



June 22, 2006

John D. Kinneman, Chief
Division of Nuclear Materials Safety
Materials Security and Industrial Branch
U.S. Nuclear Regulatory Commission, Region I
475 Allendale Road
King Of Prussia, PA 19406-1415

J.8

**SUBJECT: Philotechnics Ltd. updated financial assurance funding plan,
Control No. 138391**

License No. 37-28329-01
Docket No. 030-30941

Dear Mr. Kinneman:

This is a follow-up to the letter initially mailed to your office on June 1, 2006. Evidently you received neither our letter nor the letter of credit from SunTrust. We are checking with SunTrust, but currently their records indicate they sent the letter on June 8, 2006. In an effort to get these materials to you in timely fashion, I am enclosing a copy of the SunTrust letter.

We have prepared a revised plan in accordance with the guidance of NUREG 1757, "Consolidated NMSS Decommissioning Guidance," Volume 3, Appendix A, Section A.3. The revised plan, enclosed with this letter, resulted in an increased amount of financial assurance. Should you have any questions or require additional information, please do not hesitate to contact me at (865) 285-3018

Sincerely,
Philotechnics, Ltd.


Glenn R. Marshall
Radiation Safety Officer

Enclosures:
Decommissioning Funding Plan

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138391
NMSS/RGNI MATERIALS-002



Decommissioning Funding Plan

U.S. NRC License 37-28329-01

May 31, 2006

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I. Executive Summary

This report documents the basis, assumptions, and results of a decommissioning cost estimate prepared the Philotechnics, Ltd. nuclear laundry located in Clairton, PA. The site is licensed under U.S. Nuclear Regulatory Commission (NRC) license number 37-28329-01 and include facilities located at:

600 State Street, Clairton, PA

The decommissioning cost estimate was prepared in accordance with the guidance provided in Appendix A, Section A.3 of NUREG 1757, *Consolidated NMSS Decommissioning Guidance, Volume 3*; and Section 3, Appendix F of NUREG 1727, *NMSS Decommissioning Standard Review Plan*.

The estimated decommissioning costs are:

Site	Estimate	25% Contingency	Total Cost Estimate
Clairton, PA	\$50,375	\$12,594	\$62,969

The 25% contingency is required by the U.S. NRC for decommissioning cost estimates.

II. Process

The decommissioning cost estimates were prepared based upon the use of radioactive materials at each site. This report documents the development of the entire cost estimate. This report is organized into a main body documenting the approach and assumptions utilized and an appendix that contains the actual cost estimate and basis. Assumptions are contained in Section III.

Decommissioning cost estimates were prepared in accordance with the guidance contained in Appendix A, Section A.3 of NUREG 1757, *Consolidated NMSS Decommissioning Guidance, Volume 3*; and Section 3, Appendix F of NUREG 1727 *NMSS Decommissioning Standard Review Plan*. This is a best estimate approximation of all direct and indirect costs of facility decommissioning under the routine facility conditions expected to exist. This estimate reflects current radiological conditions and operations routinely performed at the facility.

Based on the inventory of facility features the level of effort was estimated to perform decontamination and decommissioning. The level of effort was based upon the size of the area and the amount of equipment, casework, shelving and similar items within each area.

Waste generation from D&D activities was also determined based upon typical storage levels and the volume of equipment.

Restoration activities were estimated based upon the expected scope of remediation and similar work that Philotechnics has performed decommissioning other facilities.

The level of effort estimated for final status surveys was based upon the license termination criterion of 25 mrem per year using NUREG 1575 *Multi-Agency Radiation Site Survey and Investigation Manual* protocols.

