

September 3, 2010

Mr. Dominique Grandemange  
Manager - AREVA NP, Inc.  
Mount Athos Road Site  
PO Box 11646  
Lynchburg, VA 24506-1646

SUBJECT: UNACCEPTABLE DECOMMISSIONING FUNDING COST UPDATE, LICENSE  
FOR SPECIAL NUCLEAR MATERIAL LICENSE-1168, DOCKET NO. 70-1201

Dear Mr. Grandemange:

By your letter dated July 16, 2010, AREVA NP submitted an updated decommissioning funding cost update. We have reviewed the update and found that it incorrectly references the possession limits of the facility's license for special nuclear material (SNM)-1168. Also, the update is inconsistently marked to show which pages are proprietary. Based on this, we have concluded that this update of the decommissioning funding cost estimates cannot be accepted as submitted.

The possession limits included in the update were those in effect prior to Virginia becoming an Agreement State. As of that date (April 1, 2009), the source and byproduct limits under SNM-1168 were removed and included under the Virginia license. The referenced possession limits are not the current limits licensed by the U.S. Nuclear Regulatory Commission (NRC) as stated in A.3.4 Facility Description Summary of the cost update.

In addition and based on the document as submitted, the pages are not consistently marked to indicate which pages are to be withheld from public disclosure. We note the following:

- 1) Are the cover letter and affidavit correctly marked indicating "Contains 2.390 Proprietary Information?" If these pages do not include proprietary information, the markings should be removed so that these pages can be made publicly available.
- 2) The three-page letter of credit from J P Morgan Chase does not include proprietary markings. If this letter does not contain proprietary information, please make it available outside of the Enclosure 2 so that it may be made publicly available. If it is to be maintained as a proprietary document, it should be appropriately marked.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of the non-proprietary portions of your submittal will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System. This will provide public documentation that the decommissioning funding cost update was submitted.

If you have any questions regarding this letter, please contact me by telephone at (301) 492-3220 or via e-mail to [Richard.Thompson@nrc.gov](mailto:Richard.Thompson@nrc.gov).

Sincerely,

**/RA/**

Richard Thompson, Project Manager  
Fuel Manufacturing Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

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

cc:  
Robert Sharkey, Manager  
Environmental, Health, Safety  
and Licensing  
AREVA NP, Inc.  
P.O. Box 11646  
Lynchburg, VA 24506-1646

If you have any questions regarding this letter, please contact me by telephone at (301) 492-3220 or via e-mail to [Richard.Thompson@nrc.gov](mailto:Richard.Thompson@nrc.gov).

Sincerely,

/RA/

Richard Thompson, Project Manager  
Fuel Manufacturing Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 70-1201  
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cc:  
Robert Sharkey, Manager  
Environmental, Health, Safety and Licensing  
AREVA NP, Inc.  
P.O. Box 11646  
Lynchburg, VA 24506-1646

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