

ENCLOSURE 2

Revised SNM-42 License Application Chapter 10, Decommissioning
(Redacted Copy)



SNM-42, CHAPTER 10

SNM-42

CHAPTER 10

DECOMMISSIONING

CHAPTER 10
DECOMMISSIONING
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DECOMMISSIONING10.0 Introduction

Within 60 days of terminating licensed activities in any separate building or outdoor area, as provided for in 10 CFR 70.38, the site shall notify the NRC of its intention to discontinue such use. A detailed survey and decommissioning plan, meeting the requirements of 10 CFR 70.38, shall be submitted to the NRC within 12 months after the initial notification.

10.1 Performance Objective

The performance objective is to assure that the health and safety of the general public are protected by decontaminating the site to levels which do not exceed those specified by NRC at the time of decommissioning.

Methods and techniques different from those described herein may be employed to achieve this performance Objective.

10.2 Plan

Unclad radioactive materials have been stored or processed in several areas at the site. These areas are summarized below. Detailed records are maintained on-site in accordance with 10CFR 70.25.

Naval Reactors Areas

- Bays 1A – 3A
- Alloy Shop Area (including Vapor Blast)
- Vault 1
- Central Storage Vault
- Met/Chem Labs
- Bays 13A – 15A
- Drum Count Area
- Waste Treatment
- Bays 1-14 and 17
- Bays 4A-10A
- Waste Operations Areas
- Vault 6
- Vault 7
- Railyard Storage Facility
- Container Storage Facility

Research Test Reactor (RTR)

- Bays 14, 15, and 16

Lynchburg Technology Center (LTC)

- Building B Labs
- Building B Hot Cell Facilities
- Liquid Waste Handling Facilities
- Radioactive Waste Storage Areas

Downblending Areas

- Bay 15A
- Building FF
- Waste Pretreatment Systems

Additionally, radioactive materials have been buried on site in accordance with the requirements of 10 CFR 20.304 in an NRC (AEC) approved burial ground.

Accordingly, the procedures specified in this plan will be applied only to those areas where survey results indicate the presence of residual radioactive material in concentrations exceeding the limits specified by NRC at the time of decommissioning. The remaining areas at the site will not require decontamination, and therefore, are not affected or covered by this plan.

10.2.1 General Considerations

- 10.2.1.1 Decontamination will be to levels not to exceed those specified by NRC at the time of decommissioning. In addition, a reasonable effort will be made to further reduce contamination to as low as reasonably achievable (ALARA).
- 10.2.1.2 A detailed survey plan shall be submitted to the NRC specifying the number, location, and type of samples to be analyzed to determine affected and unaffected areas. Affected areas will be remediated.
- 10.2.1.3 No covering will be applied to radioactive surfaces (e.g., paint, plating, etc.) until it is known that contamination levels are below those specified by NRC and until it is known that reasonable efforts have been made to further reduce contamination below said levels.
- 10.2.1.4 The radioactivity of interior surfaces of pipes, ductwork, etc., will be determined by taking measurements at all traps and other appropriate access points, provided contamination at these locations is likely to be representative of interior contamination. If such access locations are not likely to be representative, or if interior surfaces are inaccessible, then such interior surfaces shall be assumed to be contaminated in excess of levels specified by NRC.

- 10.2.1.5 Security consistent with the provisions of the facility's physical security plan currently incorporated in License SNM-42 will be maintained until strategic special nuclear material in excess of 5 kgs has been removed from the licensed areas. Thereafter, access control shall be maintained to preclude unrestricted access to contaminated areas pending release for unrestricted use under 10.2.3 below.

10.2.2 Procedure

- 10.2.2.1 This procedure shall apply after all readily removable sources and special nuclear material has been removed from the site.
- 10.2.2.2 A radiological survey will be made to determine affected areas and unaffected areas. This survey will be reviewed with NRC and will include:
- a. floor core samples
 - b. core samples of earth beneath the floor
 - c. roof smear samples
 - d. block and concrete wall samples at a depth of 1/8 inch or more.
 - e. smears of sheet metal and ceramic walls both on and below paint
 - f. smears of glass and plastic windows
 - g. smears of roof trusses and supports
 - h. core samples of earth beneath and adjacent to underground sewer lines.

