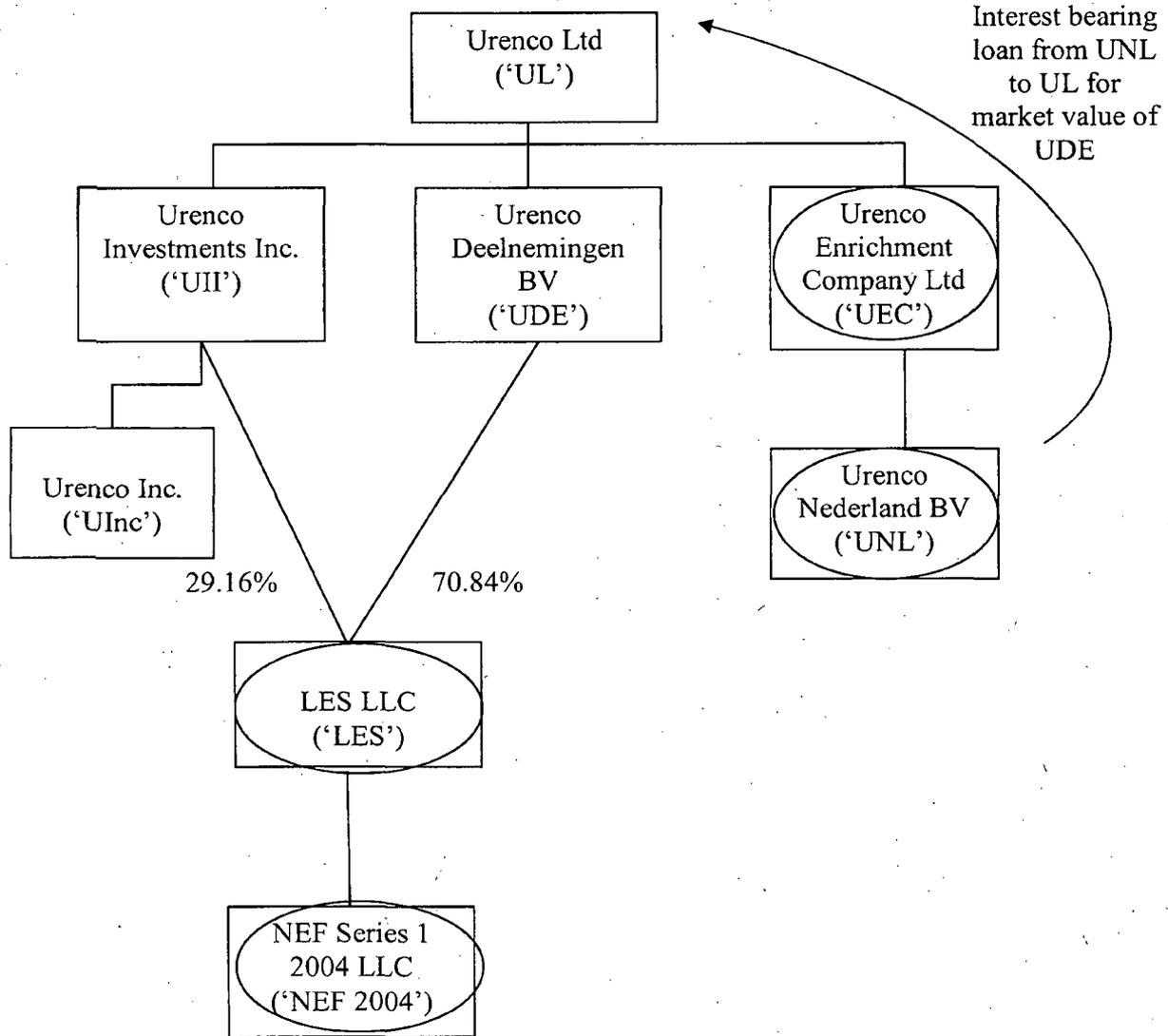
EXHIBIT D
LES Ownership Structure after Conversion



Note: UII will hold 100% of the voting rights of LES as a limited liability company. The percentages shown above represent the entitlement to participate in the profits and capital as at the end of 2006.

