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RELATED CORRESPONDENCE

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	Docket No. 70-3070-ML	'94 MAR 28 A11:24
)		
LOUISIANA ENERGY SERVICES, L.P.)	ASLBP No. 91-641-02-ML	OFFICE OF SECRETARY
)		DOCKETING & SERVICE
(Claiborne Enrichment Center)	(Special Nuclear	BRANCH
<hr/>)	Materials License)	

3/24/94 INTERROGATORIES AND REQUEST FOR PRODUCTION
OF DOCUMENTS FILED BY CITIZENS AGAINST NUCLEAR TRASH
AND DIRECTED TO LOUISIANA ENERGY SERVICES, L.P.
PERTAINING TO CONTENTIONS B, H, AND Q

Intervenor, Citizen's Against Nuclear Trash ("CANT"), hereby requests that Louisiana Energy Services, L.P. ("LES") answer these interrogatories separately, fully, in writing, and under oath within 14 days after service of this request. CANT also requests that LES submit a written response to this request for production of documents and provide access for inspection and photocopying by undersigned counsel of the following described documents, within thirty (30) days after service of this request.

I.

INSTRUCTIONS

Each of the following requests is a continuing one pursuant to 10 C.F.R. § 2.740(e) and CANT hereby demands that, in the event that any later date LES obtains or discovers any additional information which is responsive to these interrogatories and this request for production of documents, LES shall supplement its responses to this request promptly and sufficiently in advance of trial.

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Such supplementation shall include, but not be limited to:

A) the identity and location of persons having knowledge of discoverable matters;

B) the identity of each person expected to be called as an expert witness at any hearing, the subject matter on which he is expected to testify, and the substance of his testimony; and

C) new information which makes any response hereto incorrect.

If you object to or refuse to answer any interrogatory under a claim of privilege, immunity, or for any other reason, please indicate the basis for asserting the objection, privilege, immunity, or other reason, the person on whose behalf the objection, privilege, immunity, or other reason is asserted, and described the factual basis for asserting the objection, privilege, immunity, or other reason in sufficient detail so as to permit the administrative judges in this matter to ascertain the validity of such assertion.

If you withhold any document covered by this request under a claim of privilege, immunity, or for any other reason, please furnish a list identifying each document for which the privilege, immunity, or other reason is asserted, together with the following information: date, author, recipient, persons to whom copies were furnished and the job title of any such persons, the subject matter of the documents, the basis for asserting the privilege, immunity, or other reason, and the name of the person on whose behalf the privilege, immunity, or other reason is asserted.

II.

DEFINITIONS

Each of the following definitions, unless otherwise indicated, applies to and shall be a part of each interrogatory and request for production which follows:

1. "LES," "you," and "your" refers to Louisiana Energy Services, L.P. and, in those instances where information necessary to respond to an interrogatory is not within the body of knowledge possessed by LES or where documentation necessary to respond to a request for production of documents is not in LES's possession or under its control, but is within the body of knowledge possessed by LES's partners or is within the possession or under the control of LES's partners, then "LES," "you," and "your" also refers to all of LES's partners, employees, agents, contractors, or any other representatives .

2. The term "documents" means the originals as well as copies of all written, printed, typed, recorded, graphic, photographic, and sound reproduction matter however produced or reproduced and wherever located, over which you have custody or control or over which you have the ultimate right to custody or control. By way of illustration, but not limited thereto, said term includes: records, correspondence, telegrams, telexes, wiring instructions, diaries, notes, interoffice and intraoffice communications, minutes of meetings, instructions, reports, demands, memoranda, data, schedules, notices, recordings, analyses, sketches, manuals, brochures, telephone minutes, calendars,

accounting ledgers, invoices, charts, working papers, computer tapes, computer printout sheets, information stored in computers or other data storage or processing equipment, microfilm, microfiche, corporate minutes, blueprints, drawings, contracts and any other agreements, rough drafts, and all other writings and papers similar to any of the foregoing, however designated by you. If the document has been prepared and several copies or additional copies have been made that are not identical (or are no longer identical by reason of the subsequent addition of notations or other modifications), each non-identical copy is to be construed as a separate document.

3. The words "describe" or "identify" shall have the following meanings:

- a. In connection with a person, the words "describe" or "identify" mean to state the name, last known home and business address, last known home and business telephone number, and last known place of employment and job title;
- b. In connection with a document, the words "describe" or "identify" mean to give a description of each document sufficient to uniquely identify it among all of the documents related to this matter, including, but not limited to, the name of the author of the document, the date, title, caption, or other style by which the document is headed, the name of each person and entity which is a signatory to the document, the date on which the document was prepared, signed, and/or executed, the person or persons having possession and/or copies thereof, the person or persons to whom the document was sent, all persons who reviewed the document, the substance and nature of the document, the present custodian of the document, and any other information necessary to adequately identify the document;
- c. In connection with any activity, occurrence, or communication, the words "describe" or "identify"

mean to describe the activity, occurrence, or communication, the date of its occurrence, the identity of each person alleged to have had any involvement with or knowledge of the activity, occurrence, or communication, and any document recording or documenting such activity, occurrence, or communication.

