

Mr. Oscar Paulson
Sweetwater Uranium Facility
Kennecott Uranium Company
P.O. Box 1500
Riverton, WY 82501

SUBJECT: LICENSE AMENDMENT NO. 34-2016 SURETY UPDATE FOR KENNECOTT URANIUM COMPANY'S SWEETWATER URANIUM PROJECT, SOURCE MATERIALS LICENSE NO. SUA-1350 (TAC-L00825)

Dear Mr. Paulson:

By letter dated July 18, 2016 (ML16215A151), Kennecott Uranium Company (KUC), submitted to U.S. Nuclear Regulatory Commission (NRC) staff an update to its annual surety for the Sweetwater Uranium Project. This update reflects an adjustment to the 2015 surety (ML15287A317) based upon the Consumer Price Index (CPI)-All Urban Consumers. NRC staff notes that the surety amount, after being adjusted for inflation, is \$11,811,000.00 in 2016. This corresponds to an increase in the amount by approximately 1.02 percent.

A surety re-baseline is not required since such a re-baseline was performed in 2014 (ML043170668). The surety re-baseline is conducted every five years. NRC staff has reviewed KUC's submittal and is issuing License Amendment No. 34, which reflects the new surety amount of \$11,811,000.00.

License Condition 9.7, states that the licensee's current NRC approved surety (performance bond) shall be continuously maintained in an amount no less than \$11,811,000.00 for the purpose of complying with 10 CFR 40, Appendix A, Criterion 9 and 10, for decommissioning costs related to the existing facility, until a replacement amount is authorized by the NRC.

This licensing action is categorically excluded under 10 CFR 51(c)(10)(i), which states that license amendments for change 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.

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 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-rm/adams.html>.

Sincerely,

Andrea Kock, Deputy Director
Division of ~~Waste Management~~, Uranium
Recovery and Waste Programs

Decommissioning

*Office of Nuclear Material Safety
and Safeguard*

Docket No.: 040-08584
License No.: SUA-1350

Enclosure:
License Amendment No. 34

Cc: Deb Harris, Wyoming DEQ

(CLOSES TAC NO. I00825)

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