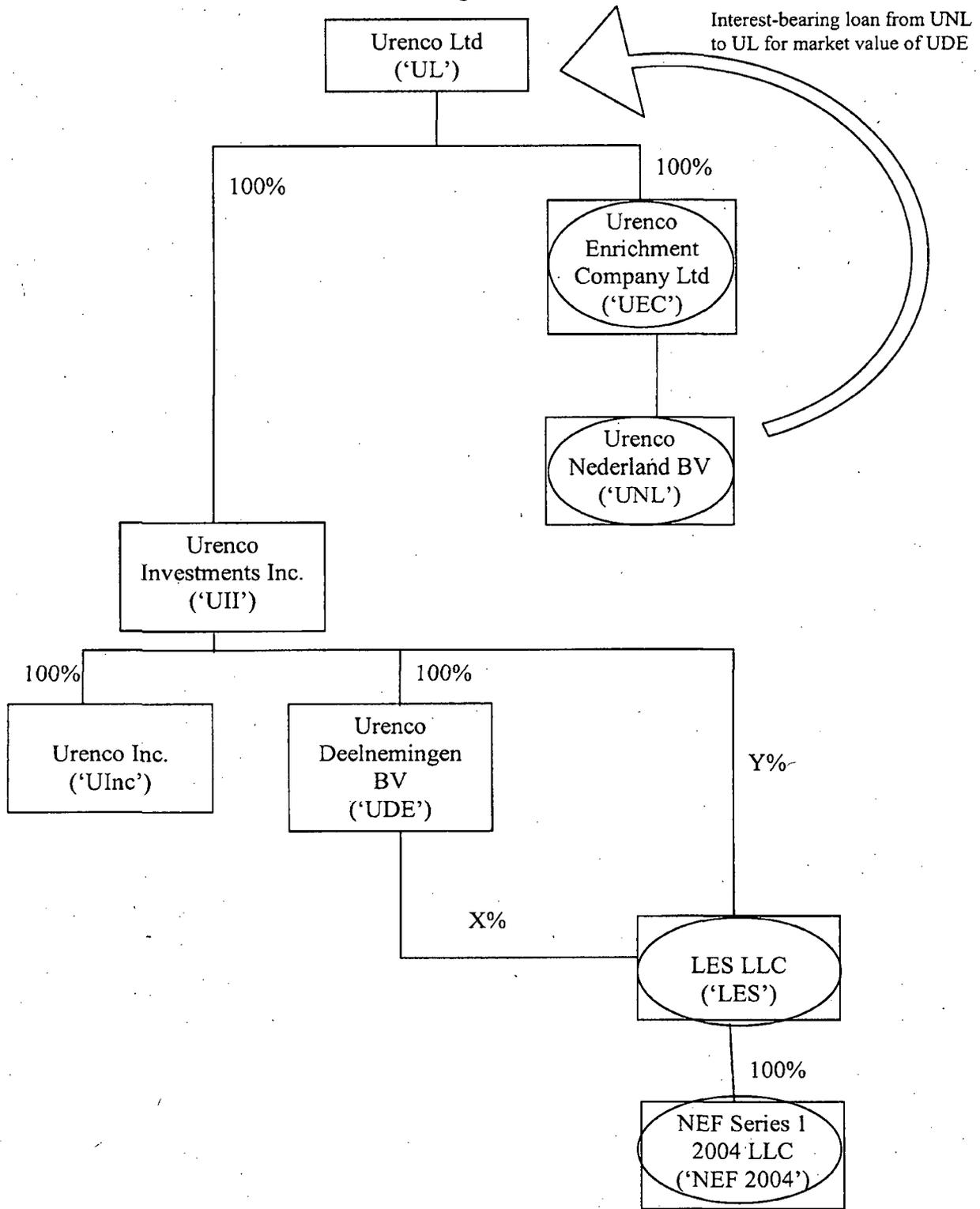
EXHIBIT E

**Intermediate Ureco Structure
Following the Sale of
UDE to UL on an Interest-Bearing Inter-Company Loan Account**



Note: UII will hold 100% of the voting rights of LES as a limited liability company. The percentages of entitlement to participate in the profits and capital of the LLC entity will be finalized on the reorganization transaction date.

**EXHIBIT F
Final Ureco Organizational Structure**



NOTE: UII will hold 100% of the voting rights of LES as a limited liability company. The percentages of entitlement to participate in the profits and capital of the LLC entity will be finalized on the reorganization transaction date.

Enclosure 3

National Enrichment Facility
Request for Written Consent to Indirect Transfer of License (LAR 07-03)
Proposed Change Pages

- (1) Materials License
Change to Sections 1 and 2 to show the change from an L.P. to an L.L.C.
and to revise the principal office address
- (2) Safety Analysis Report (SAR)
pages 1.2-1, 1.2-2, 2.1-1, Figure 2.1-1, 11.1-1
- (3) Quality Assurance Program Description (QAPD)
page A-3
- (4) Fundamental Nuclear Material Control Plan (FNMCP)
pages 1.2-1, 8.1-1
- (5) Environmental Report
pages 1.0-1, 1.0-2, 1.1-14, 2.1-4, 2.1-5, 8.2-1
- (6) Emergency Plan
page 1.1-1

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. Louisiana Energy Services, L.P. 1	3. License Number: SNM-2010, Amendment 2
2. One Sun Plaza 2 300 Sun Lane NE, Suite 204 3 4 Albuquerque, New Mexico 87109	4. Expiration Date: See Condition 13
	5. Docket No. 70-3103

- | 6. Source and/or Special Nuclear Material | 7. Chemical and/or Physical Form Under This License | 8. Maximum amount that Licensee May Possess at Any One Time |
|---|--|--|
| A. Uranium (natural and depleted) and daughter products | A.1 Physical: Solid, Liquid, and Gas
A.2 Chemical: UF ₆ , UF ₄ , UO ₂ F ₂ , oxides and other compounds | A. 136,120,000 kg |
| B. Uranium enriched in isotope U-235 up to 5% by weight and uranium daughters | B.1 Physical: Solid, Liquid, and Gas
B.2 Chemical: UF ₆ , UF ₄ , UO ₂ F ₂ , oxides, metal and other compounds | B. 545,000 kg |
| C. Tc-99, transuranic isotopes and other contamination | C. Any | C. Amount that exists as contamination as a consequence of the historical feed of recycled uranium at other facilities |
9. Authorized place of use: National Enrichment Facility (NEF), located 5 miles east of Eunice, New Mexico, on Highway 176 in Lea County, New Mexico.
10. The licensee shall conduct authorized activities at the NEF in accordance with the statements, representations, and conditions, or as revised in accordance with Section 19 of the Quality Assurance Program Description, 10 CFR 40.35(f), 10 CFR 51.22, 10 CFR 70.32, 10 CFR 70.72, or 10 CFR 95.19 in:
- Application for Material License, NRC Form 313 dated December 12, 2003.
 - Safety Analysis Report dated December 12, 2003, as revised by letters dated February 27, 2004; July 30, 2004; September 30, 2004; April 22, 2005; April 29, 2005; May 25, 2005; June 10, 2005; February 16, 2006; February 28, 2006; March 16, 2006; March 24, 2006; January 29, 2007; and April 10, 2007.
 - Environmental Report dated December 12, 2003, as revised by letters dated February 27, 2004; July 30, 2004; September 30, 2004; April 22, 2005; June 10, 2005; March 16, 2006; March 24, 2006; January 29, 2007; and April 10, 2007.

