



April 10, 2007
REL:07:012

U.S. Nuclear Regulatory Commission
Director, Office of Nuclear Material
Safety and Safeguards
Attn: Document Control Desk
Washington, D.C. 20555

Gentlemen:

Subject: Annual Financial Test Update for Decommissioning Financial Assurance for the AREVA NP Inc. (AREVA NP) Richland Fuel Fabrication Facility (License No. SNM-1227, Docket No. 70-1257)

Decommissioning financial assurance for AREVA NP's Richland, Washington fuel fabrication facility is provided by a parent company guarantee as provided for in 10 CFR 70.25 (f)(2). The financial test underlying that guarantee is as specified in 10 CFR 30, Appendix A, which also includes a requirement that passage of the test be reaffirmed on an annual basis (within 90 days after the close of each succeeding fiscal year). Attached in support of this annual demonstration are the following updated financial assurance instruments:

- AREVA NP Inc. Chief Executive Officer (CEO) Letter; [Exhibit 2 from AREVA NP's Decommissioning Funding Plan (DFP)];
- AREVA Chief Financial Officer (CFO) Letter, Including Parent Company Guarantee Financial Test; (Exhibit 3 from AREVA NP's DFP). This financial instrument, signed on March 30, 2007, is responsive to the 10 CFR 30 Appendix A, Section II C.1 requirement for annual passage of the financial test. Please note that the letter indicates that a copy of the firm's 2006 financial statements will be provided as soon as available.
- Auditor's Special Report – Confirmation of the Chief Financial Officer's Letter (Exhibit 4 in AREVA NP's DFP).

An updated Exhibit 5 of AREVA NP's DFP, Report of the Auditors on the Consolidated Financial Statements, will be provided in conjunction with copies of the 2006 financial statements, as discussed above.

The attached financial assurance instruments are copies of the originals. Consistent with prior instruction from the NRC, original copies of the instruments will be submitted under separate cover directly to the Deputy Director, Fuel Facility Licensing Directorate, FCSS.

AREVA NP INC.
An AREVA and Siemens company

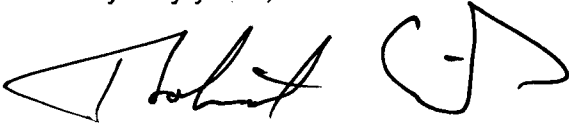
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US NRC
April 10, 2007

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If you have questions, please contact me on 509-375-8409 or Loren Mass on 509-375-8537.

Very truly yours,

Handwritten signature of R. E. Link, consisting of a stylized 'R' followed by 'E. Link' and a large flourish.

R. E. Link, Manager
Environmental, Health, Safety & Licensing

/mah

Enclosures

cc: U. S. Nuclear Regulatory Commission
Mr. Merritt N. Baker, Project Manager
Mail Stop T8 F42
Fuel Manufacturing Licensing Branch
Division of Fuel Cycle Safety and Safeguards
Rockville, MD 20852



Thomas A. Christopher
President and CEO

CHIEF EXECUTIVE OFFICER (CEO) LETTER

March 26, 2007

U. S. Nuclear Regulatory Commission
Washington, D.C. 20055

Dear Sir or Madam:

I am the President and Chief Executive Officer of AREVA NP Inc., 2101 Horn Rapids Road, Richland, Washington, 99352, a corporation. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 70.

I hereby certify that AREVA NP Inc. is currently a going concern, and that it possesses positive tangible net worth in the amount of \$195M as of December 31, 2006.

This firm is not required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year. This fiscal year of this firm ends on December 31.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Sincerely,

A handwritten signature in cursive script that reads 'Tom Christopher'.

Thomas A. Christopher

TAC/kc

AREVA NP Inc.
An AREVA and Siemens company

3315 Old Forest Road, P. O. Box 10935, - Lynchburg, VA 24506-0935
Tel: 434 832 2519 - Fax: 434 832 3003 www.aveva.com



Paris, March 30th 2007

NUCLEAR REGULATORY COMMISSION

WASHINGTON, DC-20055
USA

CHIEF FINANCIAL OFFICER (CFO) LETTER

I am the chief financial officer of the "Société des Participations du Commissariat à l'Energie Atomique", whose trade name is AREVA and registered office is 27-29 rue Le Peletier, 75009 Paris, a French Société Anonyme. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 70.

