

From: Marjorie McLaughlin
To: john.conant@us.abb.com
Date: Fri, May 13, 2005 1:36 PM
Subject: Decommissioning Financial Assurance

Mr Conant:

First , I apologize for taking so long with the review of our Financial Assurance submittal. I have, however, examined the Letters of Credit and the Standby Trust Agreements, and I have the following questions regarding these documents:

NRC License No. 06-00217-06 Mail Control 136531

The Letter of Credit and the Standby Trust Agreement for this license meet our requirements. I see that the amount of financial assurance provided by this instrument is based on the Cost Estimate contained in the Decommissioning Funding Plan (DFP) submitted in November, 2003 and approved by us in 2004. This is also acceptable.

There is one required document that is missing from your submittal, however. This is a "Certification of Financial Assurance", which is required by 10 CFR 30.35(e). It is a very simple document to prepare, and guidance on its content and preparation, along with a model certification are provided in NUREG-1757, Volume 3, "Consolidated NMSS Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness" (a link to this document from our website is provided below)

<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/v3/index.html>

General discussion about the Certification is found in Appendix A.2, and its specific applicability is discussed in A.2.5 (page A-24). A sample Certification is found on page A-23. All you are really doing is listing what is allowed by your license, and stating that you are providing Financial Assurance in the specified amount.

Required Action:

1) Please provide a Certification of Financial Assurance for this license.

NRC License No. SNM-1067 Mail Control 136532

Again, the Letter of Credit and Standby Trust Agreement are acceptable. However, the amount of Financial Assurance provided by this instrument is based on a Cost Estimate contained in a DFP that was submitted in 1992. 10 CFR 30.35(e) requires that cost estimates contained in DFPs be updated periodically, at intervals not to exceed 3 years. A Decommissioning Funding Plan containing an updated Cost Estimate is required to complete this review of your Financial Assurance instrument. Specific guidance on preparing these documents is also contained in NUREG-1757, Volume 3. You may look at Section 4.1 (page 4-9) for general information, and Appendix A.3 (starting on page A-25) for more detail.

Also, as with your Byproduct Material license, you are required to submit a Certification of Financial Assurance for this license as well. You will follow the same guidance as described for the 06-00217-06 license above.

Required Actions:

- 1) Please provide an updated DFP and Cost Estimate for this license.
- 2) Please provide a Certification of Financial Assurance for this license.

You may certainly submit the certifications separately, since they should be easy to complete. We can then accept the financial assurance instrument for the 06-00217-06 license when that is received. When you send in the documents (we require hardcopies), please refer to the Mail Control numbers listed next to the license numbers above.

Should you require any assistance with the completion of these documents, or if you have any questions, do not hesitate to call me.

Sincerely,

Marjorie McLaughlin
Health Physicist
USNRC Region I DNMS4
610-337-5240

CC: Laurie Kauffman

Mail Envelope Properties

(4284E5A3.E36 : 13 : 9260)

Subject: Decommissioning Financial Assurance
Creation Date: Fri, May 13, 2005 1:36 PM
From: Marjorie McLaughlin
Created By: MMM3@nrc.gov

Recipients

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Route

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Files

MESSAGE

Size

4998

Date & Time

Friday, May 13, 2005 1:36 PM

Options

Expiration Date: None
Priority: Standard
Reply Requested: No
Return Notification: None

Concealed Subject: No
Security: Standard