



Roy Blickwedel  
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March 29, 2007

Mr. Keith I. McConnell, Deputy Director  
Decommissioning and Uranium Recovery Licensing Directorate  
Division of Waste Management and Environmental Protection  
Office of Federal and State Materials and Environmental Management Programs  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike  
# 2 White Flint, Mail Stop T7 E-18  
Rockville, MD 20852-2738

Subject: Church Rock Financial Surety Requirement, Source Materials License no. SUA-1475  
40-8907

Dear Mr. McConnell:

I am writing on behalf of United Nuclear Corporation, holder of source materials license SUA-1475. License condition No. 25 requires that United Nuclear Corporation provide an annual update of the surety amount, and maintain an NRC approved surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10. This letter transmits the annual update.

UNC completed a comprehensive, re-baselining of the surety requirement that was submitted in September 2004. The conditions of the re-baselined surety calculation have not changed from the re-baselined adjustment; and therefore, the only proposed change to the annual surety amount takes into account the 2.4 % increase in the consumer price index for all urban consumers from March 2005 through February 2006. It is recommended that the surety amount be increased from \$2,803,663 to \$2,871,377.

I will forward a copy of the bond to you as soon as I receive the reissued certificate rider.

As of September 1997 United Nuclear Corporation became a wholly-owned, indirect subsidiary of the General Electric Company. GE Corporate Environmental Programs has been retained through a separate administrative services agreement to assist United Nuclear both technically and administratively with environmental issues at the Church Rock site. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Roy S. Blickwedel".

Roy S. Blickwedel

Remedial Project Manager

cc: Larry Bush, UNC (via e-mail)  
Paul Michalak, NRC (via e-mail)  
NRC Region IV