A facility description is provided for the estimate. It includes:

- The license number and type
- Specific quantities and types of materials authorized by the license
- A general discussion of how radioactive materials are used at the facility
- A description of facility buildings, rooms and grounds including the number and dimensions of areas requiring decontamination
- The number and dimensions of facility components
- Levels of contamination
- Quantities of materials or wastes accumulated prior to shipping or disposal

The cost estimates account for all phases of the decommissioning process and distinguish between labor and non-labor costs. Labor costs are broken out for:

- Planning and preparation
- D&D of facility components

- Facility restoration, as needed
- Final radiation survey

Non-labor costs are broken out for:

- Packing materials
- Shipping costs
- Equipment and supplies
- Disposal costs
- Laboratory costs
- Miscellaneous expenses

Consistent with NRC guidance, a 25% contingency factor is provided for unforeseen circumstances that could increase decommissioning costs.

III. Assumptions

Inventories of materials and wastes at the time of decommissioning are in amounts consistent with routine facility conditions over time.

Nearly all material will be decontaminated or will be demonstrated by surveys not to have been contaminated. Radioactive waste in the form of equipment, pipes, etc. will be size reduced by cutting prior to packaging. It is estimated that 5% of installed equipment, cabinets, ventilation ducts, sinks, and drains will be disposed of as radioactive waste.

Costs will be incurred to clean up areas where contamination has built up over time but gone undetected due to accumulation of small spills. Experience indicates contaminated surfaces may be discovered as equipment is removed.

Decommissioning activities begin immediately after cessation of operations without multi-year storage-for-decay periods. The cost estimate reflects expected conditions during routine operations and does not rely on radioactive decay to meet license termination criteria.

Work is performed by an independent third party contractor.

The cost estimate neglects credit for salvage value or the sale of assets during or after decommissioning.

To date, radionuclides handled at the laundry facility have been primarily byproduct material as oxides in solid form, in quantities ranging from picocuries to millicuries. These conditions are expected to remain relatively constant during future operations.

Removable radioactive contamination levels in the facility are historically less than 1000 dpm/100 cm². This is expected to be true at decommissioning. Isolated areas of elevated contamination on the order of a few thousand dpm/100 cm² may be present in washing and sorting areas and on some equipment.

The decontamination endpoint for facility structures and installed fixtures and equipment is the derived concentration guideline (DCGL) associated with license termination criterion of 25 mrem per year.

The decontamination endpoint for removable equipment is the applicable value in NRC Regulatory Guide 1.86. Material that cannot be decontaminated to that level will be disposed of as radioactive waste.

Number and Dimensions of Facility Components

A few pieces of equipment are believed to be potentially contaminated.

1. **Ductwork.** There are three pieces of ductwork connecting the three dryer exhausts to the HEPA filtered ventilation unit, and a flexible duct connecting the sorting room to another HEPA-filtered ventilation unit. All of this ductwork, approximately 50 feet in total length, will be cut longitudinally and surveyed, and decontaminated as necessary. Even if decontamination is only 50% successful, the compacted volume is expected to be less than six cubic feet.
2. **Piping and hoses.** Potentially contaminated material consists of 40 feet of 1½ inch ABS pipe and 40 feet of 1½ inch flexible hose. Piping and hoses will be cut longitudinally, surveyed, and decontaminated. The expected waste volume is three cubic feet.
3. **Washers and dryers.** These will be disassembled and surveyed for release. Major components are stainless steel and will be easily decontaminated. Discharge pumps and other components with inaccessible surfaces will be discarded as radioactive waste. Past experience has shown the washers and major portions of the dryers are not contaminated. The total waste volume is expected to be 15 cubic feet.
4. **Ventilation units.** Both HEPA units are nuclear grade portable units designed and manufactured by Nuclear Power Outfitters, and are designed to be easily decontaminated. The four roughing filters and four HEPA filters from this equipment will be discarded as radioactive waste. Total expected waste volume is ten cubic feet.
5. **Transfer pump.** The transfer pump will be disassembled and surveyed. Expected waste volume is two cubic feet.
6. **Storage tanks.** The poly storage tanks will be cut up and surveyed, and decontaminated to the extent practicable. Total expected waste volume from the tanks is nine cubic feet.
7. **Tables and bins.** Tables, bins, carts, etc. used for laundry operation will be disassembled as needed, and surveyed for contamination. Most of this equipment will be released. The total expected volume of waste is 1.5 cubic feet.

