

Decommissioning Financial Guarantee

This Attachment outlines the plans for providing a decommissioning financial guarantee associated with the licensed activities of site preparation for and construction of a Deep Geologic Repository (DGR) for Low and Intermediate Level Waste in accordance with Section 3(1)(f) of the General Nuclear Safety and Control Regulations. This financial guarantee applies to a constructed facility that would be decommissioned prior to starting operation, and it follows the recommended approach outlined in the CNSC Regulatory Guide G-206 "Financial Guarantees for the Decommissioning of Licensed Activities".

It is proposed that the need for this financial guarantee commences at the start of the site preparation and construction program, assumed to be January 1, 2013 and ends at the start of DGR operations, assumed to be in 2018. This financial guarantee provides assurance that adequate funds are available to fund decommissioning obligations during the DGR construction period in case such a need arises.

The financial guarantee will be provided in the form of a Letter of Credit on a sliding scale basis that escalates as the financial guarantee obligation increases during the construction program. The Letter of Credit would be through a third party financial institution. This approach satisfies the Acceptance Criteria in Section 5 of CNSC Regulatory Guide G-206. A letter of credit is specified in Section 5.2.2 of this Guide as an example of an acceptable financial guarantee. The financial guarantee estimate for the ensuing period before the next update will be used to determine the value of the Letter of Credit for that period.

Regular reports to the CNSC will provide status on program progress, estimated cost and the required financial guarantee.