Summary of Comments on Materials License

Page: 1

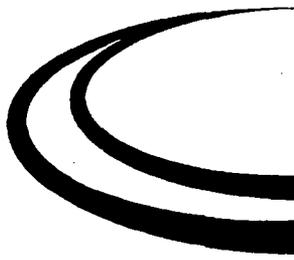
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Eunice, New Mexico 88231

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Revision 13a



**NATIONAL
ENRICHMENT
FACILITY**

SAFETY ANALYSIS REPORT

1.2 INSTITUTIONAL INFORMATION

This section addresses the details of the applicant's corporate identity and location, applicant's ownership organization and financial information, type, quarterly, and form of licensed material to be used at the facility, and the type(s) of license(s) being applied for.

1.2.1 Corporate Identity

1.2.1.1 ~~Applicant~~Licensee

The ~~Applicant's~~Licensee's name, address, and principal office are as follows:

Louisiana Energy Services, L.P.L.L.C.
~~100 Sun Avenue NE, Suite 204~~P.O. Box 1789
1008 12th St.
~~Albuquerque, NM 87109~~Eunice, NM 88231

1.2.1.2 Organization and Management of Applicant

Louisiana Energy Services (LES), L.P.L.L.C. is a Delaware limited ~~partnership~~liability company. It has been formed solely to provide uranium enrichment services for commercial nuclear power plants. LES has one, 100% owned subsidiary, operating as a limited liability company, formed for the purpose of purchasing Industrial Revenue Bonds and no divisions. ~~The general~~The ownership of LES is as follows:~~partner is as follows:~~

1. Urenco Investments, Inc. (UII) (a Delaware corporation and wholly-owned subsidiary of Urenco Limited, a corporation formed under the laws of the United Kingdom ("Urenco") and owned in equal shares by BNFL Enrichment Limited ("BNFL-EL"), Ultra-Centrifuge Nederland NV ("UCN"), and Uranit GmbH ("Uranit") companies formed under English, Dutch and German law, respectively; BNFL-EL is wholly-owned by British Nuclear Fuels plc, which is wholly-owned by the Government of the United Kingdom; UCN is 99% owned by the Government of the Netherlands, with the remaining 1% owned collectively by the Royal Dutch Shell Group, DSM, Koninklijke Philips Electronics N.V. and Stork N.V.; Uranit is owned by Eon Kernkraft GmbH (50%) and RWE Power AG (50%), which are corporations formed under laws of the Federal Republic of Germany). UII holds 29.16% (as of December 31, 2006) of the membership units and has 100% of the voting power. It is anticipated that the membership units for UII will increase to more than 50% before the end of 2007 as UII has provided the majority of the funding in 2007.

~~The name and address of the responsible official for the general partner is as follows:~~

~~Urenco Investments, Inc.
Charles W. Pryor, President and CEO
4560 Wilson Blvd., Suite 300
Arlington, VA 22209-2463~~

~~Dr. Pryor is a citizen of the United States of America.~~

1.2.1.2 Institutional Information~~Institutional Information~~

~~The limited partners are as follows:~~

~~A.2 Urenco Deelnemingen B.V. (a Netherlands corporation and wholly-owned subsidiary of Urenco Investments Inc. The ownership of Urenco Investments Inc. is explicitly described above. Nederlands B.V. (UNL); Urenco Deelnemingen B.V. holds 70.84% of the membership units (as of December 31, 2006) and has 0% of the voting power. It is anticipated that the membership units for UDE will recede to less than 50% before the end of 2007 as UII has provided the majority of the funding in 2007.~~

~~A. Urenco Investments, Inc. (a Delaware corporation and wholly-owned subsidiary of Urenco Limited);~~

~~Urenco owns 100% of LES.~~

~~The President of LES is Reinhard Hinterreither. The President reports to the Board of Managers. The Board of Managers are:~~

- ~~• Dr. Helmut Engelbrecht
Chief Executive Officer
Urenco Limited
18 Oxford Road
Marlow Bucks
SL7 2NL, United Kingdom~~

~~Dr. Engelbrecht is a citizen of the Federal Republic of Germany~~

- ~~• Mr. Bart Le Blanc
Chief Financial Officer
Urenco Limited
18 Oxford Road
Marlow Bucks
SL7 2NL, United Kingdom~~

~~Mr. Le Blanc is a citizen of the Netherlands~~

- ~~• Dr. Charles W. Pryor, Jr.
Chairman of the Board of Urenco Investments
Urenco Investments, Inc.
1560 Wilson Blvd., Suite 300
Arlington, VA 22209-2463~~

~~Dr. Pryor is a citizen of the United States of America~~

The Vice President - Operations is the primary regulatory contact and is responsible for the safe operation of the National Enrichment Facility. LES' principal location for business is ~~Albuquerque~~Eunice, New Mexico. The facility will be located in Lea County near Eunice, New Mexico. No other companies will be present or operating on the NEF site other than services specifically contracted by LES.

