

From: [Paulson, Oscar \(RTE\)](#)
To: [Webb, James](#)
Cc: [Schutterle, Carri \(RTE\)](#)
Subject: [External_Sender] Kennecott 2015 Annual Surety - SUA-1350 Surety Instrument (Bond) Number: 9027973
Date: Thursday, October 22, 2015 2:17:57 PM

James Webb:

The surety instrument (Bond Number: 9027973) states:

Principal and Surety(ies) hereby agree to adjust the penal sum of said bond yearly so that it guarantees a new reclamation, decommissioning, and long-term surveillance and control amount; provided, that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the NRC.

The bottom line is that Kennecott Uranium Company cannot decrease the sum of the surety without the written consent of the Nuclear Regulatory Commission (NRC). This language forces the surety to remain at a minimum of \$11,695,000.

Oscar Paulson

From: Paulson, Oscar (RTE)
Sent: Thursday, October 22, 2015 11:47 AM
To: 'Webb, James'
Cc: Schutterle, Carri (RTE)
Subject: RE: Kennecott 2015 Annual Surety

James Webb:

The financial instrument, specifically Bond Number: 9027973 in the amount of \$11,695,000, is an *evergreen* surety in that it remains in effect as it stands unless cancelled or amended. The surety states:

Or, if the Principal shall provide alternative financial assurance, and obtain the NRC's written approval of such assurance, within 30 days after the date a notice of cancellation is received by the Principal and the NRC from the Surety(ies), then this obligation shall be null and void; otherwise it is to remain in full force and effect.

A final check via e-mail will be made however, with Jean-francois Couture, Manager Corporate Finance – Americas regarding the surety to make sure that retaining the existing surety is satisfactory.

Oscar Paulson

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From: Webb, James [<mailto:James.Webb@nrc.gov>]

Sent: Wednesday, October 21, 2015 8:53 AM
To: Paulson, Oscar (RTE)
Subject: Kennecott 2015 Annual Surety

Oscar,

In light of our conversation on October 20th about the July 22, 2015 Surety Submittal where you indicated that Kennecott plans to keep the financial instrument at \$11,695,000, can you provide me with an email confirming that the financial instrument will remain at \$11,695,000.

Thank you
Jim

Avis:

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