

AES RESPONSES TO SECOND SUPPLEMENTAL PUBLIC SAFETY QUESTION

The Licensing Board noted that all of the safety questions could be answered by both the Nuclear Regulatory Commission (“NRC”) Staff and AES, although the Licensing Board explained that at least one party must respond to each question. AES and the NRC Staff have conferred regarding which party is best positioned to respond to the Licensing Board’s questions. Based on those discussions, AES is providing a response to the following publicly-available question: B.2. Both AES and the NRC Staff are providing responses to the following publicly-available question: B.4. Below, AES repeats each question, identifies the person(s) providing a response to the question, and responds to the question.

ASLB Question B.2:

To the degree that AES has committed to a “forward looking” approach to financial assurance as it relates to facility decommissioning and depleted uranium (DU) disposition, see Office of Nuclear Materials Safety and Safeguards, U.S. Nuclear Regulatory Comm’n (NRC), NUREG-1951, [SER] for the [EREF] in Bonneville, County, Idaho at 10-7 (Sept. 2010) (ADAMS Accession No. ML102710296) [hereinafter SER], with respect to the annual updated cost estimate, will the new LOC designed to cover that updated estimate encompass the estimated maximum future cost of the following one-year period?

Response to Question B.2 (Palayer):¹

Yes, the new LOC, designed to cover that updated estimate, will encompass the estimated maximum future cost of the following 12-month period. In SAR Section 10.2.1 (Exh. AES000037), AES states that it intends to sequentially install and operate the Separations Building Modules over time and will therefore provide financial assurance for decommissioning at a rate that is in proportion to the decommissioning liability for these facilities as they are

¹ See Exhibits AES000033 (Palayer Affidavit) and AES000035 (Palayer Professional Qualifications).

phased in. Similarly, AES will provide decommissioning funding assurance for disposition of depleted tails at a rate in proportion to the amount of accumulated tails onsite.

In SAR Section 1.2.5 (Exh. AES000037), AES “commits to updating the decommissioning cost estimates on an annual forward looking incremental basis and to providing the NRC revised funding instruments that reflect these projections of depleted uranium tails production.” Until the facility is at full operation, the decommissioning funding estimates and revised funding instruments would be provided annually on a forward-looking basis to reflect the aggregate cost of any facility module that would be currently in operation; that has been in operation and has not been fully decontaminated and decommissioned as approved by NRC, or would be in operation within the next 12 months. The decommissioning funding estimates and revised funding instruments would also be revised annually to reflect the accumulated depleted uranium tails onsite and a projection of the amount that would be onsite within the next year.

ASLB Question B.4:

The cost estimate methodology used by AES and approved by staff, as described in the SER at 10-12 to -13, appears to rely upon European enrichment facility data. How were those estimates adapted to United States market conditions (e.g., labor, materials, transportation, etc.)?

Response to Question B.4 (LeFrancois):²

The decommissioning cost model described in SAR Chapter 10 (Exh. AES000037) generates estimates of the amount of labor and volume of materials necessary to support decommissioning. Using these values as inputs into the EREF cost model in conjunction with the EREF site and facility design, AES used U.S.-specific labor rates obtained from U.S.

² See Exhibits AES000034 (LeFrancois Affidavit) and AES000036 (Professional Qualifications).

Department of Labor, Bureau of Labor Statistics Web Site, Employment Cost Trends, Employer Costs for Employee Compensation Summary, May 2007 (Tables 10.1-8 and 10.1-9) and unit costs (Table 10.1-15) to develop the decommissioning cost estimate. The unit costs were also developed using the U.S.-specific labor rates. In addition, EREF waste disposal costs are calculated based on weight, volume, quantity of disposal containers, number of shipments, and waste disposal rates for U.S. disposal facilities (Table 10.1-10) and associated rates for transportation within the U.S. (SAR Section 10.3). Costs for electricity needed for decommissioning were based on 2008 power rates provided by Rocky Mountain Power Co. (Table 10.1-11). Facility-specific costs related to license fees, insurance, and taxes were also estimated (Table 10.1-13). The decommissioning cost estimate was further adjusted to reflect NRC regulatory requirements (*e.g.*, final status surveys, decommissioning by third party, contingency).