Floors, Walls and Ceilings

The floor areas having the greatest potential for loose contamination, i.e. sorting room, wash/dry area, and tank area, are covered with a Lonseal® floor covering which is wrapped up over the lower sections of the walls. Lonseal® is a floor covering with heat-welded seams for the purpose of protecting the concrete floor. Concrete walls in these areas were waterproofed and then painted before partitioning.

Process areas having the potential to become contaminated during operation are posted and controlled as contamination areas. Even so, contamination levels are maintained as low as reasonably achievable (ALARA). Detectable loose surface contamination is quickly identified and removed to maintain the facility "clean". Philotechnics has never had to post additional contamination areas. Attachment 1 reflects the typical removable contamination levels throughout the facility.

Walls, floors, and ceilings will be surveyed and released. No waste generation is expected.

Survey units are defined as:

Class 1 Area: Impacted areas with concentrations of residual activity, prior to remediation, that exceed the DCGL_w

Class 2 Area: Impacted areas for which concentrations of residual activity that exceed the DCGL_w are not expected.

Class 3 Area: Impacted areas that have a low probability of containing areas with residual radioactivity.

Even though very little contamination exists, the sorting, washing, and tank areas are assumed to be MARSSIM class 1 survey areas.

Walls are 8 ft. tall. Walls will be the same class as the floor areas they bound.

All ceilings are Class 3.

Roof Areas are considered class 3 survey units.

For determination of number of survey units the following limits were used:

Classification	Suggested Area
Class 1 Structures Land Areas	Up to 100 m ² Up to 2000 m ²
Class 2 Structures Land Areas	100 to 1,000 m ² 2,000 to 10,000 m ²
Class 3 Structures Land Areas	No limit No limit

Using the conversion of approximately 10 ft² per square meter, class 1 survey units were limited to 1,000 ft² and class 2 structure survey units were limited to 10,000 ft².

Labor Costs

The cost estimates are based on fully burdened market place wage rates for all personnel. An overhead rate equal to 100% of base salary and fringe benefits was assumed. In addition, the Project Manager, Supervisors, Shipper, Health Physicist, Health Physics technicians, and skilled workers are assumed to be non-local hires. Consequently their wage rate also reflects a daily living allowance of \$145. This is the approximate government per diem rate for the Pittsburgh area. Non-skilled and Clerical workers are assumed to be local hires.

Packaging, Shipping and Disposal of Radioactive Wastes

The radioactive waste generated from facility D&D activities is assumed to be metal waste and DAW at a density of 20 pounds per cubic foot. This waste is shipped in B-25 boxes holding 96 ft³ of waste.

Waste processing and disposal costs are based on those available in the industry for large facility decommissioning projects. Mileage and shipping expenses are included.

Miscellaneous Costs

Insurance includes General Liability Insurance at a rate of \$7.00 per \$1,000 of project price.

Since work is assumed to be provided by an independent third party cost estimates also include an allowance for sales tax (professional services) taken as 10% of project costs, minus miscellaneous costs. The tax allowance is listed as a miscellaneous cost.

3.4 FACILITY DECOMMISSIONING SUMMARY

Radioactive Material license numbers and types (i.e., Byproduct, Source):
The nuclear laundry facility located at 600 North State Street, Clairton, PA is licensed under USNRC Materials license number 37-28329-01.
Types and quantities of materials authorized under the licenses listed above:
Byproduct Material atomic number 1 through 96, 100 mCi per radionuclide, 500 mCi total; Cs-137, 500 mCi; Source material, 10 mCi; Special nuclear material, 10 grams
Description of how licensed materials are used:
Collection, laundering and decontamination of contaminated clothing and other launderable non-apparel items; for collection and decontamination of respirators and other such non-launderable non-apparel items that are used in conjunction with a protective clothing program.
Description of facility, including buildings, rooms, grounds, and description of where particular types of materials are used:
Small laundry. Receiving and sorting area with tables; (3) washers, (3) dryers, respirator washer, respirator dryer, (2) laundry monitors, and tanks, pumps, hoses and piping.
Quantities of materials or waste accumulated before shipping or disposal
Typically one truckload of laundry is on site at any one time awaiting processing or shipment. For decommissioning purposes, laundry will be returned to the customer whether it has been processed or not. Some DAW and other radioactive waste is assumed to be present at the time of decommissioning. Such waste is assumed to be less than 96 ft ³ (one B-25 box).

