



BWX Technologies, Inc.

July 14, 2016
16-048

Attn: Document Control Desk
Mr. Merritt N. Baker, Senior Project Manager
Division of Fuel Cycle Safety, Safeguards, and Environmental Review, NMSS
U.S. Nuclear Regulatory Commission
Washington D.C. 20555-0001

- References:
- (1) License No. SNM-42, Docket 70-27
 - (2) Letter dated November 30, 2015, BWXT (Burch) to NRC (Document Control Desk), Revision 8 to SNM-42 Chapter 10, Decommissioning. Update to Decommissioning Cost Estimate
 - (3) Letter dated February 08, 2016, Baker (NRC) to C.Terry (BWXT NOG), Acceptance and Request for Additional Information Concerning Request to Amend Chapter 10, Decommissioning (TAC L33397)
 - (4) E-mail dated April 5, 2016, Baker (NRC) to Johnson (BWXT NOG), Granting Request for Extension on Response to RAI (TAC L33397)

Subject: Reply to Request for Additional Information (TAC L33397)

Dear Sir:

BWXT Nuclear Operations Group, Inc.- Lynchburg, Va. (BWXT NOG-L), is providing its response to the NRC's request for additional information (RAI) that was submitted in the NRC's February 08, 2016 letter (Reference 3). Our response can be found in Enclosure 1. In addition, BWXT NOG is further revising the Chapter 10 submittal to incorporate RAI concerns. The revised Chapter 10 is attached as Enclosure 2.

Enclosures 1,3, & 4 contain commercial and financial proprietary information of a type described in 10 CFR 9.17(a)(4), and also contain proprietary contractual information per contract with the U. S. Department of Energy. Therefore, these enclosures should be withheld from public disclosure under 10 CFR 2.390, and have been appropriately marked per 10 CFR 2.390. An affidavit from Mr. B. Joel Burch is included as Enclosure 5 for withholding under 10 CFR 2.390. Please note that Enclosure 2 contains information considered Official Use Only and Enclosure 5 contains Personally Identifiable Information and should also be withheld under 10 CFR 2.390.

The Lynchburg Technology Center (LTC) Decommissioning Cost Estimate is provided as Enclosure 3 for reference only. It is not intended to be included in the revised SNM-42 Chapter 10 submittal.

A draft Standby Trust Agreement (STA) is provided as Enclosure 4 which reflects a new bank and updated values based on the revised Chapter 10 submittal (Enclosure 2). It is not intended to be included in the revised SNM-42 Chapter 10 submittal.

Document transmitted
contains OOU information

The following changes to Chapter 10 are being submitted for approval. These changes include the original submittal on 11/30/2015 and clarifications based on RAI dated February 8, 2016 (TAC L33397).

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 dated 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. In addition, included clarification based on RAI dated February 8, 2016 (TAC L33397).
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.
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 5 th bullet	Clarification based on RAI dated February 8, 2016 (TAC L33397).
Appendix 10-3, Basis for Estimate, added sentence to 8 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 dated April 24, 2013 (TAC L33247)
Appendix 10-3, Basis for Estimate, added 9 th bullet	Clarification based on RAI dated February 8, 2016 (TAC L33397).
Appendix 10-3, Basis for Estimate, added sentence to 10 th bullet	Clarification based on RAI dated February 8, 2016 (TAC L33397).
Appendix 10-3, Basis for Estimate, added sentences to 11 th bullet: Added significant detail to basis for cost estimate for shipping waste.	Clarification based on RAI dated 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. In addition, included update based on RAI dated February 8, 2016 (TAC L33397).
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. In addition, included update based on RAI dated February 8, 2016 (TAC L33397).
Appendix 10-4, Yard and Underground Services: Changed acronym in first sentence from LRC to LTC.	Clarification to reflect new name of facility.



Changes	Justification
Appendix 10-4, Soil Remediation: Changed acronym in first sentence of last paragraph from LRC to LTC.	Clarification to reflect new name of facility.
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. Also, changed acronym in first sentence from LRC to LTC.	Clarification since the referenced year has passed. Clarification to reflect new name of facility.
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, Labor Rates: Added labor rates with the newly updated costs.	These changes reflect the updated cost estimates required to be submitted by the licensee every three years. In addition, included update based on RAI dated February 8, 2016 (TAC L33397).
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. In addition, included update based on RAI dated February 8, 2016 (TAC L33397).
Appendix 10-5: Added letters acknowledging B&W Nuclear Operations Group Name change to BWXT nuclear Operations Group for applicable BOAs. Also, added amendments to Blanket Master Contract to reflect new completion dates.	Initial BOAs were written to B&W, Nuclear Operations Group, clarification of name change. Also, Amendments were approved to extend coverage of Battelle-paid decommissioning costs.

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, Region II
 NRC, Resident Inspector

ENCLOSURE 5

Affidavit from Mr. B. Joel Burch

AFFIDAVIT OF BURTON JOEL BURCH

STATE OF VIRGINIA)
)
COUNTY OF CAMPBELL)

I, BURTON JOEL BURCH, being duly sworn, do hereby depose and say:

1. I am citizen of the United States of America. I am a resident of Lynchburg, Virginia. My birth date is June 8, 1959.

2. I am presently employed by BWXT in Lynchburg, Virginia. I am the General Manager of the Nuclear Operations Group (NOG). I have held this position since July 1, 2012. I have personal knowledge of the facts set forth in this affidavit, and if called and sworn as a witness in a deposition or before any court, I could and would testify competently under oath to these facts.

3. BWXT Nuclear Operations Group (BWXT NOG) requests that the U.S. Nuclear Regulatory Commission (NRC) withhold the following enclosures from public disclosure in accordance with the provisions of 10 CFR 2.390;

- Enclosure 3: Cost Estimate for the Decommissioning of Building B and Other Area at the Lynchburg Technology Center (LTC) in its entirety.
- Enclosure 4: Draft Standby Trust Agreement in its entirety.

4. BWXT NOG requests that the NRC publish a redacted version of SNM- 42, Chapter 10, Decommissioning and not publish at all Enclosure 3 and Enclosure 4. This request is made to protect commercial and financial information that could be of great value to our competitors and may result in the loss of a competitive advantage. A redacted version will also protect contractual

information per the contract with the U.S. Department of Energy. The public disclosure of the information contained in the document(s) cited above is likely to cause substantial economic harm to the competitive advantage held by BWXT Nuclear Operations Group, Inc. and potentially violates contractual agreements with the U.S. Department of Energy.

5. The information contained in the documents described above has been held in confidence by BWXT Nuclear Operations Group, Inc. in that it is commercial and financial information as specified in Title 10 Code of Federal Regulations, Part 2.390(a) and proprietary contractual information as specified by contracts with the U.S. Department of Energy. Regarding the Enclosures, the top of the first page of each document and the top of each page containing such information is marked "Proprietary information – Withhold under 10 CFR 2.390" or just "Proprietary" in accordance with 10 CFR 2.390(b)(1)(i)(A). The Enclosures are to be held in their entirety. The basis for requesting that this document be withheld from public disclosure is explicitly marked on the top of the document in accordance with 10 CFR 2.390(b)(1)(i)(A). By handling this proprietary information in accordance with 10 CFR 2.390, the confidential nature of the information can be maintained and yet provide the NRC with the information in a form that can be conveniently handled within the agency.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is a true and correct statement of facts.

Burton Joel Burch
Burton Joel Burch

Subscribed and sworn to before me this 1st day of July 2016.

Christopher Todd Terry
Notary Public

My commission expires: 1-31-2020