Records and drawings of sample locations and results will be maintained.

- 10.2.2.3 Contaminated equipment will be disposed of at an NRC licensed or DOE disposal facility. Equipment disposed of by burial will not be decontaminated; rather, the equipment will be cleaned in a manner comparable to the cleaning performed in preparation for a physical inventory.

Contaminated equipment may be sold for use at another fuel cycle facility. In such instances, all exterior surfaces will be cleaned to levels permissible for restricted areas. The equipment will be packaged and transported in accordance with DOT and NRC regulations.

Note: No credit for salvage value is taken into account in any decommissioning cost estimates presented in this chapter.

Equipment may be sold for use at non-nuclear facilities. In such instances, all surfaces (interior and exterior) will be decontaminated to levels not to exceed those specified by NRC.

- 10.2.2.4 Roof trusses, walls, pipes, floors, and non-process equipment will be wet-cleaned to remove loose surface contamination following disposal of process equipment.
- 10.2.2.5 Removal of surface contamination from walls will then follow. Material removed will be disposed of by burial.
- 10.2.2.6 All contaminated tanks in the liquid effluent system will then be removed and disposed of by burial or resale. Underground contaminated sewer lines will be excavated and removed for burial. If sampling indicates contaminated soil above NRC limits, removal and burial of soil will also be performed.

In addition, the cold pickle acid system shall be removed from the premises to an authorized hazardous waste disposal site to ensure compliance with Resource Conservation and Recovery Act regulations.

- 10.2.2.7 Decontamination of floors will follow. Depending upon the extent of contamination, surface cleaning, surface removal, or removal of entire section of the floor may be required. In the case of the Recovery area, it is anticipated that removal of the entire floor and even some of the earth below may be required.
- 10.2.2.8 The contaminated area ventilation system will remain intact until all of the above steps have been completed. It will then be removed and buried.
- 10.2.2.9 In the event that it is necessary to raze an area or part of an area, then one of two courses of action will be followed:
 - a. The area or part thereof may be wholly decontaminated as outlined above and then leveled. In this case the walls and roof may be disposed of by sanitary landfill.
 - b. Surface cleaning, rather than surface removal and/or decontamination of walls may be performed, in which case the walls will be disposed of by burial.
- 10.2.2.10 The above events may not necessarily proceed one upon the completion of another. For example, it may be beneficial to retain scrap recovery equipment until the cleaning of roof trusses, walls, pipes, etc. has been

completed. Alternatively, two efforts may proceed simultaneously, such as removal of source and special nuclear materials and radiological survey. In general, however, decontamination of the areas identified above will follow this outline.

10.2.2.11 Disposition of sites on property where radioactive material was previously buried will be in accordance with current NRC regulations at the time of decommissioning.

10.2.3 Final Report and Release

10.2.3.1 Upon completion of the decontamination, comprehensive radiological surveys will be made. If necessary, additional decontamination will be performed.

10.2.3.2 When it has been finally established that residual contamination is within the limits specified by NRC at the time of decommissioning, a final survey report will be filed with the Director, Office of Nuclear Materials Safety and Safeguards, and a copy of the survey report will be sent to the Director of Region II. The survey report will:

- a. Identify the premises;
- b. Show that a reasonable effort has been made to reduce residual contamination below the levels specified by NRC,
- c. Describe the scope of the survey and the general procedures followed, and;
- d. State the results of the final survey in units specified by NRC.

10.2.3.3 Release to unrestricted use is anticipated upon prompt approval by NRC.

10.3 Financial Assurance

Overall financial assurance for the site is summarized in the following table.

Table 10.3

Area	Cost Estimate	Assurance
NR	Exempt	Contract
Research Test Reactors (RTR)	Exempt	Contract
Downblend		Site Letter of Credit
LTC		Site Letter of Credit

10.3.1 Financial Assurance for Naval Reactors Areas

Financial assurance to cover the cost of decommissioning equipment and facilities used in the production of components for the Naval Reactors program shall be provided through provisions in contracts with the Department of Energy (Appendix 10-1). A letter of Agreement on Decommissioning Costs and change of name between BWX Technologies, Inc. and the DOE was executed in May 2015 (Appendix 10-2).

