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Cc: [Steve Koenick](#)
Subject: Draft WRT DCE Review
Date: Tuesday, October 31, 2023 4:21:00 PM

Kevin,

On August 23, 2023, WRT requested NRC staff review a draft decommissioning cost estimate (ADAMS [ML23228A161](#)) for a Uranium Removal System (URS) for the Viejas Tribal Government, to be located at Alpine, California. WRT requested NRC staff review the adequacy of the cost estimate that will be used to support the letter of intent from the Viejas Tribal Government. License Condition (LC) 39 of WRT's license, SUC-1591, requires WRT to prepare site-specific decommissioning cost estimates before initiating licensed activities.

NRC staff reviewed the draft cost estimate for compliance with the regulations at 10 CFR 40.36 using the guidance in NUREG-1556, Volume 18 (ADAMS [ML17242A055](#)), and NUREG-1757, Volume 3 (ADAMS [ML12048A683](#)) on decommissioning cost estimates. Guidance on acceptable methods for completing decommissioning cost estimates can be found in NUREG-1757, Volume 3, Appendix A, Section A.3.1. NRC staff reviewed WRT's cost estimate to determine the adequacy of the facility description, the means that will be used to adjust the site-specific cost estimate and associated funding levels periodically over the life of the facility, and a certification statement that financial assurance for decommissioning has been provided in the amount of the decommissioning cost estimate.

On September 8, 2023, NRC staff requested additional information from WRT that was needed to confirm the adequacy of the cost estimate ([ML23279A068](#)). On September 20, 2023, WRT, in its response to NRC's request for additional information, revised its decommissioning cost estimate ([ML23289A078](#)). WRT and NRC staff held a teleconference on October 4, 2023, to clarify WRT's responses. During that teleconference, NRC staff identified that WRT's response was missing the identification and justification of key assumptions used to develop the cost estimate and the source(s) of labor, including overhead, and non-labor costs, described in sufficient detail to allow NRC staff to confirm. On October 9, 2023, WRT amended its response to the NRC's request for additional information to address the deficiencies ([ML23289A087](#)). Based on its review of the decommissioning cost estimate and WRT's responses to NRC request for additional information, NRC staff have no further comments on WRT's draft decommissioning cost estimate.

WRT also inquired about the need for obtaining financial assurance given the total value of its decommissioning cost estimate does not exceed \$113,000 both before and after the contingency ([ML23289A087](#)). While financial assurance is not required for many licensed service providers, a service provider who will be authorized to possess licensed material in excess of the limits specified in 10 CFR 30.35, 10 CFR 40.36, and 10 CFR 70.25, "Financial assurance and recordkeeping for decommissioning," must provide evidence of financial assurance for decommissioning. Per LC 37 of its license, SUC-1591, WRT, as a service provider licensed for source material, must provide financial assurance when possessing licensed material in excess of the limits specified in 10 CFR 40.36. WRT's proposed URS for the Viejas Tribal Government is anticipated to contain more than 10 millicuries,

but less than 100 millicuries of source material, therefore, WRT is required to obtain acceptable financial assurance mechanisms for its client facilities before the URS becomes operational. For WRT clients that are federal, state, or local government entities, WRT may obtain statements of intent or guarantees pursuant to 10 CFR 40.36(e)(4). In addition, per LC 39, WRT will document such decommissioning cost estimates in its financial assurance mechanism for each Client. WRT will adjust decommissioning cost estimates pursuant to applicable NRC requirements, such as changes in engineering or design, and economic conditions, such as inflation, on a triennial basis or at license renewal.

If you have any questions, don't hesitate to reach out

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