



December 14, 2010  
GDP 10-0050

Ms. Tilda Liu  
Sr. Project Manager  
Advanced Fuel Cycle, Enrichment, and Uranium Conversion Branch  
Special Projects and Technical Support Directorate  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Material Safety and Safeguards  
Attention: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

**Paducah Gaseous Diffusion Plant (PGDP)**  
**Portsmouth Gaseous Diffusion Plant (PORTS)**  
**Docket No. 70-7001 and 70-7002**  
**Certificate No. GDP-1 and GDP-2**  
**Decommissioning Funding Program Documents**

Dear Ms. Liu:

The United States Enrichment Corporation (USEC) letter GDP 10-0046, dated November 22, 2010, provided surety bond riders amending the SAFECO and ARGONAUT bonds previously approved by NRC's letter to USEC dated July 12, 2010. These riders replaced the existing JPMorgan Chase Letter of Credit by increasing the SAFECO and ARGONAUT bonds by an equivalent amount. Revised schedules to the Standby Trust Agreement were also provided.

The riders and Schedule B of the Standby Trust Agreement provided by USEC's November 22, 2010, letter contained USEC proprietary information. The purpose of this letter is to provide non-proprietary versions of the riders and Schedule B with the USEC proprietary information redacted. The non-proprietary versions are enclosed.

If you have any questions, please contact me at (301) 564-3250.

Sincerely,

Steven A. Toelle  
Director, Regulatory Affairs

Enclosure: As stated

NMSSDI

**Non-Proprietary SAFECO and ARGONAUT Surety Bond Riders and  
Standby Trust Agreement Schedules A, B, C**

RIDER

To be attached to and form part of:

Bond Number [ ]  
dated 12/31/2007

issued by the SAFECO INSURANCE COMPANY OF AMERICA  
in the amount of \$58,867,631.00

on behalf of UNITED STATES ENRICHMENT CORPORATION  
(Principal)

and in favor of U.S. NUCLEAR REGULATORY COMMISSION  
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

The bond amount shall be amended:

FROM: \$50,000.00 Fifty Thousand and no/100  
TO: \$12,770,000.00 Twelve Million, Seven Hundred Seventy Thousand and no/100

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

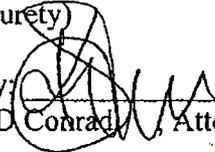
This Rider is to be Effective this 15th day of November, 2010.

Signed, Sealed & Dated this 12th day of November, 2010.

UNITED STATES ENRICHMENT CORPORATION  
(Principal)

By:   
STEPHEN S. GREENE, VICE PRESIDENT, FINANCE AND TREASURER

SAFECO INSURANCE COMPANY OF AMERICA  
(Surety)

By:   
KD Conrad, Attorney-in-Fact

U.S. NUCLEAR REGULATORY COMMISSION  
(Obligee)

By: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

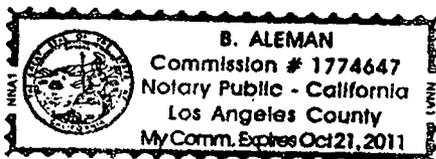
State of California

County of Los Angeles

On 11/12/2010 before me, B. Aleman, Notary Public, personally appeared KD Conrad who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

  
B. Aleman, Notary Public

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

4120471

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

SAFECO INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON  
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Safeco Insurance Company of America (the "Company"), a Washington stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint **E. S. ALBRECHT, JR., C. K. NAKAMURA, LISA L. THORNTON, MARIA PENA, MARINA TAPIA, EDWARD C. SPECTOR, KD CONRAD, BRENDA WONG, SIMONE GERHARD, NOEMI QUIROZ, ALL OF THE CITY OF LOS ANGELES, STATE OF CALIFORNIA** .....

....., each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **ONE HUNDRED MILLION AND 00/100\*\*\*\*\* DOLLARS (\$ 100,000,000.00\*\*\*\*\* DOLLARS)** each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE IV - Execution of Contracts; Section 12. Surety Bonds and Undertakings.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitations as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article IV, Section 12 of the By-laws, Garnet W. Elliott, Assistant Secretary of Safeco Insurance Company of America, is authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Safeco Insurance Company of America has been affixed thereto in Plymouth Meeting, Pennsylvania this 17th day of September 2010



SAFECO INSURANCE COMPANY OF AMERICA

By Garnet W. Elliott  
Garnet W. Elliott, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 17th day of September, 2010, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Safeco Insurance Company of America; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Safeco Insurance Company of America thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Notarial Seal  
Teresa Pastella, Notary Public  
Plymouth Twp., Montgomery County  
My Commission Expires Mar. 28, 2013  
Member, Pennsylvania Association of Notaries

By Teresa Pastella  
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Safeco Insurance Company of America, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article IV, Section 12 of the By-laws of Safeco Insurance Company of America.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Safeco Insurance Company of America at a meeting duly called and held on the 18th day of September, 2009.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 12th day of November, 2010.



By David M. Carey  
David M. Carey, Assistant Secretary

not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

R I D E R

To be attached to and form part of:

Bond Number [ ]  
dated 12/31/2008

issued by the ARGONAUT INSURANCE COMPANY  
in the amount of \$15,000,000.00

on behalf of UNITED STATES ENRICHMENT CORPORATION  
(Principal)

and in favor of U.S. NUCLEAR REGULATORY COMMISSION  
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

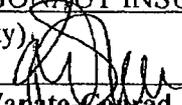
**The bond amount shall be amended:**  
**FROM: \$217,631.00**  
**TO: \$15,000,000.00**

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This Rider is to be Effective this 15th day of November, 2010.