3.5 Number and Dimensions of Facilities Components

Use this table to summarize relevant features of the facility. Copy and complete the table as necessary for each room, laboratory, or area. Rooms laboratories, or areas with similar levels of contamination may be consolidated into one table.					
Laundry	New Brunswick Building 107 Synthesis Suite				
Level of Contamination:	≈1,000 -500,000 dpm/100 cm ²				
Component	Quantity of Component	Unit	Dimensions of Component (specify units)	Total Dimensions (specify units)	
Glove Boxes	0	Each	4'w x 3'd x 3'f	0	ft ³
Fume Hoods	0	Each	5'w x 4'd x 8'f	0	ft ³
Lab Benches (Casework)	14	Linear Feet	4'd x 3'f	168	ft ³
Sinks	1	Each	4'w x 4'd x 3'f	48	ft ³
Drains	220	Linear Feet	3" diameter	11	ft ³
Floors		Class 1 Sq. Feet	Includes Ceilings	2,444	ft ²
Walls (Class1)		Class 1 Sq. Feet		1,967	ft ²
Walls (Class 2)		Class 2 Sq. Feet		1,656	ft ²
Ceilings		Class 2 Sq. Feet		2,444	ft ²
Ventilation/Ductwork	75	Linear Feet	18" diameter	66	ft ³
Cabinets	0	Linear Feet	3'd x 3'f	0	ft ³
Hot Cells	0	Each		0	ea
Equipment/Materials	32	50 Ft ³ Units		1,600	ft ³
Soil Plots	0	Sq. Feet		0	ea
Storage Tanks	0	Each		0	ea
Storage Areas	0	Each		0	ft ²
Radwaste Areas	0	Each		0	ea
Scrap Recovery Areas	0	Each		0	ft ²
Maintenance Shop	0	Each		0	ft ²
Equipment Decontamination	1000	Each		1,000	ft ²
Other Class 2 Areas		Class 2 Sq. Feet		4,137	ft ²
Other Class 3 Areas		Class 3 Sq. Feet		4,675	ft ²
Other (Specify)		Linear Feet		0	ft ³
Other (Specify)		Each		0	ea
Features/Equipment Volume				1,893	ft ³
Waste Fraction				0.05	
Waste Volume				95	ft ³
Waste Density (lb/ft3)				20	
Waste Mass				1,893	lb

**3.6 PLANNING AND PREPARATION
(Work Days)**

Estimate the number of workdays, by specific labor category, that will be required to complete planning and preparation activities. Include all labor categories, including Supervisor, Foreman, Craftsman, Technician, Health Physicist, Laborer, Clerical, and others as needed.

Activity	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
Preparation of Documentation for Regulatory Agencies	1.5	0	0	0	0	0
Submittal of Decommissioning Plan to NRC when required by 10 CFR 30.36(g)(1), 40.42(g)(1), or 70.38(g)(1)	1	0	0	0	0	1
Development of Work Plans	1	0.5	0	0	0	0.25
Procurement of Special Equipment	0.5	0	0	0	0	0
Staff Training	0.5	0	0	0	1	0
Characterization of Radiological Condition (including sampling, soil and tailings analysis, or groundwater analysis, if applicable)	1.25	0	1.25	0	0	0.25
Other (specify) Mobilization	0.5	0.5	0.5	0.5	0	0
TOTALS	6.25	1	1.75	0.5	1	1.5

**3.7 DECONTAMINATION OR DISMANTLING OF RADIOACTIVE FACILITY COMPONENTS
(Work Days)**

Estimate the number of workdays, by specific labor category, that will be required to complete decontamination and/or dismantling activities for each facility component. Copy and complete this table as necessary for each room, laboratory, or area. Rooms, laboratories, or areas with similar levels of contamination may be consolidated in one table.

