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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

January 13, 2009

USEC Inc.

USEC Inc.  
(Exact name of registrant as specified in its charter)

Delaware

1-14287

52-2107911

Delaware  
(State or other jurisdiction  
of incorporation)

1-14287  
(Commission  
File Number)

52-2107911  
(I.R.S. Employer  
Identification No.)

2 Democracy Center, 6903 Rockledge Drive,  
Bethesda, Maryland

20817

2 Democracy Center, 6903 Rockledge Drive,  
Bethesda, Maryland  
(Address of principal executive offices)

20817  
(Zip Code)

Registrant's telephone number, including area code:

(301) 564-3200

Not Applicable

Not Applicable  
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 1.01 Entry into a Material Definitive Agreement.**

On January 13, 2009, USEC Inc. ("USEC" or the "Company") and the United States Department of Energy ("DOE") entered into an amendment (the "Amendment") to the Agreement dated June 17, 2002 between DOE and USEC, as amended (the "2002 Agreement"). The Amendment revises milestones under the 2002 Agreement relating to the Company's American Centrifuge uranium enrichment plant being built in Piketon, Ohio (the "American Centrifuge Plant").

The original fifteen milestones under the 2002 Agreement were established at an early stage in the American Centrifuge project based on the information available at such time. While a number of the milestones have been met on or ahead of schedule, in March 2007, USEC reached an agreement with DOE regarding modifying two of the milestones to align with the Company's deployment schedule. At such time, USEC deferred requesting a modification of milestones scheduled for 2009 and beyond, which were also not aligned with its deployment schedule, until a later date when it anticipated having more complete information.

USEC and DOE have agreed to the following modifications to the 2002 Agreement, as more fully described in the Amendment:

- The milestones relating to financing and commercial plant operations and capacity are replaced with the following new four milestones:
  - November 2009 – Secure firm financing commitment(s) for the construction of the commercial American Centrifuge Plant with an annual capacity of approximately 3.5 million separative work units ("SWU") per year (the "Financing Milestone");
  - August 2010 – begin commercial American Centrifuge Plant operations;
  - November 2011 – commercial American Centrifuge Plant annual capacity at 1 million SWU per year; and
  - May 2013 – commercial American Centrifuge Plant annual capacity of approximately 3.5 million SWU per year;
- Until USEC has met the Financing Milestone, DOE has full remedies under the 2002 Agreement, however, if a delaying event beyond the control and without the fault or negligence of USEC occurs which would affect USEC's ability to meet a milestone, DOE and USEC will jointly meet to discuss in good faith possible adjustments to the milestones as appropriate to accommodate the delaying event; and
- Once USEC has met the Financing Milestone, DOE's remedies under the 2002 Agreement are limited to those circumstances where USEC's gross negligence in project planning and execution is responsible for schedule delays or in the circumstance where USEC constructively or formally abandons the project or fails to diligently pursue the financing commitment(s).

The 2002 Agreement provides DOE with specific remedies if USEC fails to meet a milestone that would materially impact USEC's ability to begin commercial operations of the American Centrifuge Plant on schedule. These remedies include terminating the 2002 Agreement, revoking USEC's access to DOE's U.S. centrifuge technology and requiring USEC to transfer its rights in the American Centrifuge technology and facilities to DOE, requiring USEC to reimburse DOE for certain costs associated with the American Centrifuge project, and recommending that USEC be removed as the sole Executive Agent under the Megatons-to-Megawatts program.

The foregoing summary of the Amendment is qualified in its entirety by reference to the full text of the Amendment and the 2002 Agreement. The Amendment is filed as Exhibit 10.1 to this report. The full text of the 2002 Agreement is filed as Exhibit 10.54 to USEC's current report on Form 8-K filed June 21, 2002. Modification 1 to the 2002 Agreement is filed as Exhibit 10.15 to USEC's annual report on Form 10-K for the year ended December 31, 2005.

The Company, or its subsidiaries, is also a party to a number of other agreements or arrangements with the U.S. government, as described in the Company's annual report on Form 10-K/A.

### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Number--Description

10.1--Modification No. 2 dated January 12, 2009, to Agreement dated June 17, 2002 between the U.S. Department of Energy and USEC Inc.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USEC Inc.

January 13, 2009

By: */s/ John C. Barpoulis*

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*Name: John C. Barpoulis  
Title: Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)*

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<u>Exhibit No.</u>	<u>Description</u>
10.1	Modification No. 2 dated January 12, 2009, to Agreement dated June 17, 2002 between the U.S. Department of Energy and USEC Inc.

MODIFICATION NO. 2  
TO  
AGREEMENT BETWEEN  
THE U.S. DEPARTMENT OF ENERGY (“DOE”)  
AND  
USEC INC. (“USEC”)

The U.S. Department of Energy (“DOE”) and USEC INC. (“USEC”) hereby agree to modify the AGREEMENT BETWEEN THE U.S. DEPARTMENT OF ENERGY (“DOE”) AND USEC INC. (“USEC”), dated June 17, 2002 (“June 17<sup>th</sup> Agreement”), as follows:

1. The milestones set out in Article 3 on page 8 of the Agreement starting with January 2008 are replaced with the following:

November 2009 — Secure Firm Financing Commitment(s) for the Construction of the Commercial American Centrifuge Plant with an annual capacity of ~3.5 million SWU per year

August 2010 — Begin Commercial American Centrifuge Plant Operations

November 2011 — Commercial American Centrifuge Plant annual capacity at 1 million SWU per year

