

June 16, 2008

Mr. Steven A. Toelle
Director, Regulatory Affairs
U. S. Enrichment Corporation
2 Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: REVISIONS TO DECOMMISSIONING FUNDING PROGRAM DESCRIPTION AND DEPLETED URANIUM MANAGEMENT PLAN AND FINANCIAL ASSURANCE FOR CALENDAR YEAR 2008, PADUCAH GASEOUS DIFFUSION PLANT AND PORTSMOUTH GASEOUS DIFFUSION PLANT (TAC NOS. L52591 and L32439)

Dear Mr. Toelle:

By letter dated December 21, 2007, United States Enrichment Corporation (USEC) provided a revised Depleted Uranium Management Plan (DUP) and Decommissioning Funding Program Description (DFP) applicable to Paducah Gaseous Diffusion Plant (PGDP) and the Portsmouth Gaseous Diffusion Plant (PORTS) for staff review.

On March 26, 2008, the staff issued a Request for Additional Information (RAI) in response to the aforementioned letter in which staff requested additional information from USEC regarding the new surety bond. By letter dated April 22, 2008, USEC provided the response to the staff's RAI. As stated in the staff's RAI dated March 26, 2008, the staff requests USEC that if a new surety bond is provided or when the next surety rider is issued, that it should be amended to add the following clause as outlined in NUREG-1757, Vol. 3, "Consolidated NMSS Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness," dated September 2003," Appendix A, Section A. 9.4, Model Surety Bond:

"No decrease in the penal sum takes place without the written permission of NRC."

USEC's total projected decommissioning funding liability for calendar year (CY) 2008 is \$188,300,000. The amount of the new surety bond is \$33,610,000. Based on the review, the staff finds that the sum of this new surety bond, in combination with USEC's existing surety bonds and Irrevocable Standby Letter of Credit, provides adequate funding to cover USEC's decommissioning liabilities for CY 2008. In addition, the staff finds the format and content of the financial instruments are acceptable. Finally, the surety was verified to be listed in the U.S. Department of the Treasury Listing of Approved Sureties.

Within the December 21, 2007, letter, you stated that, upon notification by the U.S. Nuclear Regulatory Commission (NRC) that the revised DFP and DUP are acceptable, USEC would incorporate the revised DUP and DFP in the Application for each plant and submit the appropriate executed financial surety instruments to cover the new cost estimates.

The staff reviewed USEC's decommissioning cost estimate and payment surety bond for conformance to NRC regulations and NUREG-1757, Vol. 3, and finds your additional surety bond and standby trust agreement schedules are acceptable. Therefore, the staff concludes that USEC meets the regulatory requirements to provide financial assurance.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agency Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If there are any questions regarding this action, please contact Ms. Tilda Liu, NRC Project Manager for PGDP and PORTS, at (301) 492-3217, or via e-mail at tilda.liu@nrc.gov.

Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket Nos: 70-7001 and 70-7002
Certificate Nos: GDP-1 and GDP-2

cc: Randall M. DeVault, DOE-Oak Ridge
Douglas Fogel, Portsmouth
Vernon Shanks, Paducah

The staff reviewed USEC's decommissioning cost estimate and payment surety bond for conformance to NRC regulations and NUREG-1757, Vol. 3, and finds your additional surety bond and standby trust agreement schedules are acceptable. Therefore, the staff concludes that USEC meets the regulatory requirements to provide financial assurance.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agency Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If there are any questions regarding this action, please contact Ms. Tilda Liu, NRC Project Manager for PGDP and PORTS, at (301) 492-3217, or via e-mail at tilda.liu@nrc.gov.

Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket Nos: 70-7001 and 70-7002
Certificate Nos: GDP-1 and GDP-2

cc: Randall M. DeVault, DOE-Oak Ridge
Douglas Fogel, Portsmouth
Vernon Shanks, Paducah

DISTRIBUTION:
NMSS/FCSS r/f

ML 081560275

OFC	ECB	ECB	FSME	ECB	FFLD
NAME	V.Williams	T.Liu	L.Chang	B.Smith	M.Tschiltz
DATE	6/09/08	6/09/08	6/09 /08	9/12/08	6/16/08

OFFICIAL RECORD COPY