Name of room, laboratory, or area:		Laundry					
Level of Contamination:		≈1,000 -500,000 dpm/100 cm ²					
Component	Action	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
Glove Boxes	Remove/Disp						
Fume Hoods	Remove/Disp						
Lab Benches	Decon/Remove	0.1	0	0.1	0.1	0	0.1
Sinks	Decon/Remove	0.1	0		0.1	0	0.1
Drains	Remove/Disp	0.1	0		0	0.5	0.1
Floors	Decon/Wipe	0.1	0		0	0.5	0.1
Walls	Decon/Wipe	0.1	0		0	0.2	0.1
Ceilings	Decon/Wipe	0.1	0		0	0.2	0.1
Ventilation/Ductwork	Remove/Disp	0.1	0	0.2	0.5	0.5	0.1
Cabinets	Decon/Remove	0	0	0	0	0	0.1
Hot Cells	Remove/Disp						
Equipment/Materials	Sur/Rem/Disp	0.1	0.2	0.2	1	0.2	0.1
Soil Plots	Sample						
Storage Tanks	N/A	0.2	0.2	0.2		0.2	
Storage Areas	Remove/Disp						
Radwaste Areas	Remove/Disp		0.5	0.2		0.5	0.1
Scrap Recovery Areas	N/A						
Maintenance Shop	Remove/Disp						
Equipment Decontamination	Remove/Disp			0.5		1	
Other (specify)	Remove/Disp						
Other (specify)	Remove/Disp						
TOTALS		1	0.9	1.4	1.7	3.8	1

**3.8 RESTORATION OF CONTAMINATED AREAS ON FACILITY GROUNDS
(Work Days)**

Estimate the number of work days, by specific labor category, that will be required to restore contaminated areas on the facility grounds.

Name of room, laboratory, or area:		Laundry				
Activity	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
Restore Floors	0.5	0	0.5	1	2	0.25
Restore Walls						
Restore Roof						
Restore Utilites						
TOTALS	0.5	0	0.5	1	2	0.25

**3.9 FINAL RADIATION SURVEY
(Work Days)**

Estimate the number of work days, by specific labor category, that will be required to conduct a final radiation survey.

Name of room, laboratory, or area:		Laundry				
Activity	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
FSS Setup	1		0.5			0.25
Survey Packages	0.5		0.25			0.25
Class 1	0.5		4			0.25
Class 2	0.5		4			0.25
Class 3	0.5		2			
TOTALS	3	0	10.75	0	0	1

3.10 SITE STABILIZATION AND LONG-TERM SURVEILLANCE
(Work Days)

Estimate the number of work days, by specific labor category, that will be required to complete site stabilization and long-term surveillance activities.

Activity	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
No Site Stabilization or						
Long Term Maintenance						
TOTALS	0	0	0	0	0	0

3.11 TOTAL WORK DAYS BY LABOR CATEGORY

Enter the total work days for each specific labor category from the applicable table above (i.e., from the bottom rows of Tables 3.6 through 3.10).

Task	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
Planning and Preparation (TOTALS from Table 3.6)	6.25	1	1.75	0.5	1	1.5
Decontamination and/or Dismantling of Radioactive Facility Components (Sum of TOTALS from all copies of Table 3.7)	1	0.9	1.4	1.7	3.8	1
Restoration of Contaminated Areas on Facility Grounds (TOTALS from Table 3.8)	0.5	0	0.5	1	2	0.25
Final Radiation Survey (TOTALS from Table 3.9)	3	0	10.75	0	0	1
Site Stabilization and Long-Term Surveillance (TOTALS from Table 3.10)	0	0	0	0	0	0

3.12 WORKER UNIT COST SCHEDULE

Estimate labor costs (including salary, fringe benefits, and corporate overhead). Include all appropriate labor categories, including Supervisor, Foreman, Craftsman, Technician, Health Physicist, Laborer, Clerical, and others as needed.

