



40-8964

August 25, 2016

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Ms. Andrea Kock, Deputy Director
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Re: NRC License SUA-1548, Ruth Satellite Facility Responses to Request for Additional Information – 2015-2106 Financial Assurance Estimate

Dear Ms. Kock:

In a letter dated April 25, 2016, the Nuclear Regulatory Commission (NRC) requested Cameco Resources (Cameco) to provide additional information on the Ruth Satellite Facility 2015-2016 Financial Assurance Submittal that was accepted for review on February 5, 2016. By this letter, Cameco is submitting responses to the request for additional information.

If you have any questions regarding this submittal, please contact me at 307-358-6541, ext. 458 or by email at: Mike.Thomas@cameco.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Thomas', written over a horizontal line.

Mike Thomas
Director Safety, Health, Environment, Quality (SHEQ)

Enclosure: Ruth Satellite Facility 2015-2016 Financial Assurance Estimate Responses

cc: File RU 4.6.4.1
Doug Mandeville, NRC Project Manager, via email
Document Control Desk, NRC, U.S Nuclear Regulatory Commission, Washington, D.C. 20555-0001 - CERTIFIED
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Cameco Resources Response to the Request for Additional Information for the 2015-2016 Annual Financial Assurance Update for the Ruth Satellite Facility

The following information presented is the Cameco Resources responses to the Request for Additional Information (RAIs) for the 2015-2016 Annual Financial Assurance Update for Cameco's Ruth Satellite Facility.

RAI (1)

In reviewing the estimate, the NRC staff observes that labor costs from 2013 are adjusted to 2015 dollars based on observed inflation between 2013 and 2015. Additionally, the NRC staff observes that the October 2015 Wyoming Department of Environmental Quality Guideline 12 costs are used. However, the utility costs, chemical and material costs, analytical costs, and equipment costs are based on a 2014 publication with no apparent inflation adjustment.

The NRC staff requests that Cameco either: (i) justify the current approach; or (ii) revise the cost estimate such that all unit costs are adjusted to a common point in time.

CR Response:

The cost estimates for utilities, chemical and material cost, and equipment costs have been reviewed and compared with estimates that Cameco is using in their current surety submissions like that for the 2016-2017 Gas Hills Project Surety. The comparison of costs shows that costs for utilities, chemical and material cost, analytical, and equipment costs have remained relatively flat with some costs increasing and some costs decreasing. For example analytical costs for performing Guideline 8 sampling have decreased from \$372/analysis to \$330/analysis while the rate for a ¾ ton 4x4 pickup went from \$20.67 to \$22.14 per hour.

Based on the comparison, the numbers used for the Ruth Satellite Facility surety estimate are consistent with current costs and have not been adjusted.

RAI (2)

Cameco's cover letter states that a re-evaluation of the size of site infrastructure was the reason behind the increase in the cost estimate. The NRC staff appreciates Cameco's efforts to more accurately estimate the size of the buildings and related infrastructure at the Ruth satellite. Given the magnitude of the changes, the NRC staff asks Cameco to clarify if the increase results from a change in methodology, or from the development of a more accurate site map. Additionally, the NRC staff requests clarification on the accuracy of the updated numbers. For example, was the increase in size confirmed by a site visit, or compared to as-built engineering drawings?

CR Response:

The development of a more accurate site map was the result of Cameco staff reviewing and comparing an aerial survey conducted by Cameco to the maps that were in place prior to the aerial survey. The aerial survey showed that the prior maps did not fully account for the roads and buildings in place at Ruth, therefore the surety was increased.