Signed, Sealed & Dated this 12<sup>th</sup> day of November, 2010.

UNITED STATES ENRICHMENT CORPORATION  
(Principal)  
By:   
STEPHEN S. GREENE, VICE PRESIDENT, FINANCE AND TREASURER

ARGONAUT INSURANCE COMPANY  
(Surety)  
By:   
KD Wapato-Conrad, Attorney-in-Fact

U.S. NUCLEAR REGULATORY COMMISSION  
(Obligee)  
By: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

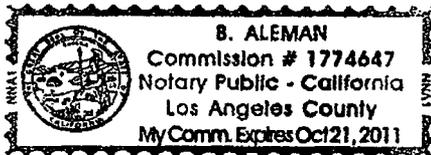
State of California

County of Los Angeles

On 11/12/2010 before me, B. Aleman, Notary Public, personally appeared KD Wapato-Conrad who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

  
B. Aleman, Notary Public

Argonaut Insurance Company  
225 W. Washington, 6th Floor  
Chicago, IL 60606

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Thomas S. Branigan, KD Wapato-Conrad, Simone Gerhard, Brenda Wong, Noemi Quiroz

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$15,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 15th day of September, 2008.

Argonaut Insurance Company

*ME Arledge*

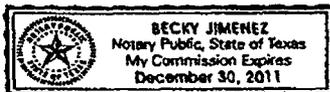
By: \_\_\_\_\_

Michael E. Arledge President

STATE OF TEXAS  
COUNTY OF BEXAR SS:

On this 15th day of September, 2008 A.D., before me, a Notary Public of the State of Texas, in and for the County of Bexar, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Bexar, the day and year first above written.



*Becky Jimenez*

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 17 day of November, 2010.

*Robert F. Thomas*

Robert F. Thomas Vice President

United States Enrichment Corporation  
Standby Trust Agreement

SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates for the following licensed activities:

U.S. NUCLEAR  
REGULATORY  
COMMISSION  
CERTIFICATE OF  
COMPLIANCE NUMBER

GDP-1 and GDP-2

NAME AND  
ADDRESS OF  
LICENSEE

United States Enrichment Corporation  
6903 Rockledge Drive  
Bethesda, Maryland 20817

ADDRESS OF  
LICENSED  
ACTIVITY

3930 State Route 23/Perimeter Road  
Piketon, Ohio 45661

5600 Hobbs Road  
Paducah, Kentucky 42001

COST ESTIMATE FOR  
REGULATORY ASSURANCES  
DEMONSTRATED BY THIS  
AGREEMENT

\$189,200,000

The cost estimates listed here were submitted to the NRC on April 6, 2010.

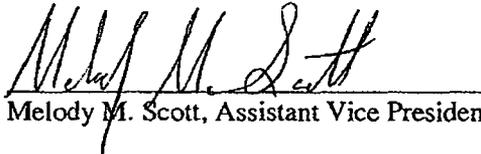
The Total Cost of decommissioning the GDP's, assuming no liability for decontamination, is as per the decommissioning cost estimate on file with the NRC.

United States Enrichment Corporation



Stephen S. Greene  
Vice President, Finance and Treasurer

U.S. Bank N.A.



Melody M. Scott, Assistant Vice President and Account Manager

USEC Proprietary Information

United States Enrichment Corporation  
Standby Trust Agreement

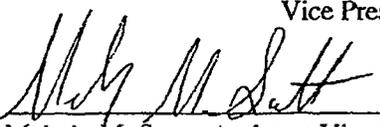
SCHEDULE B

AMOUNT: \$189,200,000

AS EVIDENCED BY:

- Westchester Fire Insurance Company Bond Number [ ] \$30,800,000
- Westchester Fire Insurance Company Bond Number [ ] \$63,300,000
- SAFECO Insurance Company of America Bond Number [ ] \$12,770,000
- Argonaut Insurance Company Bond Number [ ] \$15,000,000
- National Union Fire Insurance Company of Pittsburgh, PA Bond Number [ ] \$67,330,000

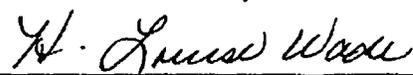
United States Enrichment Corporation   
 Stephen S. Greene  
 Vice President, Finance and Treasurer

U.S. Bank N.A.   
 Melody M. Scott, Assistant Vice President and Account Manager

LETTER OF ACKNOWLEDGEMENT

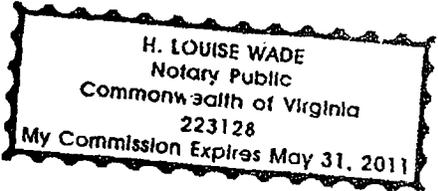
STATE OF: Virginia  
CITY OF: Richmond

On the 12<sup>th</sup> day of November, 2010, before me, a Notary Public in the for the city and state aforesaid, personally appeared Melody M. Scott, and she did depose and say that she is the Trust Officer of U.S. Bank N.A., Trustee, which executed the above instrument, that she knows the seal of said association, that the seal affixed to such instrument is such corporation seal; that it was so affixed by order of the association; and that she signed her name thereto by like order.

  
 Signature of Notary Public

My Commission Expires: May 31, 2011  
Date

USEC Proprietary Information



United States Enrichment Corporation  
Standby Trust Agreement

SCHEDULE C

Trustee will be paid \$1,500.00 annually for services being provided under the standby trust agreement. This fee will apply whether or not payment has been made to the standby trust fund.