Labor Cost Component	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical
Salary & Fringe (\$/year)	\$67,000	\$45,000	\$45,000	\$35,000	\$20,000	\$24,000
Overhead Rate (%)	100%	100%	100%	100%	100%	100%
Total Cost Per Year	\$134,000	\$90,000	\$90,000	\$70,000	\$40,000	\$48,000
Living Expenses (PD*7/5) ¹	\$203	\$203	\$203	\$203	\$0	0
Total Cost Per Work Day ²	\$718	\$549	\$549	\$472	\$154	\$185

¹ Per Diem Rate: \$145 per day.

² Based on 260 work days per year (e.g., 260).

3.13 TOTAL LABOR COSTS BY MAJOR DECOMMISSIONING TASK

Multiply the estimated work days for each specific labor category (from Table 3.11) by the total cost per work day for the corresponding labor category (from Table 3.12), and enter the results in the table below. Then, add across all labor categories to determine the total labor costs for each major decommissioning task.

Labor Cost Component	Project Mgr/Health Physicist	Shipper	HPT	Skilled Workers	Unskilled Workers	Clerical	Total Labor Cost
Planning and Preparation	\$4,490	\$549	\$961	\$236	\$154	\$277	\$6,667
Decontamination and/or Dismantling of Radioactive Facility Components	\$718	\$494	\$769	\$803	\$585	\$185	\$3,553
Restoration of Contaminated Areas on Facility Grounds	\$359	\$0	\$275	\$472	\$308	\$46	\$1,460
Final Radiation Survey	\$2,155	\$0	\$5,903	\$0	\$0	\$185	\$8,243
Site Stabilization and Long-Term Surveillance	\$0	\$0	\$0	\$0	\$0	\$0	\$0

3.14 PACKAGING, SHIPPING, AND DISPOSAL OF RADIOACTIVE WASTES (Excluding Labor Costs)

(a) Packing Material Costs

Estimate the types and volumes of waste expected to be generated, along with the number and types of containers required for packaging the waste. Multiply the number of containers required by the unit cost per container.

Waste Type	Volume (ft3)	Number of Containers	Type of Containers	Unit Cost of Container	Total Packaging Costs
DAW	96	9	B-25	\$700	\$6,300
Metal	95	1	B-25	\$700	\$700
Liquids	0	0	55 gal. inner 85 gal. overpack	\$200	\$0
Biological	0	0	55 gal. inner 85 gal. overpack	\$200	\$0
TOTAL					\$7,000

(b) Shipping Costs

Estimate the types and volumes of waste expected to be generated, along with the number and types of containers required for packaging the waste. Multiply the number of containers required by the unit cost per container.

Waste Type	Number of Truckloads	Unit Cost (\$/mile/truckload)	Surcharges (\$/mile)	Overweight Charges(\$/mile)	Distance Shipped (miles)	Total Shipping Costs
DAW	1	\$0.00	1	1	800	\$0
Metal	5	\$0.00	1	1	800	\$0
Liquids	0	\$0.00	1	1	1	\$0
Biological	0	\$0.00	1	1	1	\$0
TOTAL	6					\$0

Shipping costs are included in waste disposal costs shown below.

(c) Waste Disposal Costs

Estimate the volume of waste to be disposed. Multiply the volume of waste disposed by the unit disposal cost (including any volume based surcharges). Add any surcharges that are based on the number of containers of waste, along with the number and types of containers required for packaging the waste. Multiply the number of containers required by the unit cost per container.

