Kansas Administrative Regulations

Department of Health and Environment

Article 35.—Radiation—Part 3. Licensing of Sources of Radiation.

28-35-180b. Financial assurance for decommissioning.

(a) Each applicant for a specific license authorizing the possession and use of unsealed radioactive material with a half-life greater than 120 days and in quantities exceeding 10^5 times the applicable quantities specified in K.A.R. 28-35-201 shall submit a decommissioning funding plan as described in subsection (e) of this regulation. Each applicant shall also submit the decommissioning funding plan if a combination of isotopes is involved and if R divided by 10^5 is greater than one, where R is defined here as the sum of the ratios of the quantity of each isotope to the applicable value specified in K.A.R. 28-35-201.

(b) Each applicant for a specific license authorizing the possession and use of radioactive material with a half-life greater than 120 days and in quantities specified in table I shall submit either of the following:

(1) A decommissioning funding plan as described in subsection (e); or

(2) a certification that financial assurance for decommissioning has been provided in the amount prescribed by table I, using one of the methods described in subsection (f). The certification may state that the appropriate assurance is to be obtained after the application has been approved and the license has been issued, but before the receipt of licensed material. If the applicant defers execution of the financial instrument required under subsection (f) until after the license has been issued, a signed original of the financial instrument shall be submitted to the department before the applicant receives the licensed material. If the applicant does not defer execution of the financial instrument required under subsection (f), the applicant shall submit to the department, as part of the certification, a signed original of the financial instrument.

(c) Each holder of a specific license that is a type specified in subsection (a) or (b) shall provide financial assurance for decommissioning in accordance with the following requirements:

(1) Each holder of a specific license that is a type specified in subsection (a) shall submit a decommissioning funding plan as specified in subsection (e) or a certification of financial assurance for decommissioning in an amount equal to at least $1,125,000.00. Each licensee shall submit the plan or certification to the department in accordance with the criteria specified in this regulation. If the licensee submits a certification of financial assurance rather than a decommissioning funding plan, the licensee shall include a decommissioning funding plan in any application for license renewal.

(2) Each holder of a specific license that is a type specified in subsection (b) shall submit a decommissioning funding plan as specified in subsection (e) or a certification of financial assurance for decommissioning. Each licensee shall submit the plan or certification to the department, in accordance with the requirements specified in this regulation.

(d) The amounts of financial assurance required for decommissioning, by quantity of material, shall be those specified in table I.

Table I

Financial assurance for decommissioning by quantity of material	
· If the possession limit is greater than 10^4 but less than or equal to 10^5 times the applicable quantities specified in K.A.R. 28-35-201, in unsealed form	$1,125,000.00
· For a combination of isotopes, in	$1,125,000.00

unsealed form, if R, as defined in subsection (a), divided by 10^4 is greater than one, but R divided by 10^5 is equal to or less than one	
· If the possession limit is greater than 10^3 but less than or equal to 10^4 times the applicable quantities specified in K.A.R. 28-35-201, in unsealed form	$225,000.00
· For a combination of isotopes, in unsealed form, if R, as defined in subsection (a), divided by 10^3 is greater than one, but R divided by 10^4 is less than or equal to one	$225,000.00
· If the possession limit is greater than 10^{10} times the	$113,000.00

applicable quantities specified in K.A.R. 28-35-201, in sealed sources or foils	
· For a combination of isotopes, in sealed sources or foils, if R, as defined in subsection (a), divided by 10^{10} is greater than one	$113,000.00

(e) Each decommissioning funding plan shall contain the following:

(1) A cost estimate for decommissioning in an amount including the following:

(A) The cost of an independent contractor to perform all decommissioning activities;

(B) the cost of meeting the requirements for unrestricted use specified in K.A.R. 28-35-205. However, if the applicant or licensee can demonstrate the ability to meet the provisions of K.A.R. 28-35-205a, the cost estimate may be based on meeting the requirements in K.A.R. 28-35-205a;

(C) the volume of on-site subsurface material containing residual radioactivity that will require remediation to meet the requirements for license termination; and

(D) a contingency factor;

(2) identification of and justification for using the key assumptions contained in the decommissioning cost estimate;

(3) a description of the method of ensuring funds for decommissioning from subsection (f), including means for adjusting cost estimates and associated funding levels periodically over the life of the facility;

(4) a certification by the licensee that financial assurance for decommissioning has been provided in the amount of the cost estimate for decommissioning;

(5) a signed original of the financial instrument obtained to satisfy the requirements in subsection (f); and

(6) at the time of license renewal and at intervals not longer than three years, the decommissioning funding plan with adjustments necessary to account for changes in costs and the extent of contamination. The amount of financial assurance shall not be reduced without first obtaining the approval of an updated decommissioning funding plan. The decommissioning funding plan shall update the information submitted with the original or prior approved plan and shall specifically consider the effect of the following events on decommissioning costs:

(A) Spills of radioactive material producing additional residual radioactivity in on-site subsurface material;

(B) waste inventory exceeding the amount previously estimated;

(C) waste disposal costs exceeding the amount previously estimated;

(D) facility modifications;

(E) changes in authorized possession limits;

(F) actual remediation costs exceeding the previous cost estimate;

(G) on-site disposal; and

(H) use of a settling pond.

(f) Each licensee shall provide financial assurance for decommissioning by one or more of the following methods:

(1) Prepayment. "Prepayment" shall mean the deposit of cash or liquid assets before the start of operation into a trust account acceptable to the secretary that is segregated from the licensee's assets and outside of the licensee's administrative control. The deposit shall consist of an amount that is sufficient to pay decommissioning costs. The adequacy of the trust funds shall be based on an assumed annual rate of return of one percent on the funds deposited into the trust.

