

[REDACTED]

DOCKET: 70-27

LICENSEE: BWX Technologies, Inc. (BWXT)
Nuclear Products Division (NPD)
Lynchburg, VA

SUBJECT: SAFETY EVALUATION REPORT - REVISIONS TO CHAPTER 7 -
DECOMMISSIONING COST ESTIMATE

BACKGROUND

By application dated December 3, 2003, and supplemented by letters dated December 16, 2003, and March 8, 2004, BWX Technologies, Inc. (BWXT) requested that license SNM-42 be amended to incorporate revisions to Chapter 7, "Decommissioning." As a result of the Nuclear Regulatory Commission (NRC) staff review, BWXT submitted the March 8, 2004, letter to clarify the standards to which the original cost estimate was done.

DISCUSSION

The changes proposed by BWXT in its amendment request, as supplemented, include:

General change

- BWXT proposed changing all references in Chapter 7 from [REDACTED]. This reflects the name change to BWXT Nuclear Products Division that is the subject of this license.

Specific changes

- Section 7.3, page 7-6, BWXT proposed revising the financial assurance cost estimates and the total amount of letters of credit assurance that covers the decommissioning liability.
- Section 7.3.3, page 7-7, BWXT proposed deleting the word "two" in the discussion of the specific number of letters of credit that exist to cover the decommissioning liability. This reflects BWXT's consolidation of its letters of credit.
- Section 7.4.4, page 7-7, BWXT proposed changing the frequency with which it updates its decommissioning cost estimate from biennially to every three years.

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- Appendix 7-1, page 7-8 through 7-12, BWXT proposed to replace legacy copies with copies of current contract with the Department of Energy.
 - Appendix 7-5, page 7-26, BWXT proposed changing the text, as necessary, to reflect the revised cost estimate for decommissioning from \$1,908,376 to \$1,968,997.
 - Appendix 7-6, page 7-36 through 7-41, BWXT proposed various changes, as necessary, to the information in Tables 1 and 2 to reflect the revised decommissioning cost estimate.
 - Appendix 7-7, page 7-48 through 7-58, BWXT proposed changes, to reflect the current disposition of stored waste at BWXT and the revised Lynchburg Technology Center cost estimate.

The cost estimate is acceptable. The cost estimate includes a breakdown of the dismantlement and disposal costs of the equipment and buildings. Labor rates and disposal unit costs are reasonable. The cost of the final status survey is included. A contingency factor is applied. The licensee stated its estimation method is adequate to cover the cost of a third party contractor. The licensee committed to updating its cost estimate every three years.

ENVIRONMENTAL REVIEW

These changes are considered administrative in nature. The staff has determined that the changes will not adversely affect the public health and safety or the environment. Accordingly, the staff has determined that the changes are categorically excluded from the requirements to prepare a site-specific environmental assessment or environmental impact statement. Therefore, in accordance with 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSION

The staff has reviewed the proposed changes against regulatory requirements and concludes that they are acceptable. The Region II inspection staff has no objection to these changes.

PRINCIPAL CONTRIBUTORS

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