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## UNITED NUCLEAR CORPORATION



40-8907

March 12, 2019

ATTN: Document Control Desk  
Mr. Bo Pham, Deputy Director  
Division of Decommissioning, Uranium Recovery, and Waste Programs  
Office of Nuclear Materials Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
11555 Rockville Pike  
Mailstop 5E14  
Rockville, MD 20852-2738

Subject: Church Rock Financial Surety Requirement- Source Material License No. SUA-1475

Dear Mr. Pham:

Source Materials License No. SUA-1475, License Condition 25, requires that United Nuclear Corporation (UNC) provide an annual update of the surety amount and maintain a Nuclear Regulatory Commission (NRC) approved surety arrangement, consistent with 10 CFR 40, Appendix A, Criteria 9 and 10. This letter transmits the annual surety update.

In 2004 UNC completed a comprehensive re-baseline of the surety requirement that was submitted in September of that year. The conditions used in the re-baselined surety calculation have not changed from the re-baselined adjustment. A Site-Wide Supplemental Feasibility Study (SWSFS), directed by U.S. Environmental Protection Agency (EPA) in 2005, is in progress at the site. Completion of the SWSFS is expected to occur in 2019. Additionally, a License Amendment Request (LAR) has been submitted to the Nuclear Regulatory Commission (NRC) for review. Once the SWSFS and LAR review are complete, an evaluation of the study results will be conducted and where applicable, compared against the conditions used in the initial re-baseline calculation.

This correspondence calculates the change to the annual surety amount based on the 32.41% increase in the consumer price index for all urban consumers from the end of October 2004 (190.9) through the end of February 2019 (252.8). As a result of continued steady-state conditions at the site and the ongoing SWSFS and LAR, it is recommended that the surety amount be increased from \$3,422,485 to \$3,469,951 and the license be amended to reflect the change. The following table is included to show how this amount was calculated.

NMSSDI

2004 Dollars from Rebaseline Surety Requirement				
Section		Amount		
3.4.1	Monitoring of the Alluvium and Zone 3 S-I Groundwater	433,154		
3.4.2	De-water Zone 3 S-I Groundwater	1,692,966		
3.4.3	Well Decommissioning	23,128		
3.5.2	Decommissioning Surveys	9,025		
3.5.3	Personnel Monitoring	6,000		
3.6	Project Management, Labor, and Miscellaneous	663,509		
3.7	Equipment	534,625		
3.8	Long-Term Surveillance Fee	719,325		
<b>TOTAL</b>		<b>4,081,732</b>		
Calculated in Section 3.10 of 2004 Surety Rebaseline Estimate - Adjustment -		2004 CPI Value	2019 CPI Value	2019 Dollars
149,248		190.9	252.776	197,623
9,025		190.9	252.776	11,950
TOTAL SITE RESTORATION		190.9	252.776	7,945
COST MINUS 2,000,000 EPA ASSURANCE BOND		190.9	252.776	878,571
534,625		190.9	252.776	707,912
719,325		190.9	252.776	952,478
2004 TOTAL		2,081,732	2017 TOTAL	2,756,479
15% CONTINGENCY				713,472
GRAND TOTAL				3,469,951

I will forward a copy of the bond to you as soon as I receive the reissued certificate rider. As of September 1997, UNC became a wholly-owned, indirect subsidiary of the General Electric (GE) Company. GE Corporate Environmental Programs have been retained through a separate administrative services agreement to assist UNC both technically and administratively with environmental issues at the Church Rock site. Please contact me if you have any questions.

Sincerely,



Roy Blickwedel  
Senior Project Manager – Remediation  
GE Global Operations - EHS

cc: Jim Smith, NRC (via E-mail)  
NRC Region IV