This firm guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR Part 70, the decommissioning of the following facility owned or operated by subsidiaries of this firm. The current cost estimate or certified amount for decommissioning so guaranteed, is as follow:

Name of Facility	License Number	Location of Facility	Certified Amounts or Current Cost Estimates
Areva NP, Inc	SNM - 1227	Richland, WA 99352	37.4 M\$

This firm is not required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

This fiscal year of this firm ends on December 31st. The figures for the following items marked with an asterisk are derived from this firm's independently audited year-end financial statements and footnotes for the latest completed fiscal year, ended December 31st, 2006. A copy of this firm's 2006 financial statements will be enclosed as soon as available.

The completed Financial Test I is enclosed.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Alain Pierre Raynaud', written over a horizontal line.

Alain Pierre Raynaud
Chief Financial Officer



Parent company guarantee financial test 1 (USD) - FY2006

EUR/USD au 31/12/06
1,317

1	Current decommissioning cost estimates or certified amounts <i>(all amounts in \$m)</i>	
a	Decommissioning amounts covered by this parent company guarantee	M\$ 37,4
b	All decommissioning amounts covered by other NRC or Agreement State parent company	M\$ 0
c	All amounts covered by parent company guarantees, self guarantees, or financial tests of other Federal or State agencies (eg EPA)	M\$ 0
	TOTAL M\$	37,4

*2	Total liabilities (if any portion of the cost estimates for decommissioning is included in total liabilities on your firm's financial statements, you may deduct the amount of that portion from this line and add this amount to lines 3 and 4)	M\$ 19 208	Total of liabilities minus 3,285 billion \$ of provisions for Group share dismantling costs and minus 2,754 billion \$ of provisions for third party share dismantling costs.
*3	tangible net worth (net worth minus goodwill, patents, trademarks and copyrights) plus provisions for Group share dismantling costs	M\$ 8 539	Net worth (including decommissioning costs - Group share) minus 3,445 Billion \$ as goodwill and minus 0,153 billion \$ as copyright, trademarks and patents.
*4	Net worth plus decommissioning cost plus provisions for Group share dismantling costs	M\$ 12 137	shareholder's equity+additional capital (including decommissioning costs - Group share).
*5	Current assets (less than 1 year)	M\$ 10 756	
*6	Current liabilities (less than 1 year)	M\$ 9 021	
*7	Net working capital (line 5 minus line 6)	M\$ 1 734	
*8	The sum of the net income plus depreciation, depletion and amortization	M\$ 1 927	
*9	Total assets in the US	M\$ 1 774	

	TEST		YES/NO
10	is line 3 at least \$10 million?	854	YES
11	is line 3 at least 8 times line 1?	x 228	YES
12	is line 7 at least 6 times line 1?	46	YES
13	Are at least 80% of firm's assets located in the US? If not complete 14		
14	is line 9 at least 6 times line 1?	47,43	YES
	Guarantor must meet two of the following three ratios:		
16	total liabilities (*2) / net worth (*4) < 2.	1,58	YES
17	net income plus amortization, depletion, depreciation (*8) / net worth (plus uncovered AREVA share decommissioning costs) > 0,1	0,22	YES
18	current assets / current liabilities > 1,5	1,19	NO

