



Record of Decision

DEC 20-H105

In the Matter of

Applicant SRB Technologies (Canada) Inc.

Subject Application for Acceptance of a Revised
Financial Guarantee for SRB Technologies
(Canada) Inc.

Date of
Decision December 8, 2020

RECORD OF DECISION – DEC 20-H105

Applicant: SRB Technologies (Canada) Inc.

Address: SRB Technologies (Canada) Inc.
320 – 140 Boundary Road
Pembroke, Ontario K8A 6W5

Purpose: Application for Acceptance of a Revised Financial
Guarantee for SRB Technologies (Canada) Inc.

Application received: November 29, 2019

Hearing: Public Hearing in Writing – [Notice of Hearing in Writing](#)
published on September 8, 2020

Date of decision: December 8, 2020

Panel of Commission: R. Velshi, President

Revised Financial Guarantee Amount: Accepted

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1.0 INTRODUCTION

1. SRB Technologies (Canada) Inc. (SRBT) has submitted, November 29, 2019, an application to the Canadian Nuclear Safety Commission¹ (CNSC) for the acceptance of the proposed revised financial guarantee amount for its facility located in Pembroke, Ontario. SRBT is a nuclear facility that manufactures gaseous tritium light sources since 1990. The tritium gas processed by SRBT is sealed into glass capsules coated with phosphorescent powder to generate continuous light. These glass capsules are used in various applications such as exit signs, and are distributed domestically and internationally
2. Under subsection 24(5) of the [Nuclear Safety and Control Act](#) (NSCA), the Commission may require that licensees establish and maintain financial guarantees for the decommissioning of their facilities. licence condition 1.3 of SRBT's Nuclear Substance Processing Facility Operating licence, NSPFOL-13.00/2022, requires SRBT to maintain a financial guarantee for future decommissioning that is acceptable to the Commission. licence condition 12.2 of the licence further stipulates that SRBT shall maintain a decommissioning strategy which requires SRBT to review and submit a revised PDP every five years. [G-206, Financial Guarantees for the Decommissioning of Licensed Activities](#) provides guidance on the attributes of an acceptable financial guarantee in terms of liquidity, certainty, adequacy of value and continuity.
3. SRBT currently maintains a financial guarantee in the form of an escrow agreement and a financial security and access agreement that was accepted by the Commission during [SRBT's licence renewal in 2015](#). In accordance with its licence conditions 1.3 and 12.2, SRBT is required to maintain a financial guarantee acceptable to the Commission and a preliminary decommissioning plan (PDP), respectively. SRBT's financial guarantee must be reviewed and updated every five years and, on this basis, SRBT submitted a [revised PDP and a preliminary decommissioning cost estimate](#) (PDCE) to CNSC staff in November 2019, in anticipation of updating the financial guarantee amount.

Issue

4. Pursuant to subsection 24(5) of the [NSCA](#), the Commission was required to decide whether SRBT's proposed amount of its financial guarantee is acceptable for the future decommissioning of the SRBT facility.

Hearing

5. In accordance with Rule 17 of the [Canadian Nuclear Safety Commission Rules of Procedure](#) (the Rules), the Commission published a [notice of public hearing](#) on September 8, 2020 for this matter. Pursuant to Rule 19 of the Rules, the Commission

¹ The *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general, and as the "Commission" when referring to the tribunal component.

invited written interventions from persons who have an interest or expertise in this matter, or information that may be useful to the Commission in coming to a decision on SRBT's application. The Commission considered the [written submission](#) received from one intervenor.

6. Pursuant to section 22 of the NSCA, the President established herself to preside as a Panel of the Commission to hear the applications. The Commission, in accordance with subsection 40(5) of the NSCA, conducted a public hearing based on written materials and considered written submissions from SRBT ([CMD 20-H105.1](#)), CNSC staff ([CMD 20-H105](#)) and one intervention.

2.0 DECISION

7. Based on its consideration of the proposed financial guarantee amount, as described in more detail in the following sections of this Record of Decision, the Commission is satisfied with the updated cost estimates and the proposed financial guarantee amount for the future decommissioning of the SRBT facility. Therefore,

the Commission accepts SRB Technologies (Canada) Inc.'s proposed revised financial guarantee amount of \$727,327.00 for its facility located in Pembroke, Ontario.

