

in the sinking fund, plus the surety method or insurance, is at least as great as the decommissioning cost estimate, consistent with 40.36(e)(2). INIS discussed the possibility of using an environmental insurance policy as the surety method. The NRC staff recommended INIS provide a draft of the surety method prior to implementation, in order to identify and resolve any concerns before the financial instruments are finalized. This may help avoid costly modifications.

Sincerely,

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From: Przygodzki, Roman
Sent: Thursday, July 14, 2011 2:57 PM
To: Bartlett, Matthew
Subject: RE: Call summary for clarification on Financial Assurance and possible Exemption

Looks good. Some minor comments for your consideration. I don't think anything in your summary is proprietary.

Regarding INIS's question concerning the amount of assurance provided with an external sinking fund, NUREG-1757, Volume 3, Appendix A.15.2, Page A-147 has some additional detail:

- "An external sinking fund must be in an amount that, in total, is at least equal to the licensee's prescribed amount or estimated cost of decommissioning. The prepayment mechanism may be funded initially in any amount. The surety method or insurance must then assure the difference between the prepaid amount and the prescribed amount or estimated cost of decommissioning"