MS



Schedule reconciling amounts contained in Chief Financial Officer's Letter with the amounts in financial statements (USD)

financial test 1	PER FINANCIAL STATEMENT M\$	Reconciling Items M\$	PER CFO's Letter M\$
8 Total current liabilities (less than 1 year)	9 021		
Long term debt	14 745		
Deferred income taxes	1 480		
	<u>25 247</u>		
Accrued decommissioning costs included in long term debts		6 038	
Total liabilities (less accrued decommissioning costs - Group share)			19 208
4 Net worth	8 853		
Less: patents, trademarks and copyright	-153		
Less: Cost in excess of value of tangible assets acquired	<u>-3 445</u>		
	5 255		
Accrued decommissioning costs included in long term debts		6 038	
Less: Third party part in long term decommissioning assets		<u>-2 754</u>	
AREVA share of the accrued decommissioning costs included in long term debts		3 285	
Net worth (plus AREVA share of decommissioning costs)			12 137
Tangible net worth (plus AREVA share of decommissioning costs)			8 539
Less: Long term portfolio dedicated to decommissioning assets		<u>-3 933</u>	
Net AREVA share of the accrued decommissioning costs included in long term debts		-648	
Net worth (plus uncovered AREVA share decommissioning costs)			8 853
CONTROL			27 748
+ good will + patents + copyrights + trademarks			3 598
+ Third party part in long term decommissioning assets			2 754
TOTAL BALANCE SHEET			34 100

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Parent company guarantee financial test 1 (EUR) - FY2006

EUR/USD on 31/12/06
1,317

1	Current decommissioning cost estimates or certified amounts <i>(all amounts in €m)</i>		
a	Decommissioning amounts covered by this parent company guarantee	M€	28,4
b	All decommissioning amounts covered by other NRC or Agreement State parent company	M€	0
c	All amounts covered by parent company guarantees, self guarantees, or financial tests of other Federal or State agencies (eg EPA)	M€	0
TOTAL M€			28,4

*2	Total liabilities (if any portion of the cost estimates for decommissioning is included in total liabilities on your firm's financial statements, you may deduct the amount of that portion from this line and add this amount to lines 3 and 4)	M€	14 585	Total of liabilities minus 2,494 billion Euros of provisions for Group share dismantling costs and minus 2,091 billion Euros of provisions for third party share dismantling costs.
*3	tangible net worth (net worth minus goodwill, patents, trademarks and copyrights) plus provisions for Group share dismantling costs	M€	6 484	Net worth (including decommissioning costs - Group share) minus 2,616 Billion Euros as goodwill and minus 0,116 billion Euros as copyright, trademarks and patents.
*4	Net worth plus decommissioning cost plus provisions for Group share dismantling costs	M€	9 216	shareholder's equity+additional capital (including decommissioning costs - Group share)
*5	Current assets (less than 1 year)	M€	8 107	
*6	Current liabilities (less than 1 year)	M€	6 850	
*7	Net working capital (line 5 minus line 6)	M€	1 317	
*8	The sum of the net income plus depreciation, depletion and amortization	M€	1 463	
*9	Total assets in the US	M€	1 347	

	TEST		YES/NO
10	is line 3 at least \$10 million? (line 10 is in \$)	864	YES
11	is line 3 at least 6 times line 1? X	229	YES
12	is line 7 at least 6 times line 1? X	46	YES
13	Are at least 90% of firm's assets located in the US? If not complete 14		
14	is line 9 at least 6 times line 1? X	47,43	YES
Guarantor must meet two of the following three ratios:			
16	total liabilities (*2) / net worth (*4) < 2	1,56	YES
17	net income plus amortization, depletion, depreciation (*8) / net worth (plus uncovered AREVA share decommissioning costs) > 0,1	0,22	YES
18	current assets / current liabilities > 1,5	1,19	NO

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Schedule reconciling amounts contained in Chief Financial Officer's Letter with the amounts in financial statements (EUR)

