
**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 11, 2018

Centrus Energy Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-14287

(Commission File Number)

52-2107911

(I.R.S. Employer Identification No.)

**6901 Rockledge Drive, Suite 800
Bethesda, MD 20817
(301) 564-3200**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

On January 11, 2018, Centrus Energy Corp. (“Centrus” or the “Company”) entered into a settlement agreement with the Department of Energy (“DOE”) and the United States government regarding breach of contract claims relating to work performed by the Company (formerly known as United States Enrichment Corporation) under contracts with DOE and subcontracts with DOE contractors.

On May 30, 2013, the Company filed a complaint in the U.S. Court of Federal Claims against the United States, requesting breach of contract damages in the amount of \$38 million relating to work performed during the period 2003 through 2011. Throughout the litigation, the Company and DOE continued to disagree regarding additional payments owed totaling \$6.3 million (which were not yet the subject of litigation) for work performed during the period 2012 through 2017.

Under the terms of the settlement agreement, DOE has agreed to settle all claims raised as part of and subsequent to the litigation for a total of \$24 million and provides a complete close out of all such contracts and subcontracts settled under the settlement agreement without any further audit or review of the Company’s costs or incurred cost submissions. Under the settlement agreement, payment will be made by applying approximately \$19.3 million of credits owed to the United States government by the Company and the United States government making payment of the remaining approximately \$4.7 million. The Company has also agreed not to seek any additional payments under certain DOE subcontracts, as specified in the settlement agreement, for the periods of January 1, 2003, through September 30, 2017. Certain claims, including, but not limited to, any claims relating to work performed under American Centrifuge Project contracts after September 30, 2017, or any claims related to the Company’s subcontracts with UT-Battelle, LLC, for work at Oak Ridge National Laboratory, are excepted from the settlement agreement. Also excepted from the settlement agreement are the Company’s claims in its ongoing litigation with DOE relating to pension and post-retirement benefit cost adjustments.

The Company, or its subsidiaries, are party to a number of agreements or arrangements with the United States government, as described in the Company’s annual report on Form 10-K and quarterly reports on Form 10-Q.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Settlement Agreement between United States Enrichment Corporation and the United States, dated January 11, 2018

SIGNATURE

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 thereunto duly authorized.

Centrus Energy Corp.

Date: January 17, 2018

By: /s/ Stephen S. Greene
Stephen S. Greene
Senior Vice President, Chief Financial Officer and Treasurer

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

UNITED STATES ENRICHMENT
CORPORATION,

Plaintiff,

vs.

UNITED STATES,

Defendant.

Case No. 13-365C
(Judge Firestone)

SETTLEMENT AGREEMENT

For the purpose of resolving the claims of Plaintiff, United States Enrichment Corporation (USEC), against Defendant, the United States of America (the "United States" or the "Government") (collectively referred to as the "Parties") without any further judicial proceedings and without there being any trial or adjudication of any issue of law or fact, and without constituting an admission of liability by the Parties, and for no other purpose, the Parties stipulate and agree as follows:

1. USEC has performed as a contractor for the Department of Energy ("DOE") under various DOE prime contracts and as a subcontractor to other DOE prime contractors (the "DOE Prime Contractors") at the Portsmouth and Paducah Gaseous Diffusion Plants in Piketon, Ohio and Paducah, Kentucky.
 2. Various USEC contracts with DOE and subcontracts with DOE Prime Contractors provided that USEC would be reimbursed its costs of performing the contract and subcontract work, including reimbursement of USEC's allowable indirect costs allocable to those contracts.
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3. During the performance of its DOE prime contracts and subcontracts, USEC is reimbursed by DOE or the DOE Prime Contractor, respectively, for USEC's indirect costs based upon approved provisional billing rates.

4. At the conclusion of each USEC Fiscal Year ("USEC FY"),¹ USEC may seek an adjustment to its prior reimbursements under each prime contract and subcontract to "true up" its prior billings under each prime contract and subcontract to reflect the amounts USEC has determined reflect its actual, allowable indirect costs allocable to those contracts (the "Incurred Cost Adjustment").

