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August 5, 2022
22-053

James Downs, Senior Project Manager
Division of Fuel Management
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington D.C. 20555-0001

- References:
- (1) License No. SNM-42, Docket 70-27
 - (2) Letter dated December 7, 2021, BWXT (Freudenberger) to NRC (Document Control Desk), Request to Amend SNM-42, Chapter 10, *Decommissioning - Update of Decommissioning Cost Estimate*
 - (3) Email dated June 8, 2022, NRC (Downs) to BWXT (Terry), Request for Additional Information - Decommissioning Cost Updates (Enterprise Project Identifier L-2021-DFA-0010)
 - (4) Letter dated June 24, 2022, BWXT (Freudenberger) to NRC (Document Control Desk), Response to Request for Additional Information (Enterprise Project Identifier L-2021-DFA-0010)
 - (5) Letter dated July 12, 2022, NRC (Downs) to BWXT (Terry), BWXT Nuclear Operation Group, Inc. Interim Approval of Chapter 10, Decommissioning (Enterprise Project Identifier L-2021-DFA-0010)

Subject: Updated Financial Assurance Documents, Certification of Financial Assurance and Revised SNM-42 License Application, Chapter 10, *Decommissioning*

Mr. Downs:

BWXT Nuclear Operations Group, Inc. - Lynchburg, Va. (BWXT NOG-L), is providing the following enclosures in response to the NRC's July 12, 2022 letter (Reference 5):

- 1) Signed original copy of the rider to the Surety Bond with the updated decommissioning cost estimate amount approved in Reference 5.
- 2) Signed original copy of Amendment No. 3 to the Standby Trust Agreement.
- 3) Signed statement regarding certification of financial assurance
- 4) A finalized and dated copy of Chapter 10 of the SNM-42 License Application.

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BWXT Nuclear Operations Group, Inc.
PO Box 785 Lynchburg VA 24505 USA
1-1434-522-6000 www.bwxt.com

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BWXT NOG-L requests that the NRC acknowledge and sign the rider to the Surety Bond and Amendment No. 3 to the Standby Trust Agreement. We also request after accepting and countersigning these documents, that you return a portable document format (PDF) copy of each fully executed document for our records. Please return the copies to BWXT NOG-L in care of Chris Terry at the following address:

Chris Terry
Manager, Licensing and Safety Analysis
MC 81
P.O. Box 785
Lynchburg, VA 24505-0785

If you have questions or require additional information, please contact Chris Terry, Manager of Licensing and Safety Analysis, at ctterry@bwxt.com or 434-522-5202.

Sincerely,



Richard J. Freudenberger
Manager, Environment, Safety, Health & Safeguards
BWXT Nuclear Operations Group, Inc. – Lynchburg

Enclosures

cc: - Kenneth Kline, Project Manager, NRC/NMSS/REFS
NRC Region II
NRC Resident Inspector

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ENCLOSURE 1

Signed Original Copy of the Rider to the Surety Bond

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RIDER

To be attached to and form part of Bond No. SUR0032602

Issued on behalf of BWXT Nuclear Operations Group, Inc. as Principal, and in favor of United States Nuclear Regulatory Commission as Obligees dated 23rd day of May, 2017.

It is agreed that:


- ☐ 1. The Surety hereby gives its consent to change the Name:
from:
to:
- ☐ 2. The Surety hereby gives its consent to change the Address:
from:
to:
- ☒ 3. The Surety hereby gives its consent to change the: Penal Sum of Bond
from: \$36,757,568.00
to: \$40,119,661.00

4. This rider shall become effective as of July 15, 2022

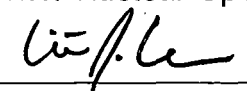
PROVIDED, however, that the liability of the Surety under the attached bond as changed by this Rider shall not be cumulative. No other terms and conditions of the bond are altered other than the foregoing.

Signed, sealed and dated July 15, 2022.

Argonaut Insurance Company

By: 
David T. Miclette, Attorney-in-Fact

BWXT Nuclear Operations Group, Inc.

By: 
Principal **KIRT J. KUBBS, TREASURER**

Acknowledged & Accepted by: _____
_____, Obligees

Date: _____

Argonaut Insurance Company
Deliveries Only: 225 W. Washington, 24th Floor
Chicago, IL 60606

United States Postal Service: P.O. Box 469011, San Antonio, TX 78246

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

David T. Miclette, Barry K. McCord, Ashley Britt, Rita G. Gulizo, Nikole Jeannette, Robert C. Davis, Alyson Carmichael, Lauren O. Moudy, Robert M. Overbey, Jr., Lacey Hitchcock, Stacey Bosley, Stacy Owens, Will Duke, William Strong

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$97,550,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 19th day of November, 2021.

Argonaut Insurance Company



by:

Gary E. Grose

Gary E. Grose, President

STATE OF TEXAS

COUNTY OF HARRIS SS:

On this 19th day of November, 2021 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



Kathleen M. Meeks

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 15th day of July, 2022



Austin W. King

Austin W. King, Secretary

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ENCLOSURE 2

Signed Original Copy of Amendment No. 3 to the Standby Trust Agreement

BWXT Nuclear Operations Group, Inc
PO Box 785 Lynchburg, VA 24505 USA
t +1 434 522 6000 www.bwxt.com

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AMENDMENT No. 3
To
Trust Agreement Dated December 6, 2016
By And Between
BWXT Nuclear Operations Group, Inc. (as "Grantor")
And
Regions Bank (as "Trustee")
(the "Trust Agreement")


NOW THEREFORE, the parties to the Trust Agreement hereby agree that Schedule A to the Trust Agreement is, effective as of the date of this Amendment No. 3, hereby deleted and replaced in its entirety by the amended Schedule A attached as Annex A hereto.

All other provisions of the Trust Agreement remain unchanged.

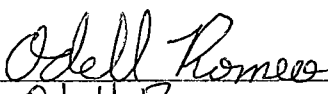
This Amendment No. 3 shall be administered, construed and enforced according to the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed by the respective officers duly authorized effective as of this 15th day of July, 2022.

BWXT Nuclear Operations Group, Inc.
As Grantor


By: **KIRT J. KUBBS**
Its: **TREASURER**

Regions Bank
As Trustee


By: **Odell Romeo**
Its: **Vice President**

ACCEPTED AND AGREED BY:

United States Nuclear Regulatory Commission

By:
Its:
Date:

Annex A

SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimates or prescribed amounts for the following licensed activities:

U.S. Nuclear Regulatory Commission License Number

SNM-42

Name and Address of Licensee

BWXT Nuclear Operations Group, Inc.
2016 Mount Athos Road
Lynchburg, Virginia 24504

Address of Licensed Activity

BWXT Nuclear Operations Group, Inc.
1570 Mount Athos Road
Lynchburg, Virginia 24504

Cost Estimates for Regulatory Assurances Demonstrated by this Agreement

Lynchburg Technology Center	\$ 36,965,380
<u>Downblending</u>	<u>3,154,281</u>
Total Cost Estimate	\$ 40,119,661

The cost estimates listed here were last adjusted and approved by NRC on July 12, 2022.