2.1 ORGANIZATIONAL STRUCTURE

The LES organizational structure is described in the following sections. The organizational structure indicates the lines of communication and management control of activities associated with the design, construction, operation, and decommissioning of the facility.

2.1.1 Corporate Functions, Responsibilities, and Authorities

LES is a registered limited ~~partnership~~ liability company formed solely to provide uranium enrichment services for commercial nuclear power plants. The LES company organization and management structure ~~partnership~~ is described in Chapter 1, Section 1.2, Institutional Information.

LES has presented to Lea County, New Mexico a proposal to develop the NEF. Lea County would issue its Industrial Revenue Bond (National Enrichment Facility Project) Series 2004 in the maximum aggregate principal amount of \$1,800,000,000 to accomplish the acquisition, construction and installation of the project pursuant to the County Industrial Revenue Bond Act, Chapter 4, Article 59 NMSA 1978 Compilation, as amended. The Project is comprised of the land, buildings, and equipment.

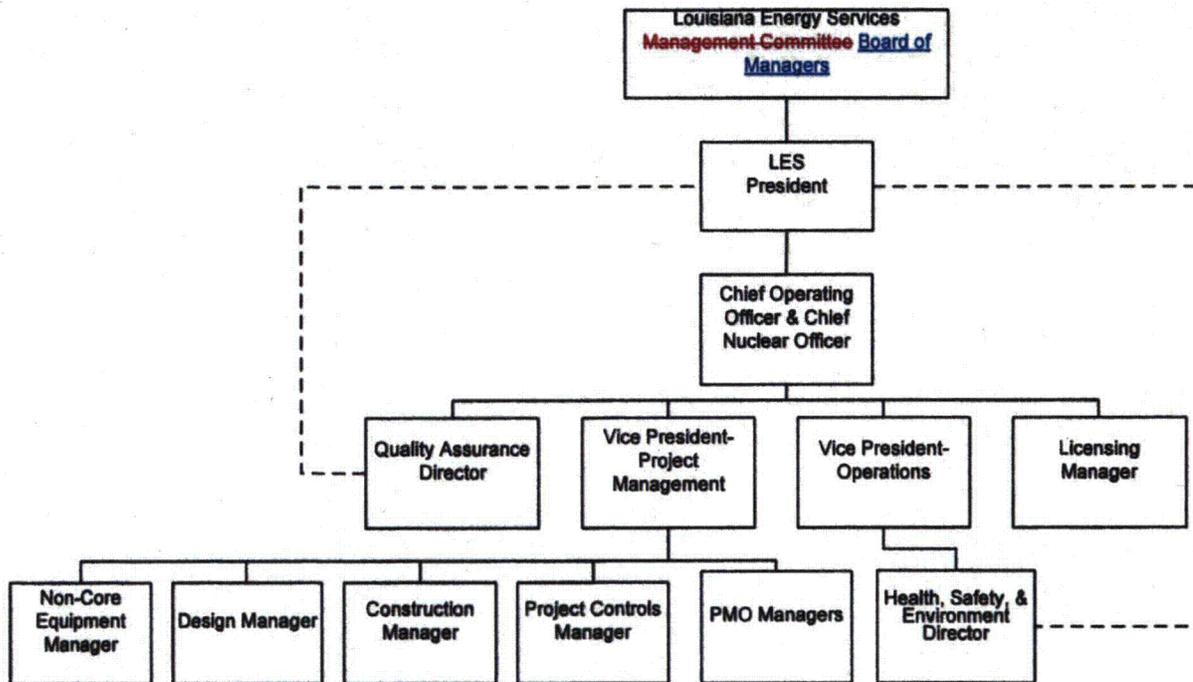
Under the Act, Lea County is authorized to acquire industrial revenue projects to be located within Lea County but outside the boundaries of any incorporated municipality for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico, and for promoting a sound and proper balance in the State of New Mexico between agriculture, commerce, and industry. Lea County will lease the project to LES, and LES will be responsible for the construction and operation of the facility. Upon expiration of the Bond after 30 years, LES will purchase the project.

The County has no power under the Act to operate the project as a business or otherwise or to use or acquire the project property for any purpose, except as lessor thereof under the terms of the lease.

In the exercise of any remedies provided in the lease, the County shall not take any action at law or in equity that could result in the Issuer obtaining possession of the project property or operating the project as a business or otherwise.

LES is responsible for the design, quality assurance, construction, operation, and decommissioning of the enrichment facility. The President of LES reports to the LES ~~Management Committee~~ Board of Managers as described in Section 1.2. ~~This committee is composed of representatives from the general partners of LES.~~

The President receives policy direction from the LES ~~Management Committee~~ Board of Managers. Reporting to the President is the Chief Operating Officer & Chief Nuclear Officer. The Vice President - Project Management, Quality Assurance (QA) Director, Vice President - Operations, and Licensing Manager all report to the Chief Operating Officer & Chief Nuclear Officer. The Quality Director reports to the Chief Operating Officer & Chief Nuclear Officer for functional day to day activities and has a direct reporting relationship to the President for all quality related activities. The Health, Safety & Environment Director reports to the Vice President - Operations, but has a direct reporting relationship to the President for all matters concerning safety during design and construction. Figure 2.1-1, LES Corporate, Design and Construction Organization shows the authority and lines of communication.



