



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

Central Files (45)
NRR R

5/10/91

MEMORANDUM FOR: Charles J. Haughney, Chief
Fuel Cycle Safety Branch
Division of Industrial and Medical
Nuclear Safety
Office of Nuclear Material Safety
and Safeguards

FROM: Darrel A. Nash, Section Chief
Policy Development and Financial
Evaluation Section
Policy Development and Technical Support Branch
Program Management, Policy Development
and Analysis Staff
Office of Nuclear Reactor Regulation

SUBJECT: PTSB UPDATED ANALYSIS OF SEQUOYAH FUELS CORPORATION'S ABILITY
TO FINANCE THE DECOMMISSIONING OF ITS GORE FACILITY

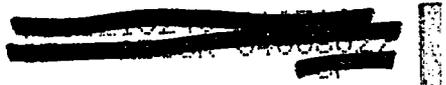
As you requested in your memorandum to me dated April 24, 1991, we have reviewed the ability of Sequoyah Fuels Corporation (SFC) and its parents Sequoyah Fuels International Corporation (SFIC) and Sequoyah Holding Corporation (SHC) to finance the decommissioning of the Gore facility as evidenced by the most recent consolidated financial statement submissions from SHC on behalf of itself, SFC, and SFIC. We have found that SFC/SFIC/SHC remain financially able to fund decommissioning at least to the amount carried as a liability on their consolidated balance sheet (i.e., \$12,160,000) provided that SFC continues to conduct uranium conversion operations and that its financial operations are reasonably represented by the consolidated financial statements. Upon renewal of SFC's license, SFC will be required to comply with the decommissioning funding provisions of 10 CFR Part 40. As with our previous analyses, we make no judgment whether the decommissioning reserve is an accurate estimate of Gore's decommissioning costs.

The enclosed analysis was prepared by Robert Wood (x21255).

Darrel A. Nash, Section Chief
Policy Development and Financial
Evaluation Section
Policy Development and Technical
Support Branch
Program Management, Policy Development
and Analysis Staff
Office of Nuclear Reactor Regulation

6/32 JFF 110

Enclosure:
As stated



NRC FILE CENTER COPY