



August 25, 2009
AET 09-0067

ATTN: Document Control Desk
Mr. Michael F. Weber
Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Plant
Docket Number 70-7004; License Number SNM-2011
Submittal of Updated Financial Information Related to USEC Inc. Construction Activities for the
American Centrifuge Plant**

Dear Mr. Weber:

Purpose

The purpose of this letter is to provide an update to USEC Inc.'s (USEC) letter AET 09-0057 (Reference 1) related to construction activities for the American Centrifuge Plant (ACP).

Background

Reference 1 submitted USEC's financial information related to Phase IV construction activities for the ACP which covered project activities previously expected to be undertaken and costs expected to be incurred during July 2009 through September 2009. For the purposes of a more complete understanding of project costs and sources of funding, the information provided also contained activities directly supporting deployment of the ACP, and was not limited to site construction activities.

Discussion

Reference 1 stated in part, "We note that this information (Phase IV construction activity) is based on certain assumptions regarding timing of the DOE loan guarantee. Due to these assumptions, further revisions to the baseline cost and schedule may be necessary."

On July 27, 2009, the DOE notified USEC that the loan guarantee to construct the ACP would not be granted at this time. Subsequently, USEC has decided to begin to demobilize the project workforce. Decisions made during the next quarter will have an effect on advanced technology spending, capital spending, one-time costs related to employee layoffs, and capital investments. The availability of funds provided in Reference 1 for the Phase IV activities remains valid. There will be some ongoing expenditures related to a number of the Work Breakdown Structure elements also shown in Reference 1, including ongoing demobilization and related costs, during this period. These amounts are not currently known. USEC will continue further interactions with DOE to find an acceptable path forward.

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Action

USEC requests to withdraw the financial information related to the Phase IV construction activities for the ACP as submitted by Reference 1. Should you need additional or more detailed information, USEC would be happy to make it available for your review at USEC headquarters in Bethesda, Maryland.

USEC will provide a revised Phase IV cost and schedule following re-mobilization of the ACP construction efforts.

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3470 or Terry Sensue at (740) 897-2412.

Sincerely,



Peter J. Miner

Director, Regulatory and Quality Assurance

Enclosure: As Stated

cc: J. Downs, NRC HQ
O. Siurano, NRC HQ
B. Smith, NRC HQ
J. Henson, NRC Region II

Reference:

1. USEC letter AET 09-0057 to M.F. Weber (NRC) from P.J. Miner (USEC) regarding Submittal of Financial Information Related to Phase IV Construction Activities for USEC's American Centrifuge Plant, dated June 29, 2009