May 2013 — Commercial American Centrifuge Plant annual capacity of ~3.5 million SWU per year

2. The following new provision is added to end of Article 3 of the Agreement:

- “Description of Milestones:

- (a) “Secure Firm Financing Commitment(s) for the Construction of the Commercial American Centrifuge Plant” – This milestone is met when USEC has executed third party debt or equity commitments which, together with USEC equity contributions, based on reasonable projections acceptable to DOE, are sufficient to meet the estimated costs to construct the Commercial American Centrifuge Plant with an annual capacity of ~ 3.5 million SWU per year. Such “executed third party debt or equity commitments” must, in the reasonable judgment of DOE, be likely to close and fund not later than within nine months of execution of such commitments or not later than May 2010, whichever date is earlier, and DOE’s evaluation of such commitments shall include, *inter alia*, the conditions set forth therein and market conditions.
- (b) “Begin Commercial American Centrifuge Plant Operations” – This milestone will be met when the first commercial plant centrifuge cascade operates on UF<sub>6</sub> gas in the “throughput mode.” “Throughput mode” means that the cascade is operating in a mode where product can be withdrawn under the NRC license (other than just for sampling). USEC’s current cascade design consists of approximately 120 machines. USEC’s operation of a commercial plant cascade requires satisfactory completion of all systems, subsystems, and components necessary for production are operating to produce product in an assay range useable by commercial nuclear power plants. This includes all auxiliary support facilities for the cascade such as the feed, withdrawal, and transfer facilities.
- (c) “Commercial American Centrifuge Plant annual capacity at 1 million SWU per year”— This milestone will be met when sufficient capacity is installed and operating with a production output equivalent to 1 MM SWU per year. “Production output” requires that all systems, subsystems, and components necessary for production equivalent to 1 MM SWU per year are operating for 1 month (consisting of 30 consecutive calendar days) to produce product in an assay range useable by commercial nuclear power plants. This includes all auxiliary support facilities for 1 MM SWU per year production such as the feed, withdrawal, and transfer facilities.
- (d) “Commercial American Centrifuge Plant annual capacity of ~3.5 million SWU per year” – This milestone will be met when sufficient cost effective capacity is installed and operating with a production output equivalent to ~3.5 MM SWU per year. “Production output” requires that all systems, subsystems, and components necessary for production equivalent to ~3.5 MM SWU per year are operating for 1 month (consisting of 30 consecutive calendar days) to produce product in an assay range useable by commercial nuclear power plants. This includes all auxiliary support facilities for ~3.5 MM SWU per year production such as the feed, withdrawal, and transfer facilities.”

3. The first full paragraph on page 9 of the June 17<sup>th</sup> Agreement is revised to read as follows:

- “USEC shall submit its Phase I Plan covering the milestones relating to the first twelve months after execution of this Agreement to DOE no later than June 30, 2002 and the Deployment Working Group shall reach agreement on Phase I of DWG Plan no later than July 31, 2002. USEC shall submit its Phase II Plan covering the milestones through the end of 2004 by September 30, 2002, its Phase III Plan covering the milestones through the end of 2006 by November 30, 2002. USEC shall submit a revised Phase IV Plan covering the milestones from November 2009 through May 2013 by January 30, 2009. The Deployment Working Group will meet periodically to consider amendments to each of these Plans as required to take account of changing circumstances, more complete information and the procedures and remedies outlined below.”

4. The second full paragraph on page 10 of the June 17<sup>th</sup> Agreement is revised to read as follows:

- Until such time as USEC has secured (and demonstrated to DOE) firm financing commitment(s) for the construction of its Commercial American Centrifuge Plant, if USEC fails to meet a milestone and it is determined that a delay in meeting the milestone has a material impact on USEC’s ability to begin commercial operations at the new plant on schedule and that the cause of the delay was beyond the control and without the fault or negligence of USEC, DOE and USEC will jointly meet to discuss in good faith possible adjustments to the milestones as appropriate to accommodate the delaying event; provided, however, that DOE’s engaging in such discussions shall not commit DOE to making any adjustments to the milestones.

5. The first full paragraph on page 11 of the June 17<sup>th</sup> Agreement is revised to read as follows:

“Once USEC has met the November 2009 milestone by securing (and demonstrating to DOE) firm financing commitment(s) for the construction of its Commercial American Centrifuge Plant, DOE’s remedies described in the previous two paragraphs shall be limited to those circumstances under which USEC’s gross negligence in project planning and execution is responsible for schedule delays or in the circumstance where USEC abandons (constructively or formally) the project or fails to diligently pursue such financing commitment(s).

Further, if USEC has met the November 2009 milestone by securing (and demonstrating to DOE) firm financing commitment(s) for the construction of its Commercial American Centrifuge Plant, then any use of intellectual property rights or data transferred or delivered pursuant to the previous sentence and item #3 above by third parties for private non-governmental purposes shall be at a reasonable royalty taking into account the relative equities of the Parties. Additionally, following USEC’s securing and demonstrating such firm financing commitment(s), if USEC’s gross negligence in project planning and execution is responsible for schedule delays or USEC abandons (constructively or formally) the project or fails to diligently pursue such financial commitment(s), then DOE may also recommend USEC’s removal, in whole or in part, as EA under the Russian HEU Agreement.”

/s/ Dennis R. Spurgeon

Dennis R. Spurgeon  
Assistant Secretary for Nuclear Energy

U.S. Department of Energy

January 12, 2009

Date

/s/ John K. Welch

John K. Welch  
President & Chief Executive Officer

USEC INC.

January 12, 2009

Date