

HIGHLAND
2007-2008 Surety Estimate Revision

The 2007-2008 Highland Surety Estimate was revised to follow the WDEQ-LQD standardized bond format and, where applicable, the cost estimates provided in WDEQ-LQD Guideline No. 12. At the request of the NRC, PRI has revised the Surety Estimate calculations to include a number of different line item changes. First, a recurring spreadsheet has been added to identify costs that are used throughout the Surety Estimate. In this spreadsheet a column was included to identify sources for individual line item costs. As one would expect a large number of the costs sources are based on operating experience and costs. For a large number of the cost items operating experience or costs is not only the best justifications of a given costs but often the only source of information to generate an input values for the surety estimate.

Additional topic specific spreadsheets were also added in the estimate for the same function to identify line item justification of the values used in the Surety estimate. These spreadsheets include: UC-LINER, UC-WFBLDGS, UC-AW, UC-FLARE and UC-PV. All the newly developed supporting spreadsheets list values used in at least one of the main Surety Estimate spreadsheets. In addition to these newly developed spreadsheets, the reference document supporting current flair factors and pour volumes values used in the estimate is included.

One of the primary differences like that of the 2007-2008 Smith Ranch Surety is that values used throughout the spreadsheets have been updated to reflect current dollars, thus eliminating the need to apply the Consumer Price Index (CPI) escalator to the final values. The previous Surety's utilized the CPI escalator dating back to 1998. The cumulating percent increase over the past eight years was significant (24%). Therefore it is not unexpected that even after updating the input values to current dollars that the overall Surety amount would decrease.

The current Surety Estimate is \$19,367,600.00 which is \$3,129,500 less than the Surety Estimate submitted at the end of July 2006. As with all annual Surety Estimate revisions, input data represents updated information for activities over the past year (second half 2006 and first half 2007) as well as projected activities for the up coming year (second half 2007 and first half 2008). The primary updated input values represent continued development activities in MU J. Future input data represents anticipated activities in MU J & MU JA.