10.3.2 Financial Assurance for Research Test Reactors (RTR) Areas

Financial assurance to cover the cost of decommissioning equipment and facilities used in the production of components for the Research Test Reactors program shall be provided through provisions in contracts between B&W NOG and the Department of Energy. Letters acknowledging the name change from B&W NOG to BWXT NOG between the DOE and BWXT for appropriate Basic Ordering Agreements were received in June 2015 (Appendix 10-5).

10.3.3 Financial Assurance for LTC

Funding assurance to cover the cost of decommissioning the facilities and equipment at the Lynchburg Technology Center shall be provided through the Letter of Credit (LOC). LOCs exist that cover the total decommissioning liability.

10.3.4 Financial Assurance for Downblending Area

Funding assurance to cover the cost of decommissioning of facilities and equipment associated with the performance of downblending projects shall be provided through the LOC. LOCs exist that cover the total decommissioning liability.

10.3.5 Standby Trust Agreement

The site's Standby Trust Agreement establishes a fund for decommissioning funding assurance.

10.4 Cost Estimates

The cost estimates to be used for the purpose of determining the amount of financial assurance required shall be based on currently available cost and technical information. Burial volume estimates and cost projections may be based on reasonable assumptions with respect to the technological advances and alternatives to disposal. Disposal will be accomplished at a licensed burial within the Southeast Compact or at another site available to licensees within the Southeast Compact.

- 10.4.1 The site is exempt from providing cost estimates for Naval Reactors areas per SNM-42 License Application Chapter 1, Section 1.5.16.
- 10.4.2 The cost estimate for decommissioning the facilities and equipment associated with the performance of downblending projects is presented in Appendix 10-3.
- 10.4.3 The cost estimate for decommissioning the facilities and equipment at LTC is presented in Appendix 10-4.
- 10.4.4 The site is exempt from providing cost estimates for the Research Test Reactors area per SNM-42 License Application Chapter 1, Section 1.5.16.
- 10.4.5 The site will update the required cost estimates every three years.

APPENDIX 10-1

Financial Assurance for
Decommissioning through NR Contract with DOE

PAC 194 A16
DE-AC11-03PN38222 Contract

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING DO-A-3	PAGE OF PAGES 1 119		
2. CONTRACT (Proc. Inst. Item) NO. DE-AC11-03PN38222		3. EFFECTIVE DATE SEE BLOCK 20C.	4. REQUISITION/PURCHASE REQUEST/PROJECT NO.			
5. ISSUED BY U.S. Department of Energy Pittsburgh Naval Reactors Office P.O. Box 109 West Mifflin, PA 15122-0109 PHONE: (Area Code) (412) 476-7270		6. ADMINISTERED BY (If other than Item 5) CC: SC Boileau E Gunter/BJ Burch JB Carter GW Gilliam	7. CODE AC11			
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) BWX Technologies, Incorporated Nuclear Products Division P.O. Box 785 Lynchburg, VA 24505-0785		8. DELIVERY <input checked="" type="checkbox"/> FOR ORIGIN <input type="checkbox"/> OTHER (See below)				
9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: RECEIVED JAN 03 2003 CONTRACT SERVICES				
11. SHIP TO/MARK FOR F.O.B. Contractor's Plant Lynchburg, Virginia in accordance with the Requirements of this contract		12. PAYMENT WILL BE MADE BY Accounts Payable Division U.S. Department of Energy, Germantown, MD 20874-0500				
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C. 2304(c) (1) <input checked="" type="checkbox"/> 41 U.S.C. 253(c) (1)		14. ACCOUNTING AND APPROPRIATION DATA RECEIVED				
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE		
15F. AMOUNT OF CONTRACT > \$						
15G. AMOUNT OF CONTRACT > \$						
16. TABLE OF CONTENTS						
(X)	SEC.	DESCRIPTION	PAGE(S)	(X) SEC.	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE			PART II - CONTRACT CLAUSES	
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES
X	B	SUPPLIES OR SERVICES AND PRICES/COST	6		PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	34
X	C	DESCRIPTION/SERVICES/WORK STATEMENT	51	X	J	LIST OF ATTACHMENTS
X	D	PACKAGING AND MARKING	1		PART IV - REPRESENTATIONS AND INSTRUCTIONS	12
X	E	INSPECTION AND ACCEPTANCE	1		REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFENDERS	
X	F	DELIVERIES OR PERFORMANCE	1			
X	G	CONTRACT ADMINISTRATION DATA	1			
X	H	SPECIAL CONTRACT REQUIREMENTS	11			
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE						
17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, as are attached or incorporated by reference herein. (Delete as applicable.)			18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you with additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets; this award summarizes the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SENDER (Type or Print) H. E. Preble Manager, Contract Services			20A. NAME OF CONTRACTING OFFICER H. A. Cardinali, Contracting Officer Manager, Pittsburgh Naval Reactors Office			
19B. NAME OF CONTRACTOR BY: <i>H. E. Preble</i> (Signature of person authorized to sign)		19C. DATE SIGNED 12/19/02	20B. UNITED STATES OF AMERICA		20C. DATE SIGNED 12/20/02	
NSN 7540-01-182-9069 PREVIOUS EDITION UNUSABLE		24-107 GPO: 1985:0 - 469-794	STANDARD FORM 26 (REV. 4-85) Prescribed by GSA FAR (48 CFR) 53.214(a)			
Document transmitted herewith contains Restricted Data			Unclassified when classified enclosure(s) is removed			

