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BWX Technologies, Inc.

November 2 2018  
18-061

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. - Lynchburg (BWXT NOG-L) 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 while updating this cost estimate. Amendments to the current Surety Bond, 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.

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

Changes	Justification
Table 10.3 (pg. 10-5): Revised cost estimates for Downblend and LTC.	These changes reflect the updated cost estimates required to be submitted by the licensee every three years.
Appendix 10-3, 1 <sup>st</sup> & 2 <sup>nd</sup> bullet (pg. 10-18): updated labor rates used in estimate	These changes reflect the updated cost estimates required to be submitted by the licensee every three years.
Appendix 10-3, final paragraph (pg. 10-18): 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 (pgs. 10-19 through 10-22): Updated costs throughout.	These changes reflect the updated cost estimates required to be submitted by the licensee every three years.
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.

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There are four enclosures being provided with this submittal. As required, Enclosure 1 includes the adjusted Decommissioning Funding Plan as documented in Chapter 10 to the BWXT license SNM-42 accounting for changes in costs and extent of contamination. Enclosure 2, 3, & 4 are being provided to address past questions that have been generated as a result of previous DCE submittals. It is the intent that the information provided will allow the NRC to complete the review of the 2018 DCE submittal without the need of an extended RAI and response cycle.

**Enclosure 1** contains a revised SNM-42, License Application Chapter 10, *Decommissioning*. It consists of commercial and financial proprietary information, as well as proprietary contractual information, which is of a type described in DOE G 471.3-1 and 10 CFR 9.17(a)(4). Enclosure 1 has been designate as Official Use Only.

**Enclosure 2** contains the BWXT NOG-L *Response to NRC Request for Additional Information* (RAI) as provided in letter dated July 14, 2016. This information supplemented the 2015 BWXT Decommissioning Cost Estimate (DCE) submittal and addressed specific NUREG 1757-based inquiries discussed in letter from NRC (Baker) to BWXT (Burch) dated February 8, 2016. BWXT anticipates similar type questions may arise during the NRC review of the 2018 BWXT DCE, so the information is being resubmitted to inform the review process. The enclosure describes BWXT's processes and approach to the DCE which are not explicitly expressed in Chapter 10 of SNM-42. Any market-based values that were conveyed during the 2015 BWXT response, such as labor rates, were updated in the 2018 submittal; however, there have been no changes to the methodology or justification of the BWXT process. BWXT NOG-L is also providing in this enclosure a draft copy of the intended updates to the Standby Trust Agreement (STA) and the Surety Bond reflecting the new values for 2018.

Enclosure 2 also consists of commercial and financial proprietary information, as well as proprietary contractual information, which is of a type described in DOE G 471.3-1 and 10 CFR 9.17(a)(4). Enclosure 1 has been designate as Official Use Only.

**Enclosure 3** contains the BWXT NOG-L *Additional DCE RAI Resolution Provided During the 2015 Submittal Process*. The information was communicated to the NRC during the 2015 DCE RAI resolution process. The NRC team reviewing the DCE had follow-on questions after BWXT submitted its response to the original 2015 RAI. Additional information to resolve those follow-on questions was delivered via email to the NRC Project Manager on October 18, 2016, who then promulgated the information to affected NRC parties. While some of the conversational portions have been omitted for brevity and conciseness, all directly applicable text is being provided in this enclosure.

Please note that all the statements presented during this additional response to the 2015 RAI continue to be true and apply to the 2018 submittal. There have been no changes to the methodology or justification of the BWXT process.

**Enclosure 4** contains a revised *Cost Estimate for the Decommissioning Of Building B and Other Areas at The Lynchburg Technology Center (LTC) (Rev. 11)*. It consists of commercial and financial proprietary information, as well as proprietary contractual information, which is of a type described in DOE G 471.3-1 and 10 CFR 9.17(a)(4). Enclosure 4 has been designate as Official Use Only. **Enclosure 4 is provided for information purposes only.** It is not intended to be included in the revised SNM-42 Chapter 10 submittal.

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

Sincerely,



David C. Ward  
Environment, Safety, Health & Safeguards Manager  
BWXT Nuclear Operations Group, Inc., Lynchburg

Enclosures

cc: NRC, Resident Inspector (Cover Letter Only)  
NRC, M Baker, Senior Project Manager (Cover Letter Only)  
NRC, E Michel, Region II

# BWXT

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