LES CORPORATE, DESIGN AND
CONSTRUCTION ORGANIZATION

11.1 CONFIGURATION MANAGEMENT (CM)

This section describes the configuration management program for the NEF. Configuration management for the NEF is implemented through requirements of the QA Program and associated procedures.

The LES President is the executive responsible for quality assurance and is the highest level of management responsible for LES's QA policies, goals, and objectives. The President receives policy direction from the LES ~~Management Committee~~Board of Managers. The LES organization during the design, construction and operation phases, including QA, is presented in Chapter 2, Organization and Administration.

11.1.1 Configuration Management Policy

Configuration management is provided throughout facility design, construction, testing, and operation. Configuration management provides the means to establish and maintain a technical baseline for the facility based on clearly defined requirements. During design and construction, the Vice President - Project Management has responsibility for configuration management through the design control process established by the Engineering Manager. Selected documentation, including the integrated safety analysis (ISA), is controlled under the configuration management system in accordance with procedures associated with design control, document control, and records management. Design changes undergo formal review, including interdisciplinary reviews as appropriate, in accordance with these procedures. This interdisciplinary review includes as a minimum the review for ISA impacts.

Configuration management provides the means to establish and maintain the essential features of the design basis of IROFS, including the ISA. As the project progresses from design and construction to operation, configuration management is maintained by the Engineering organization as the overall focus of activities changes. Procedures will define the turnover process and responsibilities since construction will continue on new work modules during operations.

During the design phase of the project, configuration management is based on the design control provisions and associated procedural controls over design documents to establish and maintain the technical baseline. Design documents, including the ISA, that provide design input, design analysis, or design results specifically for IROFS are identified with the appropriate QA level. These design documents undergo interdisciplinary review during the initial issue and during each subsequent revision. During the construction phase of the project, changes to drawings and specifications issued for construction, procurement, or fabrication are systematically reviewed and verified, evaluated for impact, including impact to the ISA, and approved prior to implementation. Proper implementation is verified and reflected in the design basis documentation.

In order to provide for the continued safe and reliable operation of the facility structures, systems and components, measures are implemented to ensure that the quality of these structures, systems and components is not compromised by planned changes (modifications). Upon acceptance by Operations, the Plant Manager is responsible for the design of and modifications to facility structures, systems or components. The design and implementation of modifications are performed in a manner so as to assure quality is maintained in a manner commensurate with the remainder of the system which is being modified, or as dictated by applicable regulations.

Revision 13a



**SAFETY ANALYSIS REPORT APPENDIX A
QUALITY ASSURANCE PROGRAM
DESCRIPTION**

SECTION 1 ORGANIZATION

The elements of the LES QA Program described in this section and associated QA procedures implement the requirements of Criterion 1, Organization, of 10 CFR 50, Appendix B, and the commitment to Basic Requirement 1 and Supplement 1S-1 of NQA-1-1994.

LES employees and contractor employees representing LES have full responsibility to ensure that the facility is designed, constructed, operated, and decommissioned in a manner to protect the health and safety of the public. This responsibility begins with initial design and continues throughout the life of the facility. The LES QA Program is designed to ensure that the necessary quality requirements for structures, systems, components and work activities are met. This objective is attained by ensuring that the organizational structure and the responsibility assignments are such that (a) quality is achieved and maintained by those who have been assigned responsibility for performing work and, (b) quality achievement is verified by persons or organizations not directly responsible for performing the work.

CORPORATE ORGANIZATION AND FUNCTIONS

LES is the owner and operator of the enrichment facility. LES is a registered limited ~~partnership liability company~~ formed to provide uranium enrichment services for commercial nuclear power plants. LES is responsible for the design, construction, operation and decommissioning of the enrichment facility in accordance with its QA Program. The President of LES reports to the LES ~~Management Committee~~ Board of Managers as described in Section 1.2 of the SAR. ~~The committee is composed of representatives from the general partners of LES.~~

The LES President establishes the basic policies of the QA Program. These policies are described in this QA Program, are transmitted to all levels of management, and are implemented through approved procedures. The LES QA Director has overall responsibility for development, management and implementation of the LES QA Program during all phases of the enrichment facility. As part of this responsibility, the QA Director is responsible for ensuring that contractor QA Programs meet all applicable requirements of the LES QA Program. LES management is continually involved in activities affecting quality and QA requirements.

DESIGN AND CONSTRUCTION ORGANIZATION AND FUNCTIONS

LES has contracted Urenco, the owner of the enrichment technology and operator of enrichment facilities in Europe, to prepare the reference design for the facility. An architect/engineering (A/E) firm was contracted and is under the responsibility of the Vice President - Project Management or President to further specify structures and systems of the facility, and ensure the reference design meets all applicable U.S. codes and standards. A contractor specializing in site evaluations was contracted to perform the site selection evaluation. A nuclear consulting company was contracted to conduct the site characterization, perform the Integrated Safety Analysis and to support development of the license application including the Environmental Report.