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6. COST OF FACILITIES CAPITAL PROVISIONS**a. Facilities Capital Cost of Money**

- (1) Facilities capital cost of money will be an allowable cost under the contemplated contract, but only if the prospective Contractor elects to claim it below. If the prospective Contractor elects to claim this cost, the Waiver of Facilities Capital Cost of Money will be excluded from the contract. If the prospective Contractor does not elect to claim this cost, the contract will include the Waiver of Facilities Capital Cost of Money.
- (2) By including an item of proposed allowable cost in response to the solicitation, the prospective Contractor will be deemed to have elected to claim facilities capital cost of money.

b. Waiver of Facilities Capital Cost of Money

If the Contractor did not include facilities capital cost of money as a proposed allowable cost, it shall be deemed that the Contractor waives the right to claim it under this contract.

7. BASIC AGREEMENT AND LETTER AGREEMENT**a. Basic Agreement**

Basic Agreement No. DE-AA11-90PN38188 is hereby made a part of this contract. The provisions of Basic Agreement No. DE-AA11-90PN38188 shall be fully binding on the Contractor separately from the provisions or requirements of this contract and any default under this contract will be actionable only in accordance with the provisions and requirements of this contract.

b. Letter Agreement

Letter Agreement No. DE-GM11-96PN38202 is hereby made a part of this contract. The provisions of Letter Agreement No. DE-GM11-96PN38202 shall be fully binding on the Contractor separately from the provisions or requirements of this contract and any default under this contract will be actionable only in accordance with the provisions and requirements of this contract.

8. CLEANUP EXPENSES

The price of this contract does not include any amounts for costs that may be incurred for any investigation or remediation with respect to disposal sites for low level radioactive wastes disposed of by Contractor under this contract. In the event that costs applicable to the foregoing are found to be allocable to this contract and Contractor has taken reasonable efforts to reduce such costs, and subject to the availability of appropriated funds, an equitable adjustment to the price of this contract, exclusive of profit, shall be made for such allocable costs. Provided however, nothing may be construed as implying that Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

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9. DECOMMISSIONING EXPENSES

- a. As part of the consideration for the manufacture and delivery of all items under this contract, the Government hereby assumes the obligation to pay the expenses incurred in decommissioning of Contractor's facilities as set forth in paragraph c. of this clause, and as required by Contractor's license with the Nuclear Regulatory Commission (NRC). The Government's liability for said expenses is subject to the availability of appropriated funds at the time a contingency occurs. When said event occurs, the DOE will pursue the necessary funding, however, nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet said deficiencies.
- b. Payment of decommissioning expenses shall only be made for decommissioning activities that have been approved by NRC. Payments will be made on a progressive basis, however, they will only be made after the Contractor has taken all reasonable efforts to reduce such decommissioning costs. This maximum liability is subject to the "Compliance with Laws and Regulations" provisions and all other provisions of this contract. Any disagreement between the parties concerning this maximum liability provision shall be considered a dispute within the terms of the "Disputes" clause of this contract.
- c. Memorandum of Understanding Concerning Decommissioning of the BWX Technologies, Inc., Nuclear Products Division