Waste Type	Disposal Volume (ft3)	Density (lb/ft3)	Disposal Mass (lbs)	Unit Cost	Surcharges (\$/ft3 or \$/container)	Total Disposal Costs
DAW	96	15	1440	7.50	1	\$10,800
Metal	95	20	1893	2.50	1	\$4,733
Liquids	0	60	0	4.00	1	\$0
Biological	0	20	0	25.00	1	\$0
TOTAL	191					\$15,533

3.15 EQUIPMENT/SUPPLY COSTS (Excluding Containers)

Estimate the quantity of equipment and supplies required for decommissioning and multiply that quantity by the appropriate unit costs.			
Equipment/Supplies	Quantity	Unit Cost	Total Equipment/Supply Cost
Protective Clothing	1	\$500	\$500
Respirators	0		\$0
Misc Tools	1	\$1,000	\$1,000
Consumables	1	\$500	\$500
TOTAL			\$2,000

3.16 LABORATORY COSTS

If applicable, estimate the costs for analyses to be performed by an independent third party laboratory.			
Activity	Quantity	Unit Cost	Total Item Cost
Sampling	5	\$100	\$500
Transport of Samples	1	\$50	\$50
Testing and Analysis	5	\$100	\$500
Other (specify)			
TOTAL			\$1,050

3.17 MISCELLANEOUS COSTS

Estimate any other applicable costs.	
Activity	Total Cost
License Fees	---
Insurance	\$319
Taxes	\$4,551
Other (specify):	---
TOTAL	\$4,869

3.18 TOTAL DECOMMISSIONING COSTS

Enter the total costs reported in Tables 3.13, 3.14(a)-(c), 3.15, 3.16, and 3.17 into the appropriate cells below, and add them to obtain a subtotal. Add to the subtotal a contingency allowance in the amount of 25 percent of the total decommissioning cost estimate. Also, calculate for each task/component the percentage it represents of the total.

Task/Component	Cost	Percentage
Planning and Preparation (from Table 3.13)	\$6,667	13.2%
Decontamination and/or Dismantling of Radioactive Facility (From Table 3.13)	\$3,553	7.1%
Restoration of Contaminated Areas on Facility Grounds (From Table 3.13)	\$1,460	2.9%
Final Radiation Survey (From Table 3.13)	\$8,243	16.4%
Packing Material Costs (TOTAL from Table 3.14(a))	\$7,000	13.9%
Shipping Costs (TOTAL from Table 3.14(b))	\$0	0.0%
Waste Disposal Costs (TOTAL from Table 3.14(c))	\$15,533	30.8%
Equipment/Supply Costs (TOTAL from Table 3.15)	\$2,000	4.0%
Laboratory Costs (TOTAL from Table 3.16)	\$1,050	2.1%
Miscellaneous Costs (TOTAL from Table 3.17)	\$4,869	9.7%
SUBTOTAL	\$50,375	100.0%
25% Contingency	\$12,594	25.0%
TOTAL DECOMMISSIONING COST ESTIMATE	\$62,969	125.0%



LETTER OF CREDIT NUMBER F848531

JUNE 09, 2006

BENEFICIARY:
U.S. NUCLEAR REGULATORY
COMMISSION REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

DEAR SIR OR MADAM:

PLEASE FIND ATTACHED THE ORIGINAL LETTER OF CREDIT.
IN YOUR FAVOR.

PLEASE DIRECT ALL INQUIRIES TO:

SUNTRUST BANK
ATTN: STANDBY LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303
PHONE: 800-951-7847 OPTION 3.

SINCERELY,

SUNTRUST BANK
124



LETTER OF CREDIT NUMBER [REDACTED]

ISSUANCE DATE: JUNE 08, 2006

APPLICANT:
PHILOTECHNICS, LTD.
2328 BLUFF ROAD
HARRIMAN, TN 37748

BENEFICIARY:
U.S. NUCLEAR REGULATORY
COMMISSION REGION 1
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

FOR USD 62,969.00
(SIXTY TWO THOUSAND NINE HUNDRED SIXTY NINE 00/100 U.S. DOLLARS)

DATE OF EXPIRATION: JUNE 07, 2007
PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED] IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF PHILOTECHNICS, LTD., UP TO THE AGGREGATE AMOUNT OF SIXTY TWO THOUSAND NINE HUNDRED SIXTY NINE 00/100 U.S. DOLLARS (\$62,969.00), AVAILABLE UPON PRESENTATION OF:

- (1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. [REDACTED], AND
- (2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE U.S. NUCLEAR REGULATORY COMMISSION."