During the design and construction phases, preparation of design and construction documents and construction itself are contracted to qualified contractors. The Vice President - Project Management is responsible for managing the associated activities as described in Section 2.1.2, *Design and Construction Organization*, of the SAR. Figure 2.1-1 of the SAR, shows that the Vice President - Project Management is responsible for managing the work and contracts.

Revision 9



ENVIRONMENTAL REPORT

1.0 INTRODUCTION OF THE ENVIRONMENTAL REPORT

This Environmental Report (ER) constitutes one portion of an application submitted by Louisiana Energy Services (LES) to the Nuclear Regulatory Commission (NRC) for a license to construct and operate a gas centrifuge uranium enrichment facility. The proposed facility, the National Enrichment Facility (NEF) will be located near Eunice, New Mexico, in Lea County. The ER for this proposed facility serves two primary purposes. First, it provides information that is specifically required by the NRC to assist it in meeting its obligations under the National Environmental Policy Act (NEPA) of 1969 (Pub. Law 91-190, 83 Stat. 852) (USC, 2003a) and the agency's NEPA-implementing regulations. Second, it demonstrates that the environmental protection measures proposed by LES are adequate to protect both the environment and the health and safety of the public.

LES has prepared this ER to meet the requirements specified in 10 CFR 51, Subpart A, particularly those requirements set forth in 10 CFR 51.45(b)-(e) (CFR, 2003a). The organization of this ER is generally consistent with the format for environmental reports recommended in NUREG-1748, Environmental Review Guidance for Licensing Actions Associated with NMSS Programs, Final Report August 2003 (NRC, 2003a).

This ER evaluates the environmental impacts of the LES proposed facility. Accordingly, this document discusses the proposed action, the need for and purposes of the proposed action, and applicable regulatory requirements, permits, and required consultations (ER Chapter 1, Introduction of the Environmental Report); considers reasonable alternatives to the proposed action (Chapter 2, Alternatives); describes the proposed NEF and the environment potentially affected by the proposed action (Chapter 3, Description of the Affected Environment); presents and compares the potential impacts resulting from the proposed action and its alternatives (Chapter 4, Environmental Impacts); identifies mitigation measures that could eliminate or lessen the potential environmental impacts of the proposed action (Chapter 5, Mitigation Measures); describes environmental measurements and monitoring programs (Chapter 6, Environmental Measurements and Monitoring Programs); provides a cost benefit analysis (Chapter 7, Cost Benefit Analysis); and summarizes potential environmental consequences (Chapter 8, Summary of Environmental Consequences). A list of references and preparers is also provided in Chapter 9, References, and Chapter 10 List of Preparers, respectively.

The effective date of this ER is December 2003.

The LES Partnership Organizational Structure

Louisiana Energy Services (LES), L.P.L.L.C. is a Delaware limited partnership liability company. It has been formed solely to provide uranium enrichment services for commercial nuclear power plants. ~~LES has one, 100% owned subsidiary, operating as a limited liability company, formed for the purpose of purchasing Industrial Revenue Bonds and no divisions. The general partner is as follows:~~ The President of LES reports to the LES Board of Managers. Section 1.2.1 of the SAR describes the corporate identity.

1.01.0 Introduction of the Environmental Report

Urenco Investments, Inc. (a Delaware corporation and wholly-owned subsidiary of Urenco Limited, a corporation formed under the laws of the United Kingdom ("Urenco") and owned in equal shares by BNFL Enrichment Limited ("BNFL-EL"), Ultra-Centrifuge Nederland NV ("UCN"), and Uranit GmbH ("Uranit") companies formed under English, Dutch and German law, respectively; BNFL-EL is wholly owned by British Nuclear Fuels plc, which is wholly owned by the Government of the United Kingdom; UCN is 99% owned by the Government of the Netherlands, with the remaining 1% owned collectively by the Royal Dutch Shell Group, DSM, Koninklijke Philips Electronics N.V. and Stork N.V.; Uranit is owned by Eon Kernkraft GmbH (50%) and RWE Power AG (50%), which are corporations formed under laws of the Federal Republic of Germany).

The name and address of the responsible official for the general partner is as follows:

Urenco Investments, Inc.
Charles W. Pryor, President and CEO
1560 Wilson Blvd., Suite 300
Arlington, VA 22209-2463

Dr. Pryor is a citizen of the United States of America.

The limited partners are as follows:

- A. Urenco Deelnemingen B.V. (a Netherlands corporation and wholly-owned subsidiary of Urenco Nederlands B.V. (UNL));
- B. Urenco Investments, Inc. (a Delaware corporation and wholly-owned subsidiary of Urenco Limited);

Urenco owns 100% of LES.

The President of LES is Reinhard Hinterreither. The Chief Nuclear Officer and Vice President Operations is John Swailes. The Vice President Operations is the primary regulatory contact and is responsible for the safe operation of the National Enrichment Facility. LES' principal location for business is Albuquerque, NM. The facility will be located in Lea County near Eunice, New Mexico. No other companies will be present or operating on the NEF site other than services specifically contracted by LES.

Foreign Ownership, Control and Influence (FOCI) of LES is addressed in the NEF Standard Practice Procedures for the Protection of Classified Matter, Appendix 1—FOCI Package. The NRC in their letter dated, March 24, 2003, has stated "...that while the mere presence of foreign ownership would not preclude grant of the application, any foreign relationship must be examined to determine whether it is inimical to the common defense and security [of the United States]". (NRC, 2003b) The FOCI Package mentioned above provides sufficient information for this examination to be conducted.

