



BWX Technologies, Inc.

November 30, 2015
15-148

U.S. Nuclear Regulatory Commission
Office of Nuclear Material Safety & Safeguards
Attn: Document Control Desk
Washington, DC 20555-0001

Reference: SNM-42, Docket 70-27

Subject: Request to Amend SNM-42, Chapter 10, *Decommissioning*
Update of Decommissioning Cost Estimate

Dear Sir or Madam:

BWXT Nuclear Operations Group, Inc. (BWXT NOG) is submitting the revised Chapter 10 of the license application in accordance with 10 CFR 70.25(e). This proposed amendment updates the cost estimate required for financial assurance for decommissioning as required by SNM-42 10.4. The original decommissioning plan, accompanying cost estimate and assurances were prepared in accordance with NUREG 1727 and approved by the NRC. This amendment updates those cost estimates for the approved decommissioning plan as required by the license. NUREG 1757, which incorporates and updates NUREG 1727, has been regarded as appropriate in updating this cost estimate. Amendments to the current Letter of Credit, Standby Trust Agreement and Certificate of Financial Assurance will be revised and provided to NRC following NRC approval of this update to the Decommissioning Cost Estimate.

Enclosure 1 contains a revised SNM-42, License Application Chapter 10, *Decommissioning*.

The following changes to Chapter 10 are being submitted for approval:

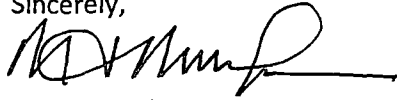
| Changes | Justification |
|---|--|
| 10.2.2.3: added sentence: Note: "No credit for salvage value is taken into account in any decommissioning cost estimates presented in this chapter." | Clarification based on RAI dates April 24, 2013 (TAC L33247). |
| Table 10.3: Revised cost estimates for Downblend and LTC. | These changes reflect the updated cost estimates required to be submitted by the licensee every three years. |
| 10.3.1, Financial Assurance for Naval Reactors Areas; Deleted reference to attestation document for previous name change and added reference to Letter of Agreement for most recent name change | Updating applicable name-change documents. |

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| 10.3.2, Financial Assurance for RTR Areas; Added reference to Letters of Acknowledgement for recent name change | Initial BOAs were written to B&W, Nuclear Operations Group, clarification of name change. |
| Appendix 10-2: Added Letter of Agreement on Decommissioning Costs and Name Change (current). Removed Letter of Attestation between site and DOE regarding previous name change. | Updating applicable name-change documents. |
| Appendix 10-3, Basis for Estimate, added sentence to 7 th bullet: "A 25% contingency factor is applied to the entire cost estimate as required by NUREG 1757 and would be applied to all costs including unforeseen management costs." | Clarification based on RAI dates April 24, 2013 (TAC L33247) |
| Appendix 10-3, Basis for Estimate, added sentences to 10 th bullet: Added significant detail to basis for cost estimate for shipping waste. | Clarification based on RAI dates April 24, 2013 (TAC L33247) |
| Appendix 10-3, final paragraph: updated cost estimate | These changes reflect the updated cost estimates required to be submitted by the licensee every three years. |
| Appendix 10-3, Tables 1 and 2: Updated costs throughout. | These changes reflect the updated cost estimates required to be submitted by the licensee every three years. |
| Appendix 10-4, Unrestricted Release: Changed sentence regarding Co-60 decay to: "It is estimated that in the year 2013, the Cobalt-60 had decayed to acceptable limits to allow unrestricted release at any time henceforth. | Clarification since the referenced year has passed. |
| Appendix 10-4, Decontamination: added significant detail on justification for approach to decontamination cost estimates. | Clarification based on RAI dates April 24, 2013 (TAC L33247). |
| Appendix 10-4: Replaced cost estimates with the newly updated costs throughout this Appendix | These changes reflect the updated cost estimates required to be submitted by the licensee every three years. |
| Appendix 10-5: Added letters Acknowledging B&W Nuclear Operations Group Name change to BWXT nuclear Operations Group for applicable BOAs | Initial BOAs were written to B&W, Nuclear Operations Group, clarification of name change. |

Enclosure 1 contains multiple pages with commercial and financial proprietary information of a type described in 10 CFR 9.17(a)(4), and also contains proprietary contractual information per contract with the U. S. Department of Energy. Therefore, these pages should be withheld from public disclosure under 10 CFR 2.390, and have been appropriately marked per 10 CFR 2.390. However, BWXT NOG has provided as **Enclosure 2** a redacted copy for public disclosure purposes. An affidavit from Mr. Burton Joel Burch is included as **Enclosure 3** for withholding under 10 CFR 2.390. Please note that **Enclosure 3** contains Personally Identifiable Information and should also be withheld under 10 CFR 2.390.

If you have questions or require additional information, please contact Chris Terry, Manager of Licensing and Safety Analysis, at cterry@bwxt.com or 434-522-5202.

Sincerely,



B. Joel Burch
Vice President and General Manager
BWXT Nuclear Operations Group, Inc. – Lynchburg

Enclosures

cc: NRC, Resident Inspector
NRC, M Baker, Senior Project Manager
NRC, E Michel, Region II

List of Enclosures

Enclosure 1 - Revised SNM-42 License Application Chapter 10, Decommissioning

Enclosure 2 - Revised SNM-42 License Application Chapter 10, Decommissioning (redacted copy)

Enclosure 3 - Affidavit from Mr. Joel Burch