



Record of Decision

DEC 22-H105

In the Matter of

Applicant Cameco Corporation

Subject Application to Amend the Cigar Lake Operation
Financial Guarantee Instruments

Date of
Decision June 28, 2022

RECORD OF DECISION – DEC 22-H105

Applicant: Cameco Corporation

Address/Location: 2121 – 11th Street West, Saskatoon SK, S7M 1J3

Purpose: Application to Amend the Cigar Lake Operation Financial Guarantee Instruments

Application received: May 3, 2022

Hearing: Public Hearing in Writing – Notice of Hearing in Writing published on May 20, 2022

Date of decision: June 28, 2022

Panel of Commission: Dr. S. Demeter Presiding Member

Financial Guarantee: Accepted

Table of Contents

1.0 INTRODUCTION	1
2.0 DECISION	2
4.0 ISSUES AND COMMISSION FINDINGS	2
4.0 CONCLUSION.....	4

1.0 INTRODUCTION

1. On May 3, 2022, Cameco Corporation (Cameco) submitted a proposed revised financial guarantee for the Cigar Lake Operation. The Cigar Lake mine site is located in northern Saskatchewan, approximately 660 km north of Saskatoon, on Treaty 10 territory, the Homeland of the Métis, and is within the traditional territories of the Dene, Cree, and Métis peoples. The Cigar Lake Operation uranium mine is owned by a joint venture consisting of Cameco Corporation (Cameco), Orano Canada Inc. (Orano), Idemitsu Canada Resource's (Idemitsu), and Tokyo Electric Power Company (TEPCO), and is licensed to and operated by Cameco. The current licence, UML-MINECIGAR.00/2031, is valid until June 30, 2031.
2. Cameco and Orano [announced a business agreement](#) for the acquisition of Idemitsu's 7.875% participating interest in the Cigar Lake Operation. Consequently, Cameco requested that the Commission accept revised financial guarantee instruments where Cameco and Orano would make up the portion of the financial guarantee previously borne by Idemitsu.
3. Under subsection 24(5) of the [the Nuclear Safety and Control Act](#)¹ (NSCA), the Commission may require that licensees establish and maintain financial guarantees for the decommissioning of their facilities. Licence condition G.3 of Cameco's licence requires Cameco to maintain a financial guarantee for future decommissioning that is acceptable to the Commission. The CNSC document REGDOC-3.3.1 [Financial guarantees for decommissioning of nuclear facilities and termination of licensed activities](#). provides guidance on the attributes of an acceptable financial guarantee in terms of liquidity, certainty, adequacy of value and continuity.

Issue

4. Licence condition G.3 of UML-MINECIGAR.00/2031 requires that Cameco maintain a financial guarantee for decommissioning. Cameco's request does not propose any changes to the CNSC-issued licence, the Preliminary Decommissioning Plan, the associated cost estimate, nor to the operations at the facility. Furthermore, there is no change to the total amount of the financial guarantee, nor to the financial instruments used by Cameco and Orano. This application is to update the financial guarantee instruments to make up the portion of the financial guarantee previously borne by Idemitsu.
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Panel

5. Pursuant to section 22 of the NSCA, the President established a panel of the Commission consisting of Dr. Sandor Demeter to consider the application. A [notice of hearing in writing](#) was published on May 20, 2022. The Commission, in conducting a public hearing based on written materials, considered written submissions from Cameco ([CMD 22-H105.1](#)) and CNSC staff ([CMD 22-H105](#)).

2.0 DECISION

6. Based on its consideration of this matter, as described in more detail in the following sections of this Record of Decision, the Commission concludes that the proposed revised financial guarantee for the future decommissioning of Cameco's Cigar Lake Operation meets the expectations identified in CNSC's REGDOC-3.3.1 and is acceptable to the Commission. Therefore,

the Commission, pursuant to section 24(5) of the *Nuclear Safety and Control Act*, accepts the revised financial guarantee proposed by Cameco Corporation for its Cigar Lake Operation located in northern Saskatchewan.

7. The Commission directs Cameco to provide original revised financial instruments no later than September 15, 2022.

3.0 ISSUES AND COMMISSION FINDINGS

8. The Commission assessed the evidence submitted on the record for this hearing and considered the acceptability of Cameco's proposed revised financial guarantee. The Commission considered whether Cameco, in revising the Cigar Lake Operation financial guarantee to assume Idemitsu's portion, is meeting the requirements of licence condition G.3. Licence condition G.3 states that "*The licensee shall maintain a financial guarantee for decommissioning that is acceptable to the Commission.*"
9. Cameco reported that the financial guarantee for the Cigar Lake Operation is spread amongst the 4 owners in proportion to their ownership of the mine. Cameco indicated that the type of financial instruments currently used by Cameco and Orano are Letters of Credit and a Surety Bond, respectively. Cameco and Orano propose to increase the values of their respective financial guarantee components to cover Idemitsu's current portion. The total amount of the financial guarantee will not change, and the revised financial guarantee would be distributed as follows:

Party	Ownership	
	Current	Revised
Cameco	50.025%	54.547%
Orano	37.1%	40.453%
Idemitsu	7.875%	0%
TEPCO	5%	5%
TOTAL	100%	100%

10. CNSC staff reported that Cameco's proposed changes to the Cigar Lake Operation financial guarantee are administrative in nature, and meet the CNSC's expectations identified in REGDOC-3.3.1 for criteria of liquidity, certainty of value, adequacy of value and continuity. CNSC staff also reported that the Saskatchewan Ministry of the Environment (SMOE) has been informed of the proposed change by Cameco and Orano, as the SMOE is the beneficiary of financial guarantees for Saskatchewan sites and the owner of the lands. CNSC staff further reported that the SMOE has indicated its satisfaction with Cameco's proposed financial guarantee. The Commission is satisfied that SMOE has been informed of the proposed change and has indicated that its satisfaction with Cameco's application.
11. The Commission notes that Cameco is not proposing any change to its Cigar Lake Operation licence, its Preliminary Decommissioning Plan and associated cost estimate, nor to operations at the facility. The Commission also notes that the proposed changes to the financial guarantee do not impact the total value of the financial guarantee nor the financial instruments used, and that the portion of the financial guarantee previously borne by Idemitsu will be assumed by Cameco and Orano.
12. Following the Commission's analysis of the evidence submitted on the record for this hearing, the Commission concludes that Cameco's proposed financial guarantee amendment is acceptable. The Commission is satisfied that Cameco continues to meet the requirements of licence condition G.3 of UML-MINECIGAR.00/2031. The Commission comes to this conclusion on the basis that:
 - the Commission agrees with CNSC staff's assessment that Cameco's revised financial guarantee continues to meet the expectations of REGDOC-3.3.1
 - the Commission agrees with CNSC staff's assessment that Cameco's proposed financial guarantee amendment is administrative in nature

4.0 CONCLUSION

13. The Commission concludes that Cameco's revised financial guarantee continues to provide for the future decommissioning of the Cigar Lake Operation. Therefore, the Commission accepts Cameco's proposed revised financial guarantee where Idemitsu's portion of the financial guarantee will be assumed by Cameco and Orano. The Commission directs Cameco to provide original revised financial instruments no later than September 15, 2022.

Dr. Sandor Demeter Digitally signed by Dr. Sandor Demeter
Date: 2022.06.30 09:38:05 -05'00'

Dr. Sandor Demeter
Presiding Member,
Canadian Nuclear Safety Commission

June 28, 2022

Date