

## SAFETY EVALUATION REPORT

DOCKET NUMBER: 70-1257

LICENSE NUMBER: SNM-1227

LICENSEE: Framatome, Inc.

SUBJECT: FRAMATOME, INC., AMENDMENT 16 – TRIENNIAL UPDATE TO  
DECOMMISSIONING FUNDING PLAN

### 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 Section 70.25, “Financial assurance and recordkeeping for decommissioning.” Framatome, Inc. (Framatome or the licensee) is the holder of Special Nuclear Material License Number SNM-1227. Pursuant to 10 CFR Paragraph 70.25(e)(2), Framatome is required to submit an updated decommissioning funding plan (DFP) and financial assurance at least every 3 years for U.S. Nuclear Regulatory Commission’s (NRC) review and approval.

By letter dated January 28, 2021 (Agencywide Documents Access Management System [ADAMS] Accession Number ML21028A753), Framatome submitted an updated decommissioning cost estimate (DCE) for its Richland Facility. The NRC staff accepted Framatome’s submittal by letter dated March 17, 2021 (ADAMS Accession Number ML21074A022) and proceeded to conduct its detailed review. By letter dated April 30, 2021 (ADAMS Accession Number ML21116A141), the NRC staff issued a request for additional information requesting Framatome to provide information that was necessary before final action could be taken. By letter dated June 8, 2020 (ADAMS Accession Number ML21159A159), Framatome provided its response to the NRC staff’s request.

### 2.0 REGULATORY REQUIREMENTS

As required by 10 CFR 70.25(e)(2), Framatome must continue to submit an updated cost estimate for decommissioning for NRC’s review at intervals not to exceed 3 years. After resolution of any NRC staff comments on the estimate, Framatome must submit a signed original of the financial instrument reflecting an amount sufficient to cover the approved cost estimate. Framatome remains responsible for the current status and future decommissioning of the licensed site and facility, and for abiding by all commitments and representations previously made to the NRC. Framatome must abide by all constraints, conditions, requirements, representations, and commitments identified in the license.

### 3.0 REGULATORY GUIDANCE

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

Enclosure 1

#### 4.0 NRC STAFF EVALUATION

The NRC staff approved Framatome’s previous DCE by letter dated July 9, 2018 (ADAMS Accession Number ML18186A236) in the amount of \$66,425,800. Framatome’s 2021 DCE is in the amount of \$81,192,462, which is a \$14,756,662 increase over its previously approved cost estimate.

In its submittal, Framatome stated that the DFP and associated decommissioning cost estimate had been prepared in accordance with the requirements of 10 CFR 70.25 and the guidance provided in NUREG-1757, Vol. 3, Rev. 1, “Consolidated NMSS Decommissioning Guidance – Financial Assurance, Recordkeeping, and Timeliness.”

The NRC staff noted that, in Section 2 of the updated DFP, Framatome provided justification for the key assumptions used in the preparation of the DFP and cost estimate for the decommissioning of their Richland Facility. In addition, the NRC staff noted that, in Table 7 of its 2021 DCE, Framatome provided the cost to perform decommissioning activities based on the billing rates (wages, benefits, overheads, and profits) from State of Washington-based third-party contractors. Framatome also based its DCE on unrestricted use and used a contingency factor to estimate the total decommissioning costs. The NRC staff also noted that, in accordance with the requirements in 10 CFR 70.25(e)(2), Framatome considered the effect of the following events on its decommissioning costs:

1. Spills of radioactive material

Framatome stated that, “No spills that will impact decommissioning costs have occurred. The few very minor unplanned contamination events since the last update have been cleaned up to release limits and any contaminated soil or asphalt was packaged into waste drums.”

2. Waste inventory increases

Framatome has updated Table 26 in the DCE to reflect current waste inventory.

3. Waste disposal costs increases

Framatome has updated its disposal costs since the last DCE update to reflect recent quotes. The estimated disposal costs are primarily due to increased disposal and labor costs. The waste volume estimates for decommissioning is unchanged.

4. Facility modifications

Framatome stated that, since the last DFP update, the Scrap Uranium Recovery Facility (SURF) Building was constructed to house a replacement of the Gadolinia Scrap Uranium Recovery Facility (fuel scrap dissolution and solvent extraction activities) that was previously located in the ELO Building. Due to the addition of the SURF building, the volume of contaminated piping, duct work and other equipment has changed. In addition, some equipment stored that had not been previously accounted for, including two rod scanners, have been included. The additional costs for decommissioning the SURF and the new equipment increased the DCE and have been included in the current DFP update.

5. Changes in authorized possession limits

Framatome stated that there have not been any changes in the authorized possession limits since the last update.

6. Actual remediation costs that exceed the previous cost estimate

Framatome stated that no actual remediation costs have occurred since the last update.

7. Onsite disposal

Framatome stated that no onsite disposal has occurred.

8. Use of a settling pond

Framatome stated no use of settling ponds has occurred since the last update. In addition, Framatome stated that the most significant area of known soil contamination at their site, the legacy surface impoundment system, has been removed and its associated radiological and non-radiological soil contamination has been remediated to meet Washington State Department of Ecology soil cleanup levels for uranium and regulated chemical constituents. Framatome also stated that additional soil remediation to meet NRC radiological decommissioning criteria is not anticipated to be necessary.

Based on the information discussed above, the NRC staff finds that Framatome's updated DFP meets the regulatory requirements in 10 CFR 70.25(e). Specifically, Framatome submitted a detailed cost estimate for decommissioning within 3 years of its last approved estimate. In addition, the NRC staff finds that Framatome's DCE provides justification for key assumptions, reflects the cost of an independent contractor to perform decommissioning activities, is based on unrestricted use, and includes an adequate contingency factor. As such, the NRC staff finds Framatome's triennial DFP update acceptable and should be approved.

## 5.0 ENVIRONMENTAL REVIEW

This action involves a change to surety requirements. Pursuant to 10 CFR 51.22(c)(10), this is a category of action that does not individually or cumulatively have a significant effect on the human environment. Therefore, neither an environmental assessment nor an environmental impact statement is required for this action.

## 6.0 CONCLUSION

Based on the review of its January 28, 2021, submittal, and supplemental letter dated June 8, 2020, the NRC staff finds that Framatome's DCE is based on reasonable, documented, and justified key assumptions, and that it reasonably estimates the current costs to decommission the facility. The NRC staff also found that the DCE adequately reflects the cost of an independent contractor to perform decommissioning activities, is based on unrestricted use, and includes an adequate contingency factor. Accordingly, the NRC staff finds that Framatome's 2021 DCE satisfies the requirements of 10 CFR 70.25(e) and is consistent with the guidance in NUREG-1757, Volume 3, Rev. 1. Therefore, the NRC staff concludes that Framatome's 2021 DCE of \$81,192,462 is reasonable and, as such, is acceptable.

Framatome must appropriately revise its financial assurance mechanisms and Certification of Financial Assurance and submit them for NRC staff review within 30 days from the staff's approval date of the 2021 DCE.

7.0 PRINCIPAL CONTRIBUTOR

Kenneth Kline, NMSS/REFS