4. "CEC" shall mean the Claiborne Enrichment Center proposed for Claiborne Parish, Louisiana.

5. The word "person" shall include any individual, association, corporation, partnership, joint venture, or any other business or legal entity.

6. Words herein of any gender include all other genders, and the singular form of words encompasses the plural.

7. The words "and" and "or" include the conjunctive "and" as well as the disjunctive "or" and the words "and/or".

8. The discovery sought by this request encompasses material contained in, or which might be derived or ascertained from, the personal files of LES employees, representatives, investigators, and agents.

III.

GENERAL INTERROGATORIES

INTERROGATORY NO. G-1:

State the name, business address, and job title of each person who was consulted and/or who supplied information for the answers to these interrogatories and this request for production of documents, and specifically note for which interrogatories and which requests for production each such person was consulted and/or supplied information.

If the information or opinions of anyone who was consulted in connection with your response to this discovery request differs from your written answers to this discovery request, please describe in detail the differing information or opinions, and indicate why such differing information or opinions are not your official position as expressed in your written answers to this discovery request.

IV.

SPECIFIC INTERROGATORIES

INTERROGATORY NO. B-1:

Describe the actual and potential processes that have been considered to convert the DUF6 tails from the CEC facility to U308, and include a discussion of the projected time it will take for such processing to be accomplished and the converted tails then shipped to the location of ultimate disposal.

INTERROGATORY NO. B-2:

Identify each actual and potential arrangement, including arrangements with third parties, for accomplishing such conversion which you have considered.

INTERROGATORY NO. B-3:

Describe all actual and/or potential locations that have been considered for the conversion of the DUF6 tails to U308.

INTERROGATORY NO. B-4:

Describe each actual and/or potential place where the DUF6 tails which have been converted to U308 will be stored and/or

disposed, and indicate the period of time that the tails will be stored and/or disposed at each such location.

INTERROGATORY NO. B-5:

Describe the methods and/or procedures to be employed in order to set aside the requisite funds during operation of the CEC to cover the cost of converting the DUF6 tails to U308, and shipping them to the location of ultimate disposal.

INTERROGATORY NO. B-6:

Indicate whether there will be a line item in the CEC operating budget for saving or setting aside sufficient funds for the costs of conversion and ultimate disposal of the DUF6 tails.

INTERROGATORY NO. B-7:

Describe where funding for the conversion of the DUF6 tails to U308, and for the ultimate disposal of such tails, will come from if the CEC facility experiences revenue shortfalls and/or ends up bankrupt during the term of its operating license.

INTERROGATORY NO. B-8:

Explain each basis for your position that the cost of converting the DUF6 tails to U308, and the cost for the ultimate disposal of such tails, is an operating expense rather than a decommissioning cost, and include in your explanation a description of how the cost for tails conversion and disposal will be funded if the CEC facility experiences revenue shortfalls and/or ends up bankrupt during the term of its operating license.

INTERROGATORY NO. B-9:

If the CEC is forced to liquidate in bankruptcy before its operating license terminates and before all DUF6 tails have been converted to U308 and ultimately disposed of, do you agree that the costs of such tails conversion and disposal will be decommissioning costs? If you do not agree, please describe your reasons in detail.

INTERROGATORY NO. H-1:

Indicate whether (and where) you intend to have offsite warning sirens in the area of the CEC facility to be utilized in case of emergencies and accidents, and if you do not intend to have such sirens, explain your reasons for not doing so.

INTERROGATORY NO. Q-1:

In response to question 5 of attachment B to the May 1, 1992, LES Letter to the NRC Staff regarding financial qualifications, LES indicates that "construction and term debt will be raised from a consortium of major, international project lending banks familiar to the LES partners." Please identify these lending banks, and indicate the projected date for financial closing. Please describe all evidence (such as letters of credit or other proof) that LES and its partners have "sufficiently strong relationships with major lending institutions" to obtain financing for this project, and indicate the status of actual commitments from such institutions to fund the CEC project.

INTERROGATORY NO. Q-2:

Describe the commitment of each entity in the LES partnership to remain a partner during the 30 year license period, and include a discussion of all representations made by such entities to any party about their actual or potential departure from the partnership.

