

REQUEST FOR ADDITIONAL INFORMATION
GENERAL ELECTRIC COMPANY
SELF-GUARANTEE OF FUNDS FOR DECOMMISSIONING

INTRODUCTION

The General Electric Company (GE) submitted a self-guarantee of funds for decommissioning on March 30, 2003. The self-guarantee addresses decommissioning for licenses DPR-1, R-33, TR-1, DR-10, SNM-960, and SNM-2500 issued under 10 CFR Parts 50, 70, and 72, for a total sum of \$87,300,000.

The staff reviewed GE's submission with the applicable regulations in 10 CFR 50.75, 70.25, and 72.30, the financial test criteria at 10 CFR 30, Appendix C, and the regulatory guidance of NUREG-1727, *NMSS Decommissioning Standard Review Plan*, September 2000.

The staff's review found that the GE self-guarantee must address the following comments to conform to the requirements and guidance.

COMMENTS

(1) Reconcile GE Self-Guarantee Documentation with GE Morris Cost Estimate
(Letter: Regan, USNRC to Ellis, General Electric, May 16, 2003, Page 24)

General Electric Morris Operation (GE Morris) submitted a Decommissioning Plan (DP) as Section A.7, issued May 5, 2000, of its Consolidated Safety Analysis Report, which was submitted in support of its application for renewal of Special Nuclear Material License SNM-2500. The staff evaluated the decommissioning cost estimate included in the DP and found that the licensee must revise its cost estimate to conform to the requirements and guidance of 10 CFR Part 72.30 and NUREG-1727.

The staff review of the DP identified that there were inconsistencies between the cost estimate for decommissioning GE Morris in the DP and the cost estimate for decommissioning GE Morris provided in two previous self-guarantees submitted by GE. The amount of the cost estimate in the DP, \$22,265,000, is also inconsistent with the cost estimate of \$37,900,000 for decommissioning GE Morris provided in the March 4, 2003 self-guarantee.

Therefore, consistent with the Requests for Additional Information submitted by NRC to GE Morris on May 16, 2003 concerning their license renewal, GE must reconcile the differences between the cost estimates submitted for decommissioning the GE Morris operation.

(2) Correct Wording in Recital 4(a)
(NUREG-1727, Appendix F, Section 14.13)

Section 14.13 of NUREG-1727 provides model language for a self-guarantee agreement. Recital 4(a) says, "Tangible net worth at least 10 times the current decommissioning cost estimates for all decommissioning activities for which the company is responsible as a self-

guaranteeing licensee and as a parent-guarantor; and . . .” The last line of Recital 4(a) in the GE documentation says, “. . . guaranteeing licensee **as and** a parent-guarantor . . .” (emphasis added). Recital 4(a) should be corrected in the self-guarantee agreement.

(3) Correct Wording in Recital 12
(NUREG-1727, Appendix F, Section 14.13)

Section 14.13 of NUREG-1727 provides model language for a self-guarantee agreement. Recital 12 says, “The guarantor, as well as its successors and assigns, agree to remain bound jointly and severally under this guarantee notwithstanding any or all of the following: amendment or modification of license or NRC-approved decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR , Part . . .” The last line of Recital 12 in the GE documentation is missing the “to” between “pursuant” and “10 CFR Part 70 and 72.” Recital 12 should be corrected in the self-guarantee agreement.