5. USEC and the Government disagreed regarding USEC's claimed Incurred Cost Adjustments for USEC FYs 2003 through 2011.

6. USEC submitted three certified claims under the Contract Disputes Act, 41 U.S.C. § 7101 *et seq.*, seeking payment of approximately \$38 Million for Incurred Cost Adjustments under USEC's contracts and subcontracts with DOE prime contractors for USEC FYs 2003 through 2011 and subsequently appealed the DOE's denial of these claims to the U.S. Court of Federal Claims (the "Court"), Case No. 13-365C (the "Incurred Cost Adjustment Litigation").

7. During the pendency of the Incurred Cost Adjustment Litigation, the Court dismissed USEC's claims related to Incurred Cost Adjustments under DOE subcontracts and the Government paid USEC for a portion of its claimed Incurred Cost Adjustments for USEC FYs 2003 through 2005, reducing the amount at issue in the Incurred Cost Adjustment Litigation to approximately \$31.8 Million.

¹ From 2003 onward, USEC's FY coincides with the calendar year.

8. USEC and the DOE continue to have disagreements regarding matters that are not yet in litigation, including Incurred Cost Adjustments for USEC's FYs 2012 through 2017 under DOE contracts and subcontracts and various USEC invoices for work performed under the DOE contracts and subcontracts identified in Attachment A totaling \$6.3 Million (the "Post-Litigation Amounts").

9. The Parties subsequently entered into negotiations designed to resolve amicably the Incurred Costs Adjustment Litigation and Post-Litigation Amounts. USEC has offered to settle (1) its Incurred Costs Adjustment Litigation and (2) its Post-Litigation Amounts, in exchange for payment by the United States in the amount of \$24 Million, inclusive of interest, with each party to bear its own costs, attorney fees, and expenses, and structured as follows:

- a. The United States will forego any claim for payment of \$19,267,878.93 of credits owed to the Government by USEC, leaving a balance of \$4,732,121.07 owed to USEC under this Settlement Agreement;
- b. The United States shall pay USEC by wire transfer \$4,732,121.07; and
- c. USEC covenants not to seek any Incurred Cost Adjustments under any of the DOE subcontracts identified in Attachment A for USEC FYs 2003 through 2016 and FY 2017 through September 30, 2017. USEC shall notify the DOE Prime Contractors that are a party to the subcontracts with USEC listed on Attachment A that USEC has settled and resolved any and all Incurred Cost Adjustments claims arising from those subcontracts for the period through September 30, 2017.

10. USEC's offer has been accepted on behalf of the Attorney General as it pertains to the Incurred Cost Adjustment Litigation and has been accepted by the DOE as it pertains to the Post-Litigation Amounts.

11. Upon satisfaction of the terms set forth in Paragraph 9, USEC releases, waives, and abandons all claims (excluding those claims specifically identified in Paragraph 13), including claims for costs, expenses, attorney fees, and damages of any sort, against the United States, its political subdivisions, its officers, agents, and employees, arising out of or related to: (1) the Incurred Cost Adjustment Litigation; (2) the Post-Litigation Amounts; and (3) the contracts and subcontracts identified in Attachment A, regardless of whether they were included in the Incurred Cost Adjustment Litigation or the Post-Litigation Amounts.

12. Upon satisfaction of the terms set forth in Paragraph 9, the United States releases, waives, and abandons all claims (excluding those claims specifically identified in Paragraph 13), including claims for costs, expenses, attorney fees, and damages of any sort, against the USEC, its shareholders, directors, officers, agents, employees, parents, affiliates, subsidiaries, and assignees, arising out of or related to: (1) the Incurred Cost Adjustment Litigation; (2) the Post-Litigation Amounts; and (3) the contracts and subcontracts identified in Attachment A, regardless of whether they were included in the Incurred Cost Adjustment Litigation or the Post-Litigation Amounts.

13. The following claims or causes of action are specifically excepted from the Parties' release under this Settlement Agreement:

- a. Claims by either Party related to pension or post-retirement benefit cost adjustments as a result of a plan curtailment, segment closing, or plan

termination for any USEC segment, including, but not limited to, the claims pending in Case No. 15-68C;

- b. Claims by either Party related to work performed under contracts/work authorizations related to the American Centrifuge Project after September 30, 2017;
- c. Claims by either Party related to USEC's subcontracts with the UT-Battelle, LLC for work at the Oak Ridge National Laboratory.
- d. Any claim by the United States alleging civil or criminal fraud by USEC, including, but not limited to, claims by the United States alleging civil or criminal fraud arising from or related to USEC's performance of the contracts and subcontracts identified in Attachment A; and
- e. This Settlement Agreement is in no way related to or concerned with income or other taxes for which USEC is now liable or may become liable in the future as a result of this Settlement Agreement.