financial test	PER FINANCIAL STATEMENT (M€)	Reconciling Items (M€)	PER CFO's Letter (M€)
6 Total current liabilities (less than 1 year)	6 850		
Long term debt	11 186		
Deferred income taxes	<u>1124</u>		
	19.170		
Accrued decommissioning costs included in long term debts		4 585	
Total liabilities (less accrued decommissioning costs - Group share)			14 585
4 Net worth	6 722		
Less: patents, trademarks and copyright	-116		
Less: Cost in excess of value of tangible assets acquired	<u>-2 616</u>		
	3 990		
Accrued decommissioning costs included in long term debts		4 585	
Less: Third party part in long term decommissioning assets		<u>-2 091</u>	
AREVA share of the accrued decommissioning costs included in long term debts		2 494	
Net worth (plus AREVA share of decommissioning costs)			9 216
Tangible net worth (plus AREVA share of decommissioning costs)			6 484
Less: Long term portfolio dedicated to decommissioning assets		<u>-2 966</u>	
Net AREVA share of the accrued decommissioning costs included in long term debts		-492	
Net worth (plus uncovered AREVA share decommissioning costs)			6 722
CONTROL			21 069
+ good will + patents + copyrights + trademarks			2 732
+ Third party part in long term decommissioning assets			2 091
TOTAL BALANCE SHEET			26 892

M

Mazars & Guérard

61, rue Henri Régnault
92075 La Défense cedex

Salustro Reydel
Membre de KPMG International

1, cours Valmy
92923 La Défense cedex

Deloitte & Associés

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine cedex

Auditors' Report

In accordance with our appointment as statutory auditors of the "Société des Participations du Commissariat à l'Énergie Atomique", whose trade name is AREVA, the "Letter", prepared by the Chief Financial Officer of AREVA and enclosed with the present report has been communicated to us in order to perform certain agreed procedures.

Our work has been performed in accordance with professional standards applicable in France. The procedures we performed are summarized as follows:

1. We compared the amounts in the attached schedules with amounts included in the company's consolidated financial statements prepared in accordance with IFRS as adopted by the European Union for the year ended December 31, 2006 and which were approved by the Executive Board on March 5, 2007 and reviewed by the Supervisory Board on March 22, 2007; or with amounts included in the corresponding general ledger;
2. We checked the totals and percentages included in the schedules.

Based on the procedures referred above, we have no matters to report regarding the consistency of the information given by AREVA in the attached "Letter" with the consolidated financial statements of AREVA as at December 31, 2006 or the corresponding general ledger.

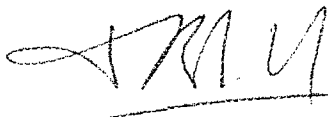
Because the above procedures do not constitute either an audit or a review made in accordance with professional standards applicable in France, we do not express any assurance on the individual accounts available in the attached schedule. Had we performed additional procedures, others matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Nuclear Regulatory Commission and yourselves, and should not be assigned to unspecified use or to be communicated to other person without our prior written authorization.


This report shall be governed by, and construed in accordance with the French Laws. The Courts of France (represented by the Cour d'Appel de Paris) shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this report and any matter arising from them. Each party irrevocably waives any right it may have to object an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.

Paris-La-Défense and Neuilly-sur-Seine, March 30, 2007

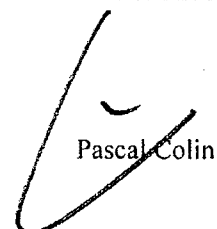
Mazars & Guérard


Thierry Blanchetier

Salustro Reydel
Membre de KPMG International


Denis Marangé

Deloitte & Associés


Pascal Colin



Paris, March 30th 2007

NUCLEAR REGULATORY COMMISSION

WASHINGTON, DC 20055
USA

CHIEF FINANCIAL OFFICER (CFO) LETTER

I am the chief financial officer of the "Société des Participations du Commissariat à l'Energie Atomique", whose trade name is AREVA and registered office is 27-29 rue Le Peletier, 75009 Paris, a French Société Anonyme. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 70.

This firm guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR Part 70, the decommissioning of the following facility owned or operated by subsidiaries of this firm. The current cost estimate or certified amount for decommissioning so guaranteed, is as follow:

Name of Facility	License Number	Location of Facility	Certified Amounts or Current Cost Estimates
Areva NP, Inc	SNM - 1227	Richland, WA 99352	37.4 M\$

This firm is not required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

This fiscal year of this firm ends on December 31st. The figures for the following items marked with an asterisk are derived from this firm's independently audited year-end financial statements and footnotes for the latest completed fiscal year, ended December 31st, 2006. A copy of this firm's 2006 financial statements will be enclosed as soon as available.

