



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

**SAFETY EVALUATION REPORT
Docket No. 70-1257
License No. SNM-1227
Framatome, Inc.
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 a Decommissioning Funding Plan (DFP) and financial assurance at least every 3 years for the U.S. Nuclear Regulatory Commission’s (NRC) review and approval.

By letter dated January 23, 2024 (Agencywide Documents Access Management System [ADAMS] Accession No. ML24031A543), Framatome submitted an updated decommissioning cost estimate (DCE) for its Richland Facility. The NRC staff accepted Framatome’s submittal by letter dated April 3, 2024 (ML24092A275) and proceeded to conduct its detailed review. By email dated July 30, 2024, the NRC staff requested clarity for Framatome to provide information that was necessary before final action could be taken (ML24285A088). By letter dated August 13, 2024 (ML24226A464, non-public), Framatome provided its response to the NRC staff 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 the NRC’s review at intervals not to exceed three years. After resolution of any NRC 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; to abide by all commitments and representations previously made to the NRC; and to abide by all constraints, conditions, requirements, representations, and commitments identified in the license.

3.0 REGULATORY GUIDANCE

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

4.0 NRC STAFF EVALUATION

The NRC staff approved Framatome's previous DCE by letter dated August 12, 2021 (ML21166A200) in the amount of \$81,580,000. Framatome's 2023 DCE is in the amount of \$100,928,000 which is a \$19,346,000 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, "Consolidated NMSS Decommissioning Guidance, Volume 3", Rev. 1, February 2012.

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 2023 DCE, Framatome provided detailed costs for the decommissioning activities of its facility and these costs are based on the billing rates (wages, benefits, overheads, and profits) from third-party contractors based out of the State of Washington. The NRC staff also noted that the DCE is based on unrestricted use and Framatome used a contingency factor to estimate the total decommissioning costs.

When updating the DCE, the Decommissioning Planning Rule requires licensees to consider the effect of eight events, outlined in 10 CFR70.25(e)(2), on their DCEs. The NRC staff noted that, in its submittal, Framatome considered the effect of these events as follows:

- 1. Spills of radioactive material.**

Framatome stated, "No spills that will impact decommissioning costs have occurred. The few very minor unplanned contamination events since the last update, but each was cleaned up to release limits and any contaminated soil or asphalt was packaged into waste drums and is accounted for in section 5.3.2."

- 2. Waste inventory increases.**

Framatome has indicated there has been an increase in the inventory of waste volume since 2020.

- 3. Waste disposal costs increases.**

Framatome has updated its disposal costs since the 2020 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 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 Engineering Laboratory Operations (ELO) Building. The volume

of contaminated piping, duct work and other equipment has not changed since 2020. The accumulation of combustible waste since the Solid Waste Uranium Recovery incinerator has not run for several years and the accumulation of noncombustible waste due to repurposing portions of the ELO and Specialty Fuels Buildings. In addition, Framatome indicates significant increases in the cost of Lab samples.

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 some remediation costs have occurred since the last update and as appropriate have been considered.

7. Onsite disposal.

Framatome stated no onsite disposal has occurred.

8. Use of a settling pond.

Framatome stated no use of settling ponds has occurred since the last update

Framatome also stated that additional soil remediation to meet the 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 of 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 CONCLUSION

Based on the review of the January 23, 2024, submittal, and supplemental letter dated August 13, 2024, the NRC 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. Specifically, the NRC staff finds that Framatome's detailed cost estimate for decommissioning (1) reflects the cost of an independent contractor to perform decommissioning activities in accordance with the requirement in 10 CFR 70.25(e)(1)(i)(A), (2) includes an adequate contingency factor in accordance with the requirement in 10 CFR 70.25(e)(1)(i)(D), and (3) identifies and provides justification for key assumptions 10 CFR 70.25(e)(1)(i)(D)(ii). Accordingly, the NRC finds that Framatome's 2023 DCE satisfies the requirements of 10 CFR 70.25(e) and is consistent with NUREG-1757, Volume 3, Rev. 1. Therefore, the NRC concludes that Framatome's 2023 DCE of \$100,928,000 is reasonable.

Framatome must appropriately revise its financial assurance mechanisms and Certification of Financial Assurance and submit them for NRC review within 60 days from the staff's approval date of the 2023 DCE.

6.0 PRINCIPAL CONTRIBUTORS

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