1.1.1-0 Purpose and Need for the Proposed Action~~Introduction of the Environmental Report~~

~~The LES partnership has~~ announced its plan to build a new 3 million SWU per year enrichment plant in New Mexico, using Urenco centrifuge technology (Table 1.1-5, Ref. 11). It expects to bring the new plant into operation beginning in 2007 and to achieve full capability of 3 million SWU per year in 2013 (URENCO, 2002b; HNS, 2003; LES, 2003a).

USEC has also announced plans to replace the Paducah GDP with a new 3.5 million SWU per year centrifuge enrichment plant (Table 1.1-5, Ref. 12). It now plans to begin enrichment operations at the new plant by 2009, with full capability by 2012 (TPS, 2002; Spurgeon, 2002; USEC, 2003a).

The potential new capability in Other, (Table 1.1-5, Ref. 13) is primarily due to the expected increase in PRC capability at its centrifuge plant, using Russian technology. The centrifuge enrichment capacity is expected to expand starting around 2010 in order to keep pace with the PRC's growing internal requirements, reaching 1.5 million SWU per year by 2015, for an increase of almost 0.6 million SWU/yr. A small centrifuge enrichment plant in Brazil is expected to grow to 0.2 million SWU by 2010, for an increase of just over 0.1 million SWU/yr and will be devoted to internal needs (NF, 1999a; RNS, 2002b; NTI, 2002).

It is useful to note the geographical distribution of these current and potential future sources of enrichment services, as identified in Table 1.1-7, Current and Potential Future Sources of Uranium Enrichment Services Arranged According to Geographical Locations and the concentration of sources of enrichment services among individual companies, as identified in Table 1.1-8, Current and Potential Future Sources of Uranium Enrichment Services Arranged According to Commercial Ownership or Control, to better appreciate the market considerations that will be discussed in subsequent sections of this report.

1.1.2.4 Market Analysis of Supply and Requirements

1.1.2.4.1 Scenario A – LES and USEC Centrifuge Plants Are Built in the U.S.

Scenario A represents the scenario that is being actively pursued by both LES and USEC, consistent with schedules that have been announced by each company. Figure 1.1-7, Illustration of Supply and Requirements for Scenario A, presents LES's forecast of uranium enrichment supply and requirements through 2020, consistent with this scenario. The shaded areas are keyed by reference number to Tables 1.1-5 through 1.1-8 and are described above.

During the period 2003 through 2005, the average annual economically competitive and physically usable production capacity that is not constrained by international trade agreements, together with the SWU derived from Russian HEU and other sources reflected in the tables previously provided, is forecast to be 41.8 million SWU, assuming that Urenco adds an additional one million SWU of new capacity by then. However, this is just 1.6 million SWU (4.0%) more than average annual forecast requirements during this same period of 40.2 million SWU.

2.1.2.2 Applicant for the Proposed Action

Louisiana Energy Services (LES), ~~L.P.L.L.C.~~ is a Delaware limited ~~partnership~~liability company. It has been formed solely to provide uranium enrichment services for commercial nuclear power plants. ~~LES has one, 100% owned subsidiary, operating as a limited liability company, formed for the purpose of purchasing Industrial Revenue Bonds and no divisions. The general partner is as follows:~~The corporate identity is described in Section 1.2.1 of the SAR.

~~Urenco Investment, Inc. (a Delaware corporation and wholly owned subsidiary of Urenco Limited, a corporation formed under the laws of the United Kingdom ("Urenco") and owned in equal shares by BNFL Enrichment Limited ("BNFL EL"), Ultra-Centrifuge Nederland NV ("UCN"), and Uranit GmbH ("Uranit") companies formed under English, Dutch and German law, respectively; BNFL EL is wholly owned by British Nuclear Fuels plc, which is wholly owned by the Government of the United Kingdom; UCN is 99% owned by the Government of the Netherlands, with the remaining 1% owned collectively by the Royal Dutch Shell Group, DSM, Koninklijke Philips Electronics N.V. and Stork N.V.; Uranit is owned by Eon Kernkraft GmbH (50%) and RWE Power AG (50%), which are corporations formed under laws of the Federal Republic of Germany).~~

~~The name and address of the responsible official for the general partner is as follows:~~

~~Urenco Investments, Inc.
Charles W. Pryor, President and CEO
1560 Wilson Blvd., Suite 300
Arlington, VA 22209-2464~~

~~Dr. Pryor is a citizen of the United States of America.~~

~~The limited partners are as follows:~~

- ~~A. Urenco Deelnemingen B.V. (a Netherlands corporation and wholly owned subsidiary of Urenco Nederlands B.V. (UNL));~~
- ~~B. Urenco Investments, Inc. (a Delaware corporation and wholly owned subsidiary of Urenco Limited);~~

~~Urenco owns 100% of LES.~~

~~The President of LES is Reinhard Hinterreither. The Chief Nuclear Officer and Vice President Operations is John Swalles. The Vice President Operations is the primary regulatory contact and is responsible for the safe operation of the National Enrichment Facility. LES' principal location for business is Albuquerque, NM. The facility will be located in Lea County near Eunice, New Mexico. No other companies will be present or operating on the NEF site other than services specifically contracted by LES.~~

LES has presented to Lea County, New Mexico a proposal to develop the NEF. Lea County would issue its Industrial Revenue Bond (National Enrichment Facility Project) Series 2004 in the maximum aggregate principal amount of \$1,800,000,000 to accomplish the acquisition, construction and installation of the project pursuant to the County Industrial Revenue Bond Act, Chapter 4, Article 59 NMSA 1978 Compilation, as amended. The Project is comprised of the land, buildings, and equipment.

