

October 9, 2012
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U.S. Nuclear Regulatory Commission
Director, Office of Nuclear Material
Safety and Safeguards
Attn: Document Control Desk
11555 Rockville Pike
One White Flint North
Rockville, MD 20852

Gentlemen:

Subject: Request to Postpone Initiation of Decommissioning of the Uranium Storage Warehouse at AREVA NP Inc.'s Richland, Washington Site; License No. SNM-1227, Docket No. 70-1257.

The purpose of this correspondence is to request a delay in the initiation of decommissioning for a traditional storage facility referred to as the Uranium Storage Warehouse in AREVA's current NRC license (Chapter 1, Section 1.1.2, Facility Buildings and Structures). The facility is more commonly referred to as Warehouse 6. This delay is being requested in accordance with provisions in the NRC's decommissioning "timeliness rule" in 10 CFR 70.38, and specifically the criteria in 70.38(f).

Warehouse 6 has been used over its operating history to store a wide variety of materials, including encapsulated special nuclear material (low-enriched uranium) and other miscellaneous non-SNM materials. The SNM material has typically been uranium dioxide (UO₂) powder, pellets, or scrap in closed buckets, drums, or shipping containers, all of which were subjected to appropriate radiation contamination release surveys prior to movement from contaminated areas to Warehouse 6. SNM storage activities have been segregated from non-SNM storage activities via building partitions; the SNM areas have been managed as non-contaminated radioactive material storage areas.

The last active SNM storage activity, i.e. storage of closed containers of UO₂ powder, was terminated in Warehouse 6 in October of 2010; the criticality safety postings allowing for SNM storage were removed on October 26, 2010. The former SNM storage was displaced by the Burnable Poison Pellet (BPP) Facility which manufactures boron-containing pellets for inclusion in reactor control rods. This operation came to Richland as part of the transfer of AREVA's PWR fuel fabrication activities from Lynchburg, Virginia to Richland. The facility was surveyed to confirm its radiological clean area status in conjunction with the installation of the BPP process, which utilizes no radioactive materials.

While the BPP operation is integral to AREVA's PWR fuel fabrication mission, the BPP production involves no NRC-licensed SNM. Accordingly, AREVA is requesting a delay in initiation of decommissioning of Warehouse 6 per 10 CFR 70.38(f). Attachment 1 provides supplementary information to support this request for postponement of decommissioning; the information is provided in accordance with NRC guidance in NUREG 1757, Volume 3, Section 2.6.4.

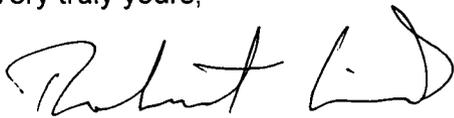
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AREVA NP INC.

As set forth in Attachment 1, Warehouse 6 retains a fuel fabrication mission. The facility will be appropriately maintained, poses no current radiological risk to workers or the public, and will not be any more complex to decommission at a later date. Accordingly, AREVA does not feel that the public interest will be served by requiring current decommissioning of this facility.

We appreciate the NRC's consideration of this request. If you have any questions at this time, please contact me at 509-375-8409.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert E. Link". The signature is written in a cursive style with a large, stylized "R" and "L".

R. E. Link, Manager
Environmental, Health, Safety, & Licensing

c: USNRC
Office of Nuclear Material Safety
and Safeguards
Attn: Marilyn Diaz (E2C40M)
Executive Boulevard Building
6003 Executive Boulevard
Rockville, MD 20852

Attachment 1

Information to Support a Postponement in the Initiation of Decommissioning for AREVA NP's Uranium Storage Warehouse (Warehouse 6) in Accordance with 10 CFR 70.38(f) and NUREG 1757, Volume 3, Section 2.6.4

1. Principal activities, in this case storage of closed containers of uranium dioxide (UO₂) powder, were last conducted in Warehouse 6 in late October 2010 (10/26/10).
2. Notification to the NRC that no principal activities have occurred in Warehouse 6 for a period of 24 months would be required by no later than December 25, 2012, per the requirements of 10 CFR 70.38(d). Per 10 CFR 70.38(f), a request to delay or postpone initiation of the decommissioning process would be due to the NRC no later than November 25, 2012.
3. AREVA plans to initiate decommissioning of Warehouse 6 at the time of final Richland site decommissioning. If in the future this facility has no current mission and AREVA has reached a decision to permanently cease principal activities in the facility, decommissioning will proceed in accordance with the applicable provisions of 10 CFR 70.38.
4. AREVA anticipates that ultimate decommissioning of the Richland Site will require a decommissioning plan.
5. AREVA is requesting this extension of the time period for initiation of decommissioning because Warehouse 6 has a continuing nuclear fuel fabrication mission. That mission involves the production of boron-containing pellets for use in reactor control rods utilized in conjunction with AREVA's product PWR fuel assemblies. While the BPP work is projected to be a long-term operation, even lacking this activity, ongoing use of Warehouse 6 would be highly likely due to the facility's size, location, and adaptability to a wide range of fuel-related activities involving licensed materials. Interim decommissioning at this time would needlessly expend resources on a facility with high potential for ongoing fuel fabrication utilization.
6. The facility will be in a fully maintained operational mode; concerns relative to deterioration of a facility in standby mode therefore do not apply. Ultimate decommissioning of the entire facility will not be significantly more complex at a later date.
7. The Uranium Storage Warehouse (Warehouse 6) is included as a Production Support (Ancillary) facility in AREVA's NRC-approved Decommissioning Funding Plan (E06-04-007, Version 4.0; July 2009). A triennial update to that plan as required by 10 CFR 70.25(e) was submitted to the NRC in January 2012 and is currently under NRC review. The DFP (as currently approved and as under NRC review) places Warehouse 6 in a subset of ancillary facilities not anticipated to require any noteworthy decontamination or demolition based on its containing no contaminated process equipment and its history of handling licensed materials strictly within closed containers free of external contamination. Costs for contamination surveys for decommissioning of the facility are included in the plan. Costs associated with cleanup/restoration are not anticipated and, if ultimately incurred, would be very minor and met with the sizeable contingency (25%) built into the plan's cost estimate. AREVA maintains its DFP current with respect to labor and waste disposal rates via its

triennial DFP updates. No other extraordinary factors are foreseen that will increase Warehouse 6 decommissioning costs over the period prior to ultimate decommissioning.

8. AREVA currently provides financial assurance for decommissioning via a letter of credit and associated standby trust agreement as provided for in 10 CFR 70.25(f)(2). The letter of credit is revised as necessary to maintain full coverage of the most current decommissioning cost estimate.
9. As previously discussed, Warehouse 6 is not a radiologically contaminated facility based on its historic operating history. Furthermore, the ongoing fuel fabrication activities do not utilize licensed material. As such the ongoing operations in Warehouse 6 do not offer radiological risks, occupationally or environmentally. A delay in the ultimate decommissioning of Warehouse 6, not anticipated to involve activities beyond a final release survey, does not constitute a public or worker health and safety issue.