14. This Settlement Agreement resolves any and all Incurred Cost Adjustment under the DOE prime contracts or subcontracts for USEC FYs 2003 through 2017 settled under paragraph 9 (and not excluded under paragraph 13) and provides a complete close out of all such Contracts and Subcontracts without any further audit or review of USEC's costs or incurred cost submissions.

15. Upon satisfaction of the terms set forth in Paragraph 9, the Parties agree to stipulate to the dismissal of the Incurred Cost Adjustment Litigation with prejudice.

16. USEC warrants and represents that no other action or suit with respect to the claims advanced in this suit is pending or will be filed in or submitted to any other court,

administrative agency, or legislative body. USEC further warrants and represents that it has made no assignment or transfer of all or any part of its rights arising out of or relating to the claims advanced in this suit. Should there be now or in the future any violation of these warranties and representations, any amount paid by the United States pursuant to this agreement shall be refunded promptly by USEC, together with interest thereon at the rates provided in 41 U.S.C. § 7109, computed from the date the United States makes payment.

17. This Settlement Agreement is for the purpose of settling this case, and for no other. Accordingly, this Settlement Agreement shall not bind the Parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the Parties or counsel for the Parties have or may acquire an interest, except as is necessary to effect the terms of this Settlement Agreement.

18. USEC's counsel represents that he has been and is authorized to enter into this agreement on behalf of USEC. Government counsel represents that he has been and is authorized to enter into this agreement on behalf of the United States, and the Department of Energy represents that the contracting officer signing this agreement is authorized to enter into this agreement on behalf of the Department of Energy.


19. This document constitutes a complete integration of the agreement between the parties and supersedes any and all prior oral or written representations, understandings or agreements among or between them. The Parties stipulate that this Settlement Agreement was jointly drafted and prepared in its entirety.

[Signatures on the Following Page]

AGREED TO:

CHAD A. READLER
Acting Assistant Attorney General

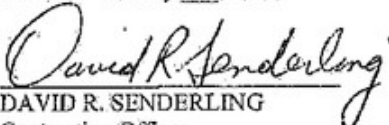
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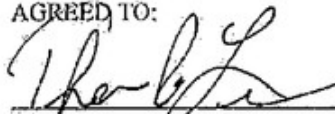
COUNSEL FOR DEFENDANT,
UNITED STATES

DATED: January 11, 2018


DAVID R. SENDERLING
Contracting Officer
Department of Energy
Portsmouth/Paducah Project Office


DATED: January 11, 2018

AGREED TO:


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COUNSEL FOR PLAINTIFF, UNITED
STATES ENRICHMENT CORPORATION

DATED: January 10, 2018

Attachment A
United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
Prime Contracts					
GFSI WA at PORTS	Work Authorization Numbers 25917,20917,24905,25916,25901,25910, .25917,25913	MIWP/PORTGFS	DOE	6/1/2005	9/30/2011
GFSI WA at PGDP	Work Authorization Numbers 25987,25973,25968,25960,25963,25991, .25968	MIWP/PADGFS	DOE	6/1/2005	10/15/2014
Cold Standby/Cold Shutdown/Transition Activities and Continuity of Services	DE-AC05-01OR22877	OR22877	DOE	6/5/2001	3/28/2011

Attachment A
United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
Cold Standby/Cold Shutdown/Transition Activities and Continuity of Services	DE-AC05-01OR22877	OR22877	DOE	6/5/2001	3/28/2011
Provide Research & Development	DE-AC09-03NT42011	NT42011	DOE	10/1/2003	10/31/2004
25 Cylinder Data for DOE/NNSA	PORTS-002 (WA)	M1WARG08U5	DOE	2/25/2009	6/30/2009
K-1600 Sampling	ORNL 2011-01 (WA)	M1WCYL10Q2	DOE	11/29/2011	2/29/2012
Cylinder Measurements	PAD6-009 (WA)	M1WJMP1109	DOE	7/29/2012	12/31/2012
2008 Chinese Visit to PGDP	PAD7-008 (WA)	M1WPAD08R4	DOE	2/1/2008	10/31/2009