The BWX Technologies, Inc., Naval Nuclear Products Division (NPD) and the Pittsburgh Naval Reactors Office (PNR) agree to the following clarifications with regard to the financial responsibilities related to future decommissioning activities of BWX Technologies at its NPD facilities pursuant to this clause:

- (1) The Naval Nuclear Propulsion Program (NNPP) is not obligated and shall not be liable for expenses related to:
- (i) Decommissioning any NPD facilities which are acquired or added to the site and which are utilized solely for non-Naval Reactors activities.
 - (ii) Decommissioning any currently non-contaminated portion of the NPD site where non-Naval Reactors activities occurring after June 12, 1997 give rise to the need for decommissioning.
- (2) In the event:
- (i) Necessary appropriated funds are available to decommission the NPD site in accordance with this clause; and
 - (ii) BWXT elects to continue utilizing a particular portion of the NPD site for non-Naval Reactors purposes; and
 - (iii) Such use would delay the decommissioning activities; then, the parties will negotiate in good faith to determine NNPP's specific liability for the decommissioning costs for that portion of the NPD site.
- (3) In the event:
- (i) BWXT uses the NPD site, or portions thereof for non-Naval Reactors purposes; and
 - (ii) NNPP is otherwise responsible for decommissioning the site in

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(iii) accordance with this clause; and
Such work by BWX increases the scope of the decommissioning work; then, the parties will negotiate in good faith to determine what NNPP's specific liability for decommissioning would have been absent BWXT-NPD's subsequent use of the NPD site, or portion thereof.

- d. This provision shall survive the completion of the contract and shall continue until decommissioning is completed as determined by the NRC and any successor agency, or until alternative arrangements are agreed by the parties, in separate contracts, or otherwise.

10. GOVERNMENT-SUPPLIED PROPERTY

- a. Components and equipment, in the form and quantities specified in Part I, Section C, Description/Specifications/Work Statement, of this contract, shall be delivered F.O.B. Contractor's Plant, and shall be held in accordance with the provisions of the clause, Government Property (Fixed-Price Contracts), included in Part II, Section I, Contract Clauses, of this contract.
- b. When the Contractor is authorized by the Government under this contract to work on Government property and the Government considers any item of work to be the responsibility of a third party by reason of a warranty in favor of the Government or otherwise, the Government shall so inform the Contractor. In each such case the Contractor agrees to obtain compensation for the performance of such work from such third party and agrees that such compensation shall be in lieu of an equitable adjustment in the price of the contract as provided herein. If the Contractor is unable to obtain compensation for any such item from such third party, he shall so inform the Government together with the reason therefor, so that the Government may protect its interest directly against such third party and the Contractor may present a written request for an equitable adjustment and the Government shall not be liable for damages or loss of profit.

11. SHIPMENTS OF STRATEGIC QUANTITIES OF SPECIAL NUCLEAR MATERIAL

- a. All shipments of strategic quantities of special nuclear material made in performance of subject contract shall be made by the U.S. Department of Energy (DOE). Shipments, as referred to herein, shall include all movements of strategic quantities of special nuclear material to, from, and between facilities of DOE, the Contractor, and/or subcontractors.
- b. Contractors and subcontractors shall provide a written notice 3 weeks in advance of any required shipment date to the following:
- U.S. Department of Energy
Albuquerque Operations Office
Director, Transportation Safeguards Division
Attention: Chief, Shipping Planning Branch
- c. Each written notice provided for above shall be made in accordance with and shall include all data, as set forth in the document Transportation Services Request, dated October 1, 1993, revised April 4, 1995, included in Part II, Section J, List of Attachments, of this contract.

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APPENDIX 10-2

Letter of Attestation
Between the Site and DOE



May 15, 2015

Mr. Matthew J. Brott
DOE Naval Reactors Laboratory Field Office
PO Box 109
West Mifflin, PA 15122-0109

Subject: Letter Agreement on Decommissioning Costs and Change of Name.

