

Rafael Rodriguez

From: Kenneth Kline
Sent: Thursday, May 29, 2008 2:37 PM
To: Rafael Rodriguez
Cc: Lydia Chang
Subject: AREVA's Financial Assurance
Attachments: nureg1757.pdf

Good afternoon Rafael, as we discussed earlier on the phone, I have reviewed AREVA's letter of credit and standby trust agreement. The letter of credit is satisfactory. I do have a few questions for the licensee regarding the standby letter of credit. NRC's model standby trust agreement can be found in NUREG-1757, Vol. 3, App. A.17.4. My questions are:

- 1) Why does the licensee wish to omit the following standard clause, which can be found in paragraph C of Section 8, Express Powers of Trustee, of the model standby trust agreement, "to reinvest interest payments and funds from matured and redeemed instruments, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies" as these items are routinely done as a standard business practice?
- 2) Why does the licensee wish to omit the last sentence from Section 15, Amendment Agreement, of the model standby trust agreement which states, " All amendments shall meet the relevant regulatory requirements of NRC."?
- 3) Why does the licensee wish to omit the last portion of Section 16, Irrevocability and Termination, of the model standby trust agreement which states, "or its successor"? This standard language is used in order to return any funds that remain after the trust is terminated to the licensee which may be the current licensee or a successor company. By omitting this standard language, it does not allow the trustee to return the funds to a successor entity. In some cases, a successor company may be due the funds that are left over from this trust.

As we discussed, I believe we can handle these questions during a brief phone call with the licensee. Let me know the specific time you wish to have this call?

Best Regards,
Kenneth M. Kline
301-415-7075