2.1.2.4 Detailed Description of the Alternatives

Under the Act, Lea County is authorized to acquire industrial revenue projects to be located within Lea County but outside the boundaries of any incorporated municipality for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico, and for promoting a sound and proper balance in the State of New Mexico between agriculture, commerce, and industry. After acquiring the project, constructing the facility, and installing the facility equipment, Lea County will lease the project to LES, which will operate the facility. Upon expiration of the Bond after 30 years, LES will purchase the project.

The County has no power under the Act to operate the project as a business or otherwise or to use or acquire the project property for any purpose, except as lessor thereof under the terms of the lease.

In the exercise of any remedies provided in the lease, the County shall not take any action at law or in equity that could result in the Issuer obtaining possession of the project property or operating the project as a business or otherwise.

LES is responsible for the design, quality assurance, construction, operation, and decommissioning of the enrichment facility. The President of LES reports to the LES ~~Management Committee~~ Board of Managers. ~~This committee is composed of representatives from the general partners of LES.~~ The Board of Managers are discussed in Section 1.2.1.2 of the SAR.

Foreign Ownership, Control and Influence (FOCI) of LES is addressed in the NEF Standard Practice Procedures for the Protection of Classified Matter, Appendix 1 – FOCI Package. The NRC in their letter dated, March 24, 2003, has stated "...that while the mere presence of foreign ownership would not preclude grant of the application, any foreign relationship must be examined to determine whether it is inimical to the common defense and security [of the United States]". (NRC, 2003b) The FOCI Package mentioned above provides sufficient information for this examination to be conducted.

2.1.2.3 Facility Description

The NEF is designed to separate a feed stream containing the naturally occurring proportions of uranium isotopes into a product stream enriched in ^{235}U and a uranium stream depleted in the ^{235}U isotope. Following is a summary description of the NEF process, buildings and related operation. The NEF Safety Analysis Report (SAR) contains a detailed description of facility characteristics, including plant design and operating parameters.

The feed material for the enrichment process is uranium hexafluoride (UF_6), with a natural composition of isotopes ^{234}U , ^{235}U , ^{236}U , and ^{238}U . The enrichment process involves the mechanical separation of isotopes using a fast rotating cylinder (centrifuge) and is based on a difference in centrifugal forces due to differences in the molecular weight of the uranic isotopes. No chemical or nuclear reactions take place. The feed, product, and depleted uranium streams are all in the form of UF_6 .

The UF_6 feed arrives from conversion facilities as a solid under partial vacuum in 122-cm (48-in) diameter transportation cylinders. Product material is collected in 76-cm (30-in) diameter containers and transported to a fuel fabricator. The depleted UF_6 material is collected in 122-cm (48-in) diameter containers and removed for storage onsite.

8.0 SUMMARY OF ENVIRONMENTAL CONSEQUENCES

8.1 INTRODUCTION

This Environmental Report (ER) was prepared by Louisiana Energy Services (LES) to assess the potential environmental impacts of licensing the construction and operation of a uranium enrichment facility to be located in Lea County, near the city of Eunice, New Mexico (the proposed action). The proposed facility will use the centrifuge enrichment process, which is an energy-efficient, proven advanced technology. The National Enrichment Facility (NEF) will be owned and operated by LES, as described in Safety Analysis Report (SAR) Chapter 1, General Information, which is a Delaware limited ~~partnership~~-liability company. LES prepared this ER in accordance with 10 CFR 51 (CFR, 2003a), which implements the requirements of the National Environmental Policy Act of 1969 (NEPA), as amended (USC, 2003a). This ER also reflects the applicable elements of the Nuclear Regulatory Commission (NRC) guidance, including format, in NUREG-1748, "Environmental Review Guidelines for Licensing Actions Associated with NMSS Programs," Final Report (NRC, 2003a). This ER analyzes the potential environmental impacts of the proposed action and eventual Decontamination and Decommissioning (D&D) of the facility, and discusses the effluent and environmental monitoring programs proposed to assess the potential environmental impacts of facility construction and operation. The ER also considers a no-action alternative.

8.2 PROPOSED ACTION

The proposed action is to license the construction and operation of the NEF uranium enrichment facility in Lea County, near the city of Eunice, New Mexico. The NEF will use the gas centrifuge enrichment process to separate natural uranium hexafluoride UF_6 feed material containing 0.711 % ^{235}U into a product stream enriched up to 5.0 % ^{235}U and a depleted stream containing approximately 0.32 % ^{235}U . Production capacity at design throughput is approximately 3.0 million separative work units (SWU) per year. Facility construction is expected to require eight years. Construction would be conducted in six phases. Operation would commence after the completion of the first cascade in the first phase. The facility is licensed for 30 years. Decontamination and Decommissioning (D&D) is projected to take approximately nine years. LES estimates the cost of the plant to be approximately \$1.2 billion (in 2002 dollars) excluding escalation, contingency, interest, tails disposition, decommissioning, and any replacement equipment required during the operational life of the facility.