Dear Mr. Brott,

As announced in November 2014, The Babcock & Wilcox Company (B&W or we) is pursuing the spin-off of its Power Generation business (the Spin-off). In connection with the Spin-off, B&W will be changing its name to "BWXT Technologies, Inc." As part of this rebranding, B&W will also be changing the name of its subsidiary companies to replace "Babcock & Wilcox" with "BWXT". The Spin-off is expected to be completed on or about June 30, 2015, and will result in two separate, independent companies:

Babcock & Wilcox Enterprises, Inc., which will own and operate the Power Generation business, including its subsidiary and affiliated companies.

BWXT Technologies, Inc., renamed from "The Babcock & Wilcox Company", which will continue to own and operate the Government and Nuclear business, including its subsidiary and affiliated companies, such as Babcock & Wilcox Nuclear Operations Group, Inc. (B&W NOG)

As it relates to B&W NOG, which owns the Lynchburg, Virginia, Barberton and Euclid, Ohio and Mt Vernon, Indiana sites¹ and is the contracting party with the Department of Energy, Naval Reactors Laboratory Field Office, the only matter for consideration with respect to the Spin-off is that B&W NOG will be changing its name to "BWXT Nuclear Operations Group, Inc."

In connection with the Spin-off, we have been in contact with the Nuclear Regulatory Commission (NRC) as we have previously sought renewed assurance from the Department of Energy (DOE) regarding the decommissioning financial assurance for the Lynchburg site. These prior assurances are as reflected in our December 11, 2008 Letter Agreement and our March 25, 2010 Letter Agreement (copies of which are enclosed with this letter). The purpose of this letter is to respectfully request DOE's renewed assurance, by means of a change-of-name agreement, in connection with the Spin-off.

The basis for this being a name change, in accordance with the guidance of FAR 42.1203 and 42.1204, is as follows:

- There is no transfer of contracts or company assets to any third party.
- All Government contracts will remain with the same legal entity that negotiated and executed those contracts and will utilize the existing personnel, facilities, equipment, and corporate knowledge currently within B&W NOG.
- B&W NOG will retain all of the assets it had possessed previously and will report up its corporate chain to the same parent company.
- Other than the corporate name changes, there will be no change in the ultimate or intermediate parent companies of B&W NOG. And no parent companies will be added or eliminated in B&W NOG's corporate chain of ownership.

¹ B&W recognizes that Naval Reactors holds contracts with Nuclear Fuel Services, Inc. (NFS). As a separate entity that will retain its existing name, the circumstance necessitating a name change under FAR 42.1203 and 42.1204 are inapplicable to NFS.

babcock & wilcox nuclear operations group, inc., a Babcock & Wilcox company

- Thus, there is no loss or transfer of B&W NOG company assets and the entities that have the power to control or influence B&W NOG will not change.

Based on discussions with the NRC and consistent with past practice, it is important to that Agency that they receive the same assurance concerning the continuation of the December 11, 2008 agreement concerning Decommission financial assurance. We request your action no later than May 28, 2015.

In consideration of these facts, the parties agree that --

The name change is accepted by the customer for all contracts under the jurisdiction of Naval Reactors Programs and the letter agreement is to confirm that the aforementioned Letter Agreement between B&W NOG and the DOE dated December 11, 2008 will not be impacted or subject to any "Default"

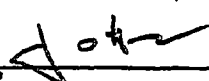
The DOE agrees with B&W NOG that the term of this Agreement is indefinite and that it will not terminate.

IN WITNESS WHEREOF, The parties hereby execute this Letter Agreement effective as of the date written above.

United States of America,

Babcock & Wilcox Nuclear Operations Group, Inc.,


Signature


Signature

By: Matthew Brott

By: Joseph G. Henry

Title: Manager, NRLFO
United States Department of Energy

Title: Chief Operating Officer
Babcock & Wilcox Nuclear Operations Group

Date 5/29/15

Date 15 MAY 2015

Enclosures: as Noted.

babcock & wilcox nuclear operations group, inc., a Babcock & Wilcox company