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United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
EEOICPA Record Search Support at PGDP	USEE2502 (WA)	MIWPAD08Y3	DOE	6/1/2008	9/30/2014
EEOICPA Record Search Support at PORTS	USEE3502 (WA)	MIWPOR08Y2	DOE	6/1/2008	8/31/2011
EEOICPA Record Search Support at PORTS	USEE3502 (WA)	MIWPOR08Y2/MI WSWC01Y2	DOE	6/1/2008	8/31/2011
Portsmouth Facility Uranium Oxides Processing	MIWPORT705 (WA)	MIWPORT705	DOE	3/29/2011	6/30/2011
Russian Transparency Services	PAD6.0-001 (WA)	MIWRTR05K2	DOE	9/1/2005	12/31/2013

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 United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	YIPERS Purchase Order No.	Client	Start	End
Transfer approximately 100,000 pounds of R-114 to DLA	DUF6/NFS-08-002 (W/A)	MIWSC006L3	DOE	12/12/2007	2/10/2008
DOE Investigation/Litigation	DOE Funding Letters	MIWSWC01Y2	DOE		3/1/2005
DOE Investigation/Litigation	DOE Funding Letters	MIWSWC01Y3	DOE		3/1/2005
Field test for tracking UF6 cylinders using RF tags.	DUF6/NFS-08-003 (W/A)	MIWUFC0843	DOE	12/12/2007	3/11/2008
Te99 Cleanup of Affected Inventories	PORTS-02 (W/A)	MIWUSO2BT	DOE	12/20/2003	12/10/2004

Attachment A
United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
JAS Material Processing at PORTS	M6XJASPRO (WA)	M6XJASPRO	DOE	5/1/2009	12/31/2009
JAS Cylinder Shipment to PORTS	MIWT990854 (WA)	M6XJASPRO/M6XT99JAS	DOE	8/1/2008	9/30/2008
Small and Large Cylinder Processing	M6XT99CYL (WA)	M6XT99CYL	DOE	10/7/2008	1/31/2009
Tc99 Barter Agreement		M6XUSMOA3	DOE		
Y-12 National Security Complex Cylinder Project	PORTS-003 (WA)	MIWPCP04F1	DOE	2/13/2004	9/30/2004
Y-12 Cylinder Cleaning	PORTS-Y-12-001	MIWY12CYLUI/M1WPCP04F1	DOE	9/21/2006	4/30/2007

Attachment A
United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
Surplus Centrifuge Equipment Removal	Portsmouth-01 (WA)	MIWGCPEP05	DOE	1/30/2004	8/31/2006
DOE Security & Emg Mgt (thru Sept. 30, 2017 Only)	Work Authorization Number 201202	MIW9EC11BP	DOE	10/01/2011	Ongoing
DOE Utilities (thru Sept. 30, 2017 Only)	Work Authorization Number 201201	MIWUTL11BC	DOE	10/01/2011	Ongoing
Subcontracts					
	LEXB120000/MSA-01874-01		B&W Conversion Services, LLC	8/5/11	10/15/14
	U-MSA-07-001		B&W Conversion Services, LLC	3/28/11	1/31/12
	Note: This subcontract was originally awarded by Uranium Disposition Services (predecessor to B&W). It was assigned to B&W by UDS.				

Attachment A
United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
	Bechtel Jacobs MSA		Bechtel Jacobs Work Authorization	10/1/98	4/23/06
	2552-ORA-003		Burns and Roe Enterprise, Inc.	3/22/04	9/30/08
	0000041		Fluor-B&W Portsmouth LLC.	3/28/11	6/30/11
	0001426		Fluor-B&W Portsmouth LLC.	9/30/11	4/30/12
	LATA MSA		LATA Environmental Services of Kentucky	11/1/11	10/14/14
	Letter Contract		LATA Environmental Services of Kentucky	7/26/10	10/31/11
	LPP05MA024		LATA/Parallax Portsmouth LLC	6/27/05	3/28/11

Attachment A
 United States Enrichment Corporation - U.S. Government Settlement Agreement

Description	Contract/Work Authorization/PO Number	VIPERS Purchase Order No.	Client	Start	End
	PRS MSA		Paducah Remediation Services LLC.	4/24/06	7/25/10
	Swift and Staley MSA		Swift and Staley	9/29/05	10/14/14
	U-MSA-07-001		Uranium Disposition Services, LLC.	10/1/06	3/28/11