3.0 ISSUES AND COMMISSION FINDINGS

3.1 Financial Guarantee

8. The Commission independently assessed the evidence submitted on the record for this hearing by SRBT, one intervenor and CNSC staff, and considered the acceptability of SRBT's proposed revised financial guarantee amount of \$727,327.00 for its facility. The Commission considered whether the revised PDP and the PDCE submitted to the CNSC for review in November 2019 met the expectations of [G-206](#), [G-219](#), [Decommissioning Planning for Licensed Activities](#), and CSA N294-09, *Decommissioning of facilities containing nuclear substances*² as detailed in SRBT's licence conditions handbook (LCH),³ and whether SRBT fulfilled licence condition 1.3 for its facility.

² N294-09, *Decommissioning of facilities containing nuclear substances*, CSA Group, 2009.

³ The CNSC's licensing regime includes the licence conditions handbook (LCH), which is a companion piece to interpret a licence. The general purpose of the LCH is, for each licence condition, to clarify the regulatory requirements and other relevant parts of the licensing basis.

9. In accordance with licence condition 12.2 of its current licence, SRBT submitted a revised PDP and PDCE to the CNSC. The revised financial guarantee amount, increased from \$652,488.00 to \$727,327.00, continues to be based on a “Prompt Decommissioning Strategy”, as outlined in CSA N294-09. In Appendix A of [CMD 20-H105.1](#), SRBT summarizes the key changes that it has made to the PDP since 2015.
10. CNSC staff reported that its assessment of SRBT’s revised PDP showed that the PDP met the specifications of CSA N294-09 and G-219 and that the revised financial guarantee amount of \$727,327.00 for SRBT’s facility is acceptable. CNSC staff also informed the Commission that SRBT’s proposal to continue using an escrow agreement and a financial security and access agreement as financial guarantee instruments met the criteria for financial instruments of G-206.
11. CNSC staff reported that the changes in the preliminary decommissioning cost estimate took into consideration SRBT’s expansion to house new equipment, as well as the removal and replacement of legacy equipment.
12. The Commission duly considered the [written intervention from Safety Probe International](#) and the concerns raised regarding SRBT’s financial guarantee amount. In its intervention, Safety Probe International argued that there was no evidence that SRBT based its estimate for the cost of decommissioning on conservative information. In addition, Safety Probe International argues that SRBT’s application did not explain how unexpected events, which could occur within the licensed facility, impacted the funding of the financial guarantees. While taking this comment under consideration, the Commission is satisfied with CNSC staff’s assessment that the revised PDP provides a credible cost estimate for the future decommissioning of the SRBT facility, based on the breakdown of decommissioning costs associated with the proposed decommissioning strategy for the SRBT facility and the conservatism built into the PDP. The Commission also notes that financial guarantees are accessible to the CNSC for any event that they are needed.
13. CNSC staff reported that SRBT provided an update to the financial guarantee instrument on April 24, 2020 and proactively deposited the difference between the current financial guarantee and the cost estimate of the PDP. CNSC staff also reported that the value of SRBT’s existing financial guarantee was currently \$727,327.00 and fully covers the future decommissioning of the SRBT facility as estimated in the revised PDP.
14. Following the Commission’s analysis of the evidence submitted on the record for this hearing, the Commission is satisfied that SRBT’s existing financial guarantee instruments and proposed financial guarantee amount of \$727,327.00 for its facility are acceptable. The Commission is satisfied that SRBT’s revised PDP and preliminary decommissioning cost estimate submitted to the CNSC for review in November 2019 met the expectations of G-206, G-219 and CSA N294-09 and fulfilled the requirements of licence condition 1.3.

4.0 CONCLUSION

15. The Commission has considered SRBT's request for approval of its revised financial guarantee amount and update to its financial guarantee instruments for its facility in Pembroke, Ontario, and concludes that it is acceptable.
16. The Commission concludes that the revised PDP and PDCE provide a credible cost estimate for the future decommissioning of SRBT's facility and that the financial guarantee instruments consisting of an escrow agreement and a financial security and access agreement remain adequate. The Commission is satisfied that SRBT has fulfilled the requirements of licence condition 1.3 of NSPFOL-13.00/2022. The Commission is also satisfied that SRBT proactively funded its financial guarantee to match the cost estimate of the PDP.
17. Therefore, the Commission accepts SRBT's proposed revised financial guarantee in the amount of \$727,327.00.

Velshi,
Rumina



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December 8, 2020

Rumina Velshi
President,
Canadian Nuclear Safety Commission

Date