(2) A surety instrument, insurance policy, or other guarantee method. The licensee may use a surety instrument, insurance policy, or other similar means to guarantee that decommissioning costs will be paid. A surety instrument may be in the form of a surety bond, letter of credit, or line of credit. A parent company's guarantee of funds for decommissioning costs based on a financial test may be used if the guarantee and test meet the requirements of K.A.R. 28-35-203. A parent company's guarantee shall not be used in combination with other financial methods to meet the requirements in this

regulation. A guarantee of funds by the applicant or licensee for decommissioning costs based on a financial test may be used if the guarantee and test meet the requirements of K.A.R. 28-35-203. A guarantee by the applicant or licensee shall not be used in combination with any other financial methods to meet the requirements in this regulation or in any situation in which a parent company of the applicant or licensee holds majority control of the voting stock of the company. Each surety instrument or insurance policy used to provide financial assurance for decommissioning shall contain the following requirements:

(A) The surety instrument or insurance policy shall be open-ended or, if written for a specified term, shall be renewed automatically, unless 90 days or more before the renewal date, the insurer notifies the department, the beneficiary, and the licensee of the insurer's intention not to renew. The surety instrument or insurance policy shall also provide that the full face amount will be paid to the beneficiary automatically before the expiration without proof of forfeiture if the licensee fails to provide a replacement that meets the requirements of this regulation within 30 days after receipt of notification of cancellation.

(B) The surety instrument or insurance policy shall be payable to an approved trust established for decommissioning costs. The trustee may include an appropriate state or federal agency or an entity that has the authority to act as a trustee and whose trust operations are regulated and examined by a federal or state agency.

(C) The surety instrument or insurance policy shall remain in effect until the license is terminated by the department.

(3) External sinking fund. A licensee may provide financial assurance for decommissioning through an external sinking fund in which deposits are made at least annually, coupled with a surety instrument or insurance policy. The value of the surety instrument or insurance policy may decrease by the amount accumulated in the sinking fund. "External sinking fund" shall mean a fund that meets both of the following conditions:

(A) Is established and maintained by setting aside funds periodically in an account segregated from the licensee's assets and outside the licensee's administrative control; and

(B) contains a total amount of funds sufficient to pay the decommissioning costs when termination of the operation is expected. An external sinking fund may be in the form of a trust, escrow account, government fund, certificate of deposit, or deposit of government securities. The surety or insurance provisions shall meet the requirements specified in this subsection.

(4) Statement of intent. Any federal, state, or local government licensee may submit a statement of intent containing a cost estimate for decommissioning or an amount based on table I of this regulation and indicating that funds for decommissioning will be obtained when necessary.

(g) Each person licensed under subsections (a) through (f) shall keep records of all information that is relevant to the safe and effective decommissioning of the facility. The records shall be kept in an identified location until the license is terminated by the department. If records of relevant information are kept for other purposes, the licensee may refer to these records and the location of these records within the records kept pursuant to this subsection.

(h) Each licensee shall maintain decommissioning records, which shall consist of the following information:

(1) Records of spills or other unusual occurrences involving the spread of contamination in and around the facility, equipment, or site. These records may be limited to records of instances in which contamination remains after any cleanup procedures or when there is reasonable likelihood that contaminants could have spread to inaccessible areas. These records shall include any known information identifying the nuclides, quantities, forms, and concentrations involved in the spill or occurrence;

(2) drawings of the following, both as originally built and, if applicable, as modified:

(A) The structures and equipment in restricted areas where radioactive materials are used or stored, or both; and

(B) the locations of possible inaccessible contamination. If the licensee refers to required drawings other than those kept pursuant to this regulation, the licensee shall not be required to index each relevant document individually. If drawings are not available, the licensee shall substitute available information concerning these areas and locations;

(3) a list of the following information, which shall be contained in a single document and updated every two years:

(A) All areas designated and formerly designated as restricted areas;

(B) all areas outside of restricted areas that require the documentation specified in this subsection;

(C) all areas outside of restricted areas where current and previous wastes have been buried and documented as specified in K.A.R. 28-35-227j; and

(D) all areas outside of restricted areas that contain material so that, if the license expired, the licensee would be required either to decontaminate the area to unrestricted release levels or to apply for approval for disposal as specified in K.A.R. 28-35-225a. Those areas containing sealed sources only shall not be included in the list if the sources have not leaked, no contamination remains in the area after any leak, or the area contains only radioactive materials having half-lives of less than 65 days; and

(4) the following records:

(A) Records of the cost estimate performed for the decommissioning funding plan or records of the amount certified for decommissioning; and

(B) if either a funding plan or certification is used, records of the funding method used for assuring funds.

(i) Each applicant for a specific license shall make available a long-term care fund necessary to provide for the long-term surveillance and care of the radioactive material or waste. Each applicant for any of the following types of specific licenses shall establish the long-term care fund before the issuance of the license or before the termination of the license if the applicant chooses, by providing a surety instrument in lieu of a long-term care fund:

(1) Waste-handling licenses;

(2) source material milling licenses; and

(3) licenses for any facilities formerly licensed by the U.S. atomic energy commission or the nuclear regulatory commission (NRC), if required.

(j)(1) Each applicant shall agree to notify the department, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of title 11, bankruptcy, of the United States code by or against any of the following:

(A) The licensee;

(B) any person controlling the licensee or listing the license or licensee as property of the estate; or

(C) any affiliate of the licensee.

(2) The bankruptcy notification shall indicate the following:

(A) The name of the bankruptcy court in which the petition for bankruptcy was filed; and

(B) the date on which the petition was filed.

(Authorized by and implementing K.S.A. 48-1607; effective Dec. 30, 2005; amended March 18, 2011; amended May 4, 2018.)

***** Authenticated Kansas Administrative Regulation *****