



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 5, 2019

Mr. Chris T. Terry, Manager
Licensing and Safety Analysis
BWXT Nuclear Operations Group, Inc.
P.O. Box 785
Lynchburg, VA 24505

SUBJECT: BWXT NUCLEAR OPERATION GROUP, INC. INTERIM APPROVAL OF
CHAPTER 10, DECOMMISSIONING (ENTERPRISE PROJECT IDENTIFIER
L-2018-LLA-0312)

Dear Mr. Terry:

We have reviewed your updated decommissioning cost estimate submitted by letter dated November 2, 2018 (Agencywide Document Access and Management System (ADAMS) Number ML18320A096) and supplemented by letter dated July 18, 2019 (ADAMS Accession Number ML19204A270). We approve the updated estimate of \$36.7 million for the cost of decommissioning. Specifically, we find that the cost estimate is based on reasonable and documented assumptions, it is based on the costs of a third-party contractor, it does not take credit for any salvage value, it includes a 25 percent contingency factor and it adequately estimates the cost to carry out required decommissioning activities before license termination. We request that you submit the following documents within 30 days of the date of this letter:

- Signed originals of the financial instruments that guarantee the funds,
- An updated certification of financial assurance, and
- A finalized and dated copy of Chapter 10.

Although we found your overall cost estimate acceptable, our independent evaluation noted several differences in the unit costs. Examples are provided in Enclosure 1. In addition, the U.S. Department of Energy is making progress on the disposal of Greater Than Class C waste which may change the cost estimates for waste disposal. We request that you rebaseline your unit costs when you prepare the next update to your cost estimate.

Your submittal was assigned Enterprise Project Identifier (EPID) L-2018-LLA-0312. The EPID is considered **CLOSED**. A new EPID will be assigned for the review and approval of the documents discussed above. Our Safety Evaluation Report is provided in Enclosure 2.

In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390, "Public inspections, exemptions, requests for withholding," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from ADAMS. ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions concerning this letter, please contact me at (301) 415-7506, or via e-mail to Kevin.Ramsey@nrc.gov.

Sincerely,

/RA/

Kevin M. Ramsey, Senior Project Manager
Fuel Facility Licensing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-27
License No. SNM-42

Enclosures:

1. Unit Cost Analysis
2. Safety Evaluation Report

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DATED: September 5, 2019

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ADAMS Accession Numbers: ML19238A262 (P), ML19238A270 (L), ML19238A268 (Encl. 1),
ML19238A269 (Encl. 2) via email

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