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NRC AMENDS REGULATIONS GOVERNING
DECOMMISSIONING FUNDING

The Nuclear Regulatory Commission is amending its regulations to allow self-guarantee as a means of assuring that adequate funds are available for decommissioning NRC-licensed nuclear facilities (except nuclear power plants owned by electric utilities). The action is being taken in response to a petition for rulemaking submitted by General Electric Company and Westinghouse Electric Corporation.

The amendments reflect public comments on the notice of receipt of the petition for rulemaking and will permit the use of self-guarantee if certain requirements are met.

These requirements include: tangible net worth at least 10 times the total current cost estimate for all decommissioning activities for which the company is responsible as a self-guaranteeing licensee and as parent guarantor; assets located in the United States amounting to at least 90 percent of total assets or at least 10 times the current cost estimate for all decommissioning activities for which the company is responsible as a self-guaranteeing licensee and as parent guarantor; a current rating for its most recent bond issuance of AAA, AA or A as issued by Standard and Poors (S&P) or Aaa, Aa or A as issued by Moodys.

In addition: the company will have to have at least one class of equity securities registered under the Securities and Exchange Act of 1934; the company's independent, certified public accountant will have to compare the data used by the company in the financial test which is derived from the independently-audited, year-end financial statements for the latest fiscal year with the amounts in such financial statement; the licensee will have to inform the NRC within 90 days of any matters coming to the attention of the auditor that cause the auditor to believe that the data specified in the financial test should be adjusted and that the company no longer passes the financial test; and, after the initial financial test, the company will have to repeat passage of the test within 90 days after the close of each succeeding fiscal years.

Further: the guarantee will remain in force unless the licensee sends notice of cancellation by certified mail to the Commission but cancellation can not occur during the 120 days following receipt of the notice by the NRC; the licensee will have to provide alternative financial assurance within 90 days of receipt by the NRC of the notice of cancellation; the guarantee and financial test provisions will remain in effect until the Commission has terminated the license or until another financial assurance method acceptable to the NRC has been put in effect by the licensee; the licensee will have to promptly forward to the NRC and the licensee's independent auditor copies of all current reports filed with the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934; and if, at any time, the licensee's most recent bond issuance ceases to be rated in any category of A or above by either S&P or Moodys, the licensee will have to provide notice in writing to the Commission within 120 days.

These amendments to Parts 30, 40, 50, 70 and 72 of the Commission's regulations will become effective on January 28, 1994.

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