

July 21, 2001

Mr. Wolfgang H. Schindler, Controller
GE Nuclear Energy
175 Curtner Avenue
San Jose, California 95125

SUBJECT: GENERAL ELECTRIC COMPANY SELF-GUARANTEE OF FUNDS FOR
DECOMMISSIONING

Dear Mr. Schindler:

We have reviewed your April 2, 2001 submittal of the update to General Electric Company's self-guarantee for providing reasonable assurance of funds for decommissioning. As we discussed by phone, we have examined our files to compare your April 2001 submittal with your previous submittals on this subject. We note that your submittals have used the same format since 1994, in order to use the provisions of Appendix C to 10 CFR Part 30, issued in 1993, which originally authorized the use of a self-guarantee for decommissioning financial assurance. Furthermore, we note that your previous submittals have been acceptable to the NRC in the past.

However, your original 1994 submittal was received before the NRC issued regulatory guidance on the recommended language for a self-guarantee. Our review of your original submittal was, therefore, case-specific, and was not intended to provide a prototype for the self-guarantee documentation that would be used for regulatory guidance. When model language was published in NRC regulatory guidance, it differed from the format of your original self-guarantee. In addition, both Appendix C and the NRC guidance have been revised since their first issuance. Consequently, the unchanged format of your self-guarantee now differs sufficiently from the format specified by regulation and recommended in NRC guidance to prompt us to request that you revise them.

The most important revision to be made is to create a written self-guarantee agreement that contains recitals in accordance with the requirements of Appendix C to 10 CFR Part 30. Acceptable formats for the agreement are shown in Appendix F to NUREG-1727, "NMSS Decommissioning Standard Review Plan." The NUREG is available from the NRC website, www.nrc.gov. The NUREG also contains formats for the supporting documents that are submitted with the self-guarantee agreement, such as the financial test.

Please revise the General Electric Company self-guarantee documents to correspond with the regulatory guidance of NUREG-1727. You may contact Mr. Thomas Fredrichs, phone number (301) 415-5971, of my staff for any assistance you may need.

Sincerely,

/RA/

Robert A. Nelson, Chief
Facilities Decommissioning Section
Division of Waste Management
Office of Nuclear Material Safety
And Safeguards

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