The completed Financial Test I is enclosed.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Alain Pierre Raynaud', written over a horizontal line.

Alain Pierre Raynaud
Chief Financial Officer



Parent company guarantee financial test 1 (USD) - FY2006

EUR/USD 31/12/06
1,317

1	Current decommissioning cost estimates or certified amounts <i>(all amounts in \$m)</i>	
a	Decommissioning amounts covered by this parent company guarantee	M\$ 37,4
b	All decommissioning amounts covered by other NRC or Agreement State parent company	M\$ 0
c	All amounts covered by parent company guarantees, self guarantees, or financial tests of other Federal or State agencies (eg EPA)	M\$ 0
	TOTAL M\$	37,4

*2	Total liabilities (if any portion of the cost estimates for decommissioning is included in total liabilities on your firm's financial statements, you may deduct the amount of that portion from this line and add this amount to lines 3 and 4)	M\$ 19 205	Total of liabilities minus 3,285 billion \$ of provisions for Group share dismantling costs and minus 2,754 billion \$ of provisions for third party share dismantling costs.
*3	tangible net worth (net worth minus goodwill, patents, trademarks and copyrights) plus provisions for Group share dismantling costs	M\$ 8 539	Net worth (including decommissioning costs - Group share) minus 3,445 Billion \$ as goodwill and minus 0,153 billion \$ as copyright, trademarks and patents.
*4	Net worth plus decommissioning cost plus provisions for Group share dismantling costs	M\$ 12 137	shareholder's equity+additional capital (including decommissioning costs - Group share):
*5	Current assets (less than 1 year)	M\$ 10 756	
*6	Current liabilities (less than 1 year)	M\$ 9 021	
*7	Net working capital (line 5 minus line 6)	M\$ 1 734	
*8	The sum of the net income plus depreciation, depletion and amortization	M\$ 1 927	
*9	Total assets in the US	M\$ 1 774	

	TEST		YES/NO
10	is line 3 at least \$10 million?	854	YES
11	is line 3 at least 6 times line 1?	x 228	YES
12	is line 7 at least 6 times line 1?	46	YES
13	Are at least 90% of firm's assets located in the US? If not complete 14		
14	Is line 9 at least 6 times line 1?	47,43	YES
Guarantor must meet two of the following three ratios:			
16	total liabilities (*2) / net worth (*4) < 2	1,58	YES
17	net income plus amortization, depletion, depreciation (*8) / net worth (plus uncovered AREVA share decommissioning costs) > 0,1	0,22	YES
18	current assets / current liabilities > 1,5	1,19	NO

PA



Schedule reconciling amounts contained in Chief Financial Officer's Letter with the amounts in financial statements (USD)

financial test	PER FINANCIAL STATEMENT M\$	Reconciling Items M\$	PER CFO's Letter M\$
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Long term debt	14 745		
Deferred income taxes	<u>1 480</u>		
	25 247		
Accrued decommissioning costs included in long term debts		6 038	
Total liabilities (less accrued decommissioning costs - Group share)			19 208
4 Net worth	8 853		
Less: patents, trademarks and copyright	-153		
Less: Cost in excess of value of tangible assets acquired	<u>-3 445</u>		
	5 255		
Accrued decommissioning costs included in long term debts		6 038	
Less: Third party part in long term decommissioning assets		<u>-2 754</u>	
AREVA share of the accrued decommissioning costs included in long term debts		3 285	
Net worth (plus AREVA share of decommissioning costs)			12 137
Tangible net worth (plus AREVA share of decommissioning costs)			8 539
Less: Long term portfolio dedicated to decommissioning assets		<u>-3 933</u>	
Net AREVA share of the accrued decommissioning costs included in long term debts		-648	
Net worth (plus uncovered AREVA share decommissioning costs)			8 853
CONTROL			27 748
+ good will + patents + copyrights + trademarks			3 598
+ Third party part in long term decommissioning assets			2 754
TOTAL BALANCE SHEET			34 100

