

Paris, 06th December 2002

NUCLEAR REGULATORY COMMISSION

WASHINGTON, DC 20055
USA

PARENT COMPANY GUARANTEE LETTER

Guarantee made this December 6th, 2002 by the "Société des Participations du Commissariat à l'Energie Atomique" (AREVA) a French Société Anonyme organized under the laws of the State of France, herein referred as a "guarantor", to the U.S. Nuclear Regulatory Commission (NRC), obligee, on behalf of our subsidiary Framatome ANP Inc, 2101 Horn Rapids Road, Richland, WA 99352.

Recitals

1. The guarantor has full authority and capacity to enter into his guarantee. The Managing Board of the Guarantor has approval from its Supervisory Board to enter into his guarantee.
2. This guarantee is being issued to comply with regulations issued by the NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, part 70 which require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Part 70 provide assurance that funds will be available when needed for required decommissioning activities.
3. The guarantee is issued to provide financial assurance for decommissioning activities for Framatome ANP Inc, which address is 2101 Horn Rapids Road, Richland, WA 99352 and which license number is SNM-1227, as required by 10 CFR Part 70. The decommissioning costs for these activities are as follows: 42 M\$
4. The guarantor meets or exceeds the following financial test criteria (test I) and agrees to comply with all notification requirements as required in 10 CFR Part 70 and Appendix A to 10 CFR Part 30.

The guarantor meets the following financial test:

- (a)(i) Two of the following three ratios: a ratio of total liabilities to net worth less than 2.0; a ratio of the sum of net income plus depreciation, depletion, and amortization to total liabilities greater than 0.1; and a ratio of current assets to current liabilities greater than 1.5; and

- (a)(ii) Net working capital and tangible net worth each at least six times the costs covered by financial test; and
- (a)(iii) Tangible net worth of at least \$10 million; and
- (a)(iv) Assets located in the United States amounting to at least 90 percent of total assets or at least six times the costs covered by financial tests
5. The guarantor has majority control of the voting stock for the following licensees covered by this guarantee: Framatome ANP, Inc, which address is 2101 horn Rapids Road, Richland, WA 99352, and license Number is SNM-1227.
6. Decommissioning activities as used below refer to the activities required by 10 CFR Part 70 for decommissioning of the facilities identified above.
7. For value received from Framatome ANP Inc, which address is 2101 horn Rapids Road, Richland, WA 99352, and pursuant to the guarantor's authority to enter into this guarantee, the guarantor guarantees to the NRC that if the license fails to perform the required decommissioning activities, as required by license No SNM-1227, the guarantor shall
- (a) carry out the required activities, or
- (b) set up a trust fund in favor of the above identifies beneficiary in the amount of the current cost estimates for these activities.
8. The guarantor agrees to submit revised financial statements, financial test data, and a special auditor's report and reconciling schedule annually within 90 days of the close of the parent guarantor's fiscal year.
9. The guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, it fails to meet the financial test criteria, the licensee shall send within 90 days of the end of the fiscal year, by certified mail, notice to the NRC that the licensee intends to provide alternative financial assurance as specified in 10 CFR Part 70. Within 120 days after the end of the fiscal year, the guarantor shall establish such financial assurance if the Framatome ANP, Inc Company has not done so.
10. The guarantor also agrees to notify the beneficiary promptly if the ownership of the licensee of the parent firm is transferred and to maintain this guarantee until the new parent firm or the licensee provides alternative financial assurance acceptable to the beneficiary.
11. The guarantor agrees that if it determines, at any time other than as described in Recital 9, that it no longer meets the financial test criteria or it is disallowed from continuing as a guarantor, it shall establish alternative financial assurance as specified in 10 CFR Part 70 as applicable, within 30 days, in the name of Framatome ANP, Inc unless Framatome ANP, Inc has done so.

12. 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 any obligation of the licensee pursuant to 10 CFR Part 70.
13. The guarantor agrees that all bound parties shall be jointly and severally liable for all litigation costs incurred by the beneficiary, NRC, in any successful effort to enforce the agreement against the guarantor.
14. The guarantor agrees to remain bound under this guarantee for as long as Framatome ANP, Inc must comply with the applicable financial assurance requirements of 10 CFR Part 70, for the previously listed facilities, except that the guarantor may cancel this guarantee by sending notice by certified mail to the NRC and to Framatome ANP, Inc, such cancellation to become effective no earlier than 120 days after receipt of such notice by both the NRC and Framatome ANP, Inc as evidenced by the return receipts.
15. The guarantor agrees that if Framatome ANP, Inc fails to provide alternative financial assurance as specified in 10 CFR Part 70, as applicable, and obtain written approval of such assurance from the NRC within 90 days after a notice of cancellation by the guarantor is received by both the NRC and Framatome ANP, Inc from the guarantor, the guarantor shall provide such alternative financial assurance in the name of Framatome ANP, Inc or make full payment under the guarantee.
16. The guarantor expressