

SAFETY EVALUATION REPORT

DOCKET NO.: 70-143

LICENSE NO.: SNM-124

LICENSEE: Nuclear Fuel Services, Inc. – Erwin, TN

SUBJECT: REQUEST TO AMEND SPECIAL NUCLEAR MATERIAL (SNM)
LICENSE SNM-124, DECOMMISSIONING FUNDING PLAN, WITH
UPDATED DECOMMISSIONING COST ESTIMATE

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 SNM-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 25, 2024 (Agencywide Documents Access and Management System Accession No. ML24341A056), as supplemented by letter dated April 9, 2025 (ML25136A345), NFS submitted its 2024 decommissioning cost estimate (DCE) for its site in Erwin, TN, 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” and “Interim Staff Guidance on Decommissioning Funding Plans for Materials Licensees,” dated February 2012 (ML12048A683), as supplemented in 2019 (ML19079A313), as guidance to evaluate the decommissioning funding plans submitted by 10 CFR Part 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 reviews 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 mentioned above.

3.0 STAFF EVALUATION

The 2024 DCE submittal by NFS updates the previous submittal, transmitted by letter dated November 30, 2021 (ML21343A049), and accounts for changes in costs and NFS facilities

Enclosure

since December 2021. In its 2024 DCE, NFS proposed an updated estimate of \$363,305,000 million which is an increase of approximately \$11,956,000 million over its previous cost estimate (i.e., 2021 DCE) of \$351,346,000 million (ML21343A051). This is due to the increase of planning and preparation, decontamination and/or dismantling of radioactive facility components, restoration of contaminated areas on facility grounds, radiation survey, site stabilization and long-term surveillance.

The NRC staff found the 2024 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 inventories have increased more than 10% over the 2021 waste inventory cost estimate."

- Waste disposal costs increases

The licensee has stated in the subject DCE, "Waste disposal costs have remained relatively constant since the 2021 decommissioning cost estimate. Waste disposal costs represent a – 2.5% increase in the total decommissioning cost estimate. A new contract with WCS held waste disposal costs for D&D waste relatively constant, compared to previous disposal site contracts."

- Facility modifications

The licensee stated in the subject DCE that the following modifications have been completed:

B-131 Interior demolition;
B-234 Primary Containment removal;
B-300 Interior demolition; and
B-303 600/700 Interior demolition.

- 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 ENVIRONMENTAL REVIEW

This action involves a change to financial surety requirements. Pursuant to 10 CFR 51.22(c)(10), this is a category of action that does not have a significant effect on the human environment.

Therefore, neither an environmental assessment nor an environmental impact statement is required for the proposed action.

5.0 CONCLUSION

Based on the review of the 2024 DCE, the NRC staff finds that the NFS submittal is based on reasonable and documented assumptions, and that it reasonably estimates the cost, at this time, to decommission the facility. Accordingly, the staff concludes that the 2024 DCE of \$363,305,000 submitted by NFS satisfies the requirement of 10 CFR 70.25(e) and is consistent with NUREG-1757, Volume 3, Revision 1, and is acceptable. Therefore, the NRC staff concludes that there is reasonable assurance that 2024 DCE will continue to provide adequate protection of public health, safety, safeguards, security, and the protection of the environment.

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 2024 DCE. The licensee remains liable for any costs not covered by the financial instruments.

6.0 PRINCIPAL CONTRIBUTORS

L. Pope, NMSS