February 12, 2013
ACO 13-0013

ATTN: Document Control Desk
Ms. Catherine Haney, Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003
Supplemental Information Related to the Decommissioning Program for the American Centrifuge Lead Cascade Facility (TAC L34178)

Dear Ms. Haney:

Purpose
As a follow up to a telephone conference call held February 11, 2013 with U.S. Nuclear Regulatory Commission (NRC) staff, American Centrifuge Operating, LLC (ACO) is providing additional clarification concerning its decommissioning cost estimate.

Background
On November 16, 2012 (Reference 1), NRC issued a request for additional information (RAI) related to the Phase I decommissioning cost estimate for the Cascade Demonstration Test Program. In the December 17, 2012 (Reference 2) response to the RAI, additional detail was provided to support the makeup of "indirect services" costs documented within the Decommissioning Funding Plan (DFP), Table C3.18, *Total Decommissioning Costs* and Section 10.10.1 of the License Application for the American Centrifuge Lead Cascade Facility.

Discussion
As previously discussed within Enclosure 5 of Reference 2, indirect services captured on Table C3.18 utilizes costs for a number services such as human resources; procurement; respirator issue and use; emergency and fire services; security support; utilities; and power. Currently, some of these services are provided by the U.S. Department of Energy (DOE) and actual costs are used in the development of the estimate for future decommissioning costs as depicted in Table C3.18, line item "indirect services." The total decommissioning cost estimate and the associated surety bond adequately cover these specific DOE costs. Consistent with other costs assumed in the estimate calculation, should the cost basis change (e.g., change in provider), ACO will evaluate the impact on the DFP estimate and make appropriate adjustments, if necessary.

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Action
ACO respectfully requests NRC review of this additional clarification and approval of the Phase I and II decommissioning cost estimate at your earliest convenience.

Contact
If you have any questions regarding this matter, please contact me at (301) 564-3470 or Vernon J. Shanks at (740) 897-2343.

Sincerely,

Peter J. Miner
Director, Nuclear Safety and Safeguards

cc: J. Downs – NRC HQ
K. Kline, NRC HQ
L. Pitts – NRC RII
O. Siurano – NRC HQ
B. Smith – NRC HQ

References:

1. NRC letter from O. Siurano-Perez to P.J. Miner (USEC) regarding Request for Additional Information Regarding the Revision to the Decommissioning Funding Plan for the American Centrifuge Lead Cascade Facility (TAC No. L34178), dated November 16, 2012

2. USEC letter AET 12-0062 from P.J. Miner to C. Haney (NRC) regarding Submittal of Supplemental Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility (TAC L34178), dated December 17, 2012