

DOCKET NUMBER: 70-143
LICENSE NUMBER: SNM-124
LICENSEE: NUCLEAR FUEL SERVICES, INC.
SUBJECT: TECHNICAL EVALUATION REPORT REGARDING 2018
DECOMMISSIONING COST ESTIMATE, ERWIN SITE

1.0 BACKGROUND

Nuclear facilities licensed under Title 10 of the *Code of Federal Regulations* (10 CFR), Part 70, are required to provide adequate financial assurance for decommissioning, decontamination, and reclamation pursuant to 10 CFR 70.25, "Financial Assurance and Recordkeeping for Decommissioning." Nuclear Fuel Services, Inc. (NFS or the licensee) is a holder of Special Nuclear Material License - 124. Pursuant to 10 CFR 70.25(e)(2), NFS is required to submit the decommissioning funding plan and financial assurance every three years for the U.S. Nuclear Regulatory Commission (NRC) review and approval to account for changes in costs and the extent of contamination.

By letter dated November 30, 2018 [Agencywide Document Access and Management System (ADAMS) Accession Number ML18341A244], NFS submitted its 2018 decommissioning cost estimate (DCE) (ADAMS Accession Number ML18341A249) for its Erwin site, as required by 10 CFR 70.25(e).

The NRC staff utilizes NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance Financial Assurance, Recordkeeping, and Timeliness" as guidance to evaluate the decommissioning funding plans submitted by 10 CFR 70 licensees.

2.0 REGULATORY REQUIREMENTS

NFS remains responsible for the current status and future decommissioning of the licensed site and facility; will continue to abide by all commitments and representations previously made to NRC; and will continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the license. Additionally, as required by 10 CFR 70.25(e), NFS must continue to submit an updated cost estimate for decommissioning for NRC's review at intervals not to exceed three years. After resolution of any NRC comments on the estimate, NFS must submit signed originals of the financial instruments reflecting an amount sufficient to cover the approved cost estimate. NFS remains liable for any decommissioning costs not covered by the financial instruments referenced above.

3.0 STAFF EVALUATION

NFS's 2018 DCE submittal updates NFS's 2015 DCE submittal, as transmitted by letter dated November 30, 2015 (ADAMS Accession Number ML15344A067), which was reviewed and approved by the NRC on September 16, 2016 (ADAMS Accession Number ML16252A377).

Enclosure

In its submittal dated November 30, 2018, NFS proposed a DCE of \$394 million which is a decrease of approximately \$20 million over its previous cost estimate (i.e., 2015 DCE) of \$414 million.

By letter dated March 28, 2019 (ADAMS Accession Number ML19079A226), the staff sent a request for additional information (RAI) pertaining to the 2018 DCE. The RAI requested clarification for the following two main areas: 1) miscellaneous costs and 2) transportation costs. By letter dated April 25, 2019 (ADAMS Accession Number ML19122A392), NFS responded to the staff's RAI. Upon review of the licensee's RAI response, the staff found the DCE acceptable as it meets the regulatory requirements of 10 CFR 70.25(e). Specifically, NFS submitted a detailed cost estimate for decommissioning which: 1) reflects the cost of an independent contractor to perform decommissioning activities; 2) is primarily based on unrestricted use; 3) includes an adequate contingency factor; and 4) identifies and provides justification for key assumptions.

Further, the following has been updated since the last DCE:

- Spills of radioactive material

The licensee has stated in the subject DCE, "No spills of radioactive material producing additional residual radioactivity in onsite subsurface material have been documented."

- Waste inventory increases

The licensee has stated in the subject DCE, "Waste inventory is less than 1 % different than the 2015 waste inventory cost estimate."

- Waste disposal costs increases

The licensee has stated in the subject DCE, "Waste disposal costs have decreased by less than 1 % since the 2015 decommissioning cost estimate."

- Facility modifications

The licensee has stated in the subject DCE, "The former BLEU Facility (the Joint Venture) has been decommissioned" and "The Groundwater Treatment Facility has been decommissioned."

- Changes in authorized possession limits

The licensee has stated in the subject DCE, "There have been no changes in authorized possession limits."

- Actual remediation costs that exceed the previous cost estimate

The licensee has stated in the subject DCE, "There are no remediation costs that exceed the previous cost estimate."

- Onsite disposal

The licensee has stated in the subject DCE, "There has been no onsite disposal."

- Use of a settling pond

The licensee has stated in the subject DCE, "There is no use of a settling pond."

4.0 CONCLUSION

Based on the review of the November 30, 2018, DCE submittal and the April 25, 2019, responses to the staff's RAI, the NRC staff finds that the submitted DCE is based on reasonable and documented assumptions, and that it reasonably estimates the cost, at this time, to decommission the facility. Accordingly, the staff considers that the NFS 2018 DCE satisfies the requirements of 10 CFR 70.25(e) and is consistent with NUREG-1757, Volume 3, Rev. 1. Therefore, the staff concludes that NFS's 2018 DCE of \$393,559,000 is acceptable. NFS shall appropriately revise its financial assurance mechanisms and Certification of Financial Assurance and submit them for NRC review within 30 days from the staff's approval date of the 2018 DCE.

The staff concludes that there is reasonable assurance that the proposed 2018 DCE would continue to provide adequate protection of public health, safety, safeguards, security, and the protection of the environment. Therefore, the staff finds that the proposed update is acceptable and meets the regulatory requirements to provide financial assurance, as set forth in 10 CFR 70.25(e). The licensee remains liable for any costs not covered by the financial instruments.

5.0 PRINCIPAL CONTRIBUTORS

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