INTERROGATORY NO. Q-3:

With regard to question 2 of attachment B to the May 1, 1992, LES Letter to the NRC Staff regarding financial qualifications, please describe all evidence of the ability and willingness of the remaining limited partners to "provide the necessary equity and appropriate debt" if some limited partners elect not to invest additional capital at the time of construction.

INTERROGATORY NO. Q-4:

Describe in detail all actual and/or potential contracts to sell the enriched uranium to be produced at the CEC facility.

INTERROGATORY NO. Q-5:

Indicate whether and when you have and/or intend to seek permission to recover any costs associated with the licensing of CEC facility from the rate base of any of the entities who are members of the LES partnership.

INTERROGATORY NO. Q-6:

With regard to question 2 of attachment B to the May 1, 1992, LES Letter to the NRC Staff regarding financial qualifications, please indicate if the "new infusions by limited partners" have irrevocably been committed to, and give details.

INTERROGATORY NO. Q-7:

Please describe how market conditions at the time of CEC plant start-up, and conditions reasonably projected for the life of the plant, would impact the financial health of LES. In such a description, consider all relevant factors, including, but not limited to, the following:

the shrinking market for SWU services, as evidenced in the recent past by the permanent shutdowns of the Yankee Rowe, San Onofre-1 and Trojan reactors;

the projection by Shearson Lehman Brothers that as many as 25 nuclear reactors will be shut down by the year 2000;

the effect of President Clinton's campaign pronouncement that "no new nuclear reactors should be built" pending adequate proof of economic viability and progress on radioactive waste storage;

the effect of President Clinton's proposed slashing of the nuclear power research and development budget, and his statement in the State of the Union address that unnecessary programs "such as nuclear power research and development will be eliminated" from the federal budget;

the recent contract between Russia and the United States which requires the United States to buy weapons grade enriched uranium (at a very cheap price) from the former U.S.S.R. and downgrade the uranium to a level of enrichment required by American domestic nuclear reactors;

reports that an agreement similar to the contract between the United States and Russia is also being considered with South Africa;

the fact that the United States itself already has on hand an abundance of weapons grade uranium which it intends to downgrade for sale to nuclear power plants; and

the effects of the NRC's stalled license renewal plan for LES's potential market over the next 30 years.

INTERROGATORY NO. Q-8:

According to the response to question 3 of attachment B to the May 1, 1992, LES Letter to the NRC Staff regarding financial

qualifications, LES apparently plans to "employ less [than 100%] leverage in the construction phase to reduce capitalized interest." Please indicate projected figures, and explain the basis for believing that LES can pay for less than 100% leverage, given LES' balance sheet which indicates cash reserves of only \$24,067 (12/31/90) and deferred start-up costs of only \$16,799,993 (12/31/90). Also discuss how LES plans to leverage assets of less than 5% of construction costs, and cash of less than 0.01% of such costs into cash sufficient to pay for a potentially billion-dollar facility.

V.

REQUEST FOR PRODUCTION OF DOCUMENTS

REQUEST FOR PRODUCTION NO. 1:

Current financial statements, balance sheets, and auditors' reports for all entities that are partners in the LES partnership.

REQUEST FOR PRODUCTION NO. 2:

Each and every document which pertains in any way to actual and/or potential plans to convert the CEC's DUF6 tails to U308, and the ultimate disposal plan for such tails.

REQUEST FOR PRODUCTION NO. 3:

Each and every document to which you refer in your answers to the foregoing interrogatories, as well as each and every document which you consulted in preparing your answers to the foregoing interrogatories.

Respectfully submitted,

SIERRA CLUB LEGAL DEFENSE FUND, INC.
400 Magazine Street, Suite 401
New Orleans, Louisiana 70130
Telephone: (504) 522-1394

By: Nathalie M. Walker
Nathalie M. Walker

March 24, 1994.

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

DOCKETED
USNRC

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of) Docket No. 70-3070-ML
)
LOUISIANA ENERGY SERVICES, L.P.) ASLBP No. 91-641-02-011
) OFFICE OF SECRETARY
(Claiborne Enrichment Center) (Special Nuclear DOCKETING & SERVICE
) Materials License) BRANCH

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CERTIFICATE OF SERVICE

I hereby certify that copies of "3/24/94 INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS FILED BY CITIZENS AGAINST NUCLEAR TRASH AND DIRECTED TO LOUISIANA ENERGY SERVICES, L.P. PERTAINING TO CONTENTION B, H, and Q" have been served on this 24th day of March, 1994 as follows:

Administrative Judge) By first class mail
Morton B. Margulies, Chairman) 2 copies
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Administrative Judge) By first class mail
Richard F. Cole) 1 copy
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Service Section

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Respectfully submitted,

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By: Nathalie M. Walker
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Attorneys for intervenor,
Citizens Against Nuclear Trash

March 24, 1994.