

September 27, 2012

Mr. Oscar Paulson, Facility Supervisor  
Sweetwater Uranium Facility  
Kennecott Uranium Company  
P.O. Box 1500  
Rawlins, WY 82301-1500

SUBJECT: LICENSE AMENDMENT NO. 31 – 2012 SURETY UPDATE FOR  
KENNECOTT URANIUM COMPANY'S SWEETWATER URANIUM  
PROJECT, SOURCE MATERIALS LICENSE NO. SUA-1350  
(TAC J00678)

Dear Mr. Paulson:

By letter dated July 17, 2012, Kennecott Uranium Company (KUC), Rawlins, Wyoming, submitted to U.S. Nuclear Regulatory Commission (NRC) staff an update to its surety for the Sweetwater Uranium Project (ML12207A217). This update reflects an adjustment to the 2011 surety based upon the Consumer Price Index (CPI) – All Urban Consumers. NRC staff notes that the surety amount, after being adjusted for inflation, has increased from \$10,687,000 in 2011 to \$10,870,000 in 2012. This corresponds to an increase in the surety by approximately 1.7 percent. A surety rebaseline is not required since such a rebaseline was performed for the previous license renewal approved in 2009. The surety rebaseline is conducted every five years. The NRC staff has reviewed KUC's submittal and is issuing License Amendment No. 31, which reflects the new surety amount of \$10,870,000.

Consistent with License Condition 9.7, KUC shall provide financial assurance in an amount no less than \$10,870,000 within 30 days of receipt of this letter, and it is recommended that KUC appropriately amend the schedules to its Standby Trust Agreement to reflect his change, accordingly.

This licensing action is categorically excluded under 10 CFR 51(c)(10)(i), which states that license amendments for changes in surety, insurance, and indemnity requirements are categorically excluded from further environmental review. If you have any questions, please contact me at (301) 415-6252 or by email at [James.Webb@nrc.gov](mailto:James.Webb@nrc.gov)

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for

O. Paulson

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public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-room/adams.html>.

Sincerely,

**/RA/**

Andrew Persinko, 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

Docket No.: 040-08584

License No.: SUA-1350

Enclosure:  
License Amendment No. 31

cc: Deb Harris, Wyoming DEQ

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Andrew Persinko, Deputy Director  
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**(CLOSES TAC NO. J00678)**

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