THIS LETTER OF CREDIT IS ISSUED IN ACCORDANCE WITH REGULATIONS ISSUED UNDER THE AUTHORITY OF U.S. NUCLEAR REGULATORY COMMISSION (NRC), AN AGENCY OF THE U.S. GOVERNMENT, PURSUANT TO THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, AND THE ENERGY REORGANIZATION ACT OF 1974. THE NRC HAS PROMULGATED REGULATIONS IN TITLE 10, CHAPTER 1 OF THE CODE OF FEDERAL REGULATIONS, PART 30 WHICH REQUIRE THAT

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LETTER OF CREDIT NUMBER [REDACTED]

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A HOLDER OF, OR AN APPLICANT FOR, A MATERIALS LICENSE ISSUED UNDER 10 CFR PART 30 PROVIDE ASSURANCE THAT FUNDS WILL BE AVAILABLE WHEN NEEDED FOR DECOMMISSIONING.

THIS LETTER OF CREDIT IS EFFECTIVE AS OF JUNE 8, 2006 AND SHALL EXPIRE ON JUNE 7, 2007, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF 1 YEAR ON JUNE 8, 2007 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 90 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND PHILOTECHNICS, LTD., BY CERTIFIED MAIL OR OVERNIGHT COURIER, AS SHOWN ON THE SIGNED RETURN RECEIPTS. IF PHILOTECHNICS, LTD., IS UNABLE TO SECURE ALTERNATIVE FINANCIAL ASSURANCE TO REPLACE THIS LETTER OF CREDIT WITHIN 30 DAYS OF NOTIFICATION OF CANCELLATION, THE NRC MAY DRAW UPON THE FULL VALUE OF THIS LETTER OF CREDIT PRIOR TO CANCELLATION. THE BANK SHALL GIVE IMMEDIATE NOTICE TO THE APPLICANT AND THE NRC OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING (1) THE INSOLVENCY OR BANKRUPTCY OF THE FINANCIAL INSTITUTION OR (2) ANY VIOLATION OF REGULATORY REQUIREMENTS THAT COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS. THE FINANCIAL INSTITUTION ALSO SHALL GIVE IMMEDIATE NOTICE IF THE BANK, FOR ANY REASON, BECOMES UNABLE TO FULFILL ITS OBLIGATION UNDER THE LETTER OF CREDIT.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON, UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON ITS PRESENTATION TO US WITHIN 30 DAYS, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF PHILOTECHNICS, LTD., IN ACCORDANCE WITH YOUR INSTRUCTIONS.

EACH DRAFT MUST BEAR ON ITS FACE THE CLAUSE: "DRAWN UNDER LETTER OF CREDIT NO. [REDACTED], DATED JUNE 8, 2006, AND THE TOTAL OF THIS DRAFT AND ALL OTHER DRAFTS PREVIOUSLY DRAWN UNDER THIS LETTER OF CREDIT DOES NOT EXCEED \$62,969.00.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 500.

ALL DOCUMENTS ARE TO BE REMITTED TO:
SUNTRUST BANK, INTERNATIONAL DIVISION
ATTN: LETTER OF CREDIT DEPARTMENT
25 PARK PLACE, 16TH FLOOR, MC 3706
ATLANTA, GEORGIA 30303

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PLEASE DIRECT ALL INQUIRIES TO:
PHONE: 800-951-7847 OPTION 3.

SINCERELY,

SUNTRUST BANK

David Ben

AUTHORIZED SIGNATURE

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