



Westinghouse

Westinghouse Electric Company  
Legal & Contracts, Environment, Health & Safety  
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U.S.A.

August 16, 2006

ATTN: Document Control Desk  
U.S. Nuclear Regulatory Commission  
One White Flint North  
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Rockville, MD 20852

Noted Copy: Jack Strosnider, Director, NMSS  
U.S. Nuclear Regulatory Commission  
Two White Flint North  
11545 Rockville Pike  
Rockville, MD 20852

References:

1. Westinghouse Electric Company letter dated August 14, 2006 from A. Joseph Nardi to Regional Administrator (USNRC, Region I), "Change in Financial Assurance Amounts for Westinghouse Licenses" Nos. SNM-770 (Docket 70-0698), SNM-1107 (Columbia, SC Fuel Facility) and SNM-1460 (Docket 70-1503).
2. Westinghouse Electric Company letter dated July 13, 2006 from A. Joseph Nardi to Amy Snyder (USNRC), "Submittal of Decommissioning Cost Estimate Information, and Chapter 7 Amendment, License NO. SNM-33 (Docket 070-00036)," **with accompanying Proprietary Affidavit**
3. Westinghouse Electric Company Letter dated July 13, 2006 from Nancy Blair Parr to Mary T. Adams (Senior Project Manager USNRC), "Decommissioning Funding Plan for Westinghouse SNM-1107 License," **with accompanying Proprietary Affidavit**
4. Westinghouse Electric Company letter dated August 14, 2006 from A. Joseph Nardi to Mary T. Adams (Senior Project Manager USNRC), "Submittal of Detailed Decommissioning Cost Estimates for Westinghouse Licenses SNM-770 (Docket 70-0698) and SNM-1460 (Docket 70-1503)," **with accompanying Proprietary Affidavit**

Subject: Application for Consent to Indirect Change of Control with Respect to Materials Licenses, Quality Assurance Program Approvals and Certificates of Compliance (TAC L31948)

Dear Sir or Madam:

Reference is made to the subject Application for Consent to Indirect Change of Control (the "Application") filed by Westinghouse Electric Company LLC ("Westinghouse") with the US Nuclear Regulatory Commission ("NRC") by letter dated April 21, 2006, as supplemented by letter dated June 19, 2006. The Application seeks NRC consent for the planned sale (the "Transaction") by British Nuclear Fuels plc, the current parent company of Westinghouse, of its entire interest in Westinghouse to Toshiba Corporation ("Toshiba") in connection with Westinghouse's materials licenses, quality assurance program approvals and certificates of compliance listed on Exhibit A to the Application.

This letter responds to the request of the NRC staff that, in connection with the staff review of the Application, Westinghouse submit to the NRC evidence of its current decommissioning financial assurance funding for the materials licenses that are the subject of the Application. The letter also provides other information the NRC staff has requested from Westinghouse in order for the NRC to complete its review of the Application and issue its consent to the indirect change of control.

In References 1 and 2, Westinghouse transmitted updates to its financial assurance funding amounts directly to the respective NRC offices responsible for maintaining the financial assurance documentation with respect to its NRC materials licenses. Westinghouse is enclosing a copy of these transmittals here for the benefit of the NRC staff reviewing the Application. In addition, in References 3 and 4, Westinghouse transmitted to the NRC project manager responsible for the Application additional detailed decommissioning cost estimates in support of the financial assurance updates for its materials licenses Nos. SNM-1170 (Columbia, SC Fuel Facility, Docket 70-1151), SNM-770 (Waltz Mill Site, Docket 70-0698) and SNM-1460 (Science and Technology Dept., Docket 70-1503). Together, the referenced submittals satisfy Westinghouse's obligation to provide required decommissioning financial assurance updates for each of its NRC materials licenses during calendar year 2006. The submittals also address the NRC's staff's request for this information as part of its Application review.

In connection with the Transaction, Westinghouse has provided Toshiba with complete copies of References 1 through 4. As a result, Toshiba is fully aware of the detailed technical and other information contained in the referenced documents with respect to Westinghouse's updated financial assurance funding amounts. Toshiba also is aware of Westinghouse's current decommissioning financial assurance funding commitments to the NRC with respect to the materials licenses that are the subject of the Application.

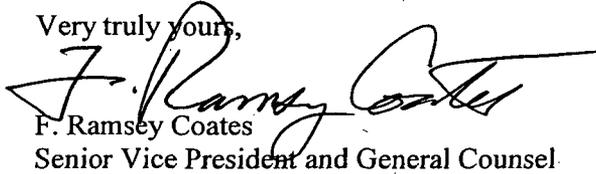
In the Application, Westinghouse further indicated that Toshiba would acquire its indirect control of Westinghouse upon the closing of the Transaction through a new holding company, and referred to in the Application as "NewCo." In response to the NRC's request, please be advised that Toshiba has informed Westinghouse that NewCo's formal name will be "Toshiba Nuclear Energy Holdings (USA)." This company either will be a U.S. corporation or a limited liability company, and will be registered in the State of Delaware, USA.

As first requested in the Application, Westinghouse continues to request that the NRC provide its consent to the indirect change of control to be effective as of the Closing Date of the Transaction. It is now contemplated that closing of the Transaction will occur during the last week of September 2006. Accordingly, based on the information originally submitted in the Application, as supplemented in its June 19 letter and the information provided herein, Westinghouse requests that the NRC issue its approval of the Application and provide the requested consent to the indirect change of control by no later than September 25, 2006. Thereafter, Westinghouse will provide notice to The NRC of the actual Closing Date of the Transaction once it has occurred.

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Should there be any further questions regarding the information provided in this letter, please contact the appropriate contact individual(s) listed in the Application.

Very truly yours,



F. Ramsey Coates  
Senior Vice President and General Counsel

Enclosure

cc: Administrator, USNRC Region I and Nuclear Material Section  
Administrator, USNRC Region II and Material Licensing/Inspection Branch  
Administrator, USNRC Region III and Material Licensing Section  
Mary T. Adams, Sr. Project Manager, Fuel Cycle Facilities Branch, FCSS, NMSS  
Stuart Treby, Esq , Office of General Counsel  
Jason Zorn, Esq., Office of General Counsel