M



Parent company guarantee financial test 1 (EUR) - FY2006

EUR/USD av 31/12/06
1,317

1	Current decommissioning cost estimates or certified amounts <i>(all amounts in €m)</i>		
a	Decommissioning amounts covered by this parent company guarantees	M€	28,4
b	All decommissioning amounts covered by other NRC or Agreement State parent company	M€	0
c	All amounts covered by parent company guarantees, self guarantees, or financial tests of other Federal or State agencies (eg EPA)	M€	0
	TOTAL M€		28,4

*2	Total liabilities (if any portion of the cost estimates for decommissioning is included in total liabilities on your firm's financial statements, you may deduct the amount of that portion from this line and add this amount to lines 3 and 4)	M€	14 585	Total of liabilities minus 2,494 billion Euros of provisions for Group share dismantling costs and minus 2,091 billion Euros of provisions for third party share dismantling costs.
*3	tangible net worth (net worth minus goodwill, patents, trademarks and copyrights) plus provisions for Group share dismantling costs	M€	6 484	Net worth (including decommissioning costs - Group share) minus 2,616 Billion Euros as goodwill and minus 0,116 billion Euros as copyright, trademarks and patents.
*4	Net worth plus decommissioning cost plus provisions for Group share dismantling costs	M€	9 216	shareholder's equity+additional capital (including decommissioning costs - Group share)
*5	Current assets (less than 1 year)	M€	8 167	
*6	Current liabilities (less than 1 year)	M€	6 850	
*7	Net working capital (line 5 minus line 6)	M€	1 317	
*8	The sum of the net income plus depreciation, depletion and amortization	M€	1 463	
*9	Total assets in the US	M€	1 347	

	TEST		YES/NO
10.	is line 3 at least \$10 million? (line 10 is in \$)	854	YES
11	is line 3 at least 6 times line 1? X	229	YES
12	is line 7 at least 6 times line 1? X	46	YES
13.	Are at least 90% of firm's assets located in the US? If not complete 14		
14	Is line 9 at least 6 times line 1? X	47,43	YES
	Guarantor must meet two of the following three ratios:		
16	total liabilities (*2) / net worth (*4) < 2	1,58	YES
17	net income plus amortization, depletion, depreciation (*8) / net worth (plus uncovered AREVA share decommissioning costs) > 0,1	0,22	YES
18	current assets / current liabilities > 1,5	1,19	NO

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Schedule reconciling amounts contained in Chief Financial Officer's Letter with the amounts in financial statements (EUR)

financial test I	PER FINANCIAL STATEMENT (ME)	Reconciling Items (ME)	PER CFO's Letter (ME)
6 Total current liabilities (less than 1 year)	6 850		
Long term debt	11 198		
Deferred income taxes	1124		
	<u>19.170</u>		
Accrued decommissioning costs included in long term debts		4 585	
Total liabilities (less accrued decommissioning costs - Group share)			14 586
4 Net worth	6 722		
Less: patents, trademarks and copyright	-118		
Less: Cost in excess of value of tangible assets acquired	<u>-2 618</u>		
	3 990		
Accrued decommissioning costs included in long term debts		4 585	
Less: Third party part in long term decommissioning assets		<u>-2 091</u>	
AREVA share of the accrued decommissioning costs included in long term debts		2 494	
Net worth (plus AREVA share of decommissioning costs)			9 216
Tangible net worth (plus AREVA share of decommissioning costs)			6 484
Less: Long term portfolio dedicated to decommissioning assets		<u>-2 886</u>	
Net AREVA share of the accrued decommissioning costs included in long term debts		-492	
Net worth (plus uncovered AREVA share decommissioning costs)			6 722
CONTROL			21 069
+ good will + patents + copyrights + trademarks			2 732
+ Third party part in long term decommissioning assets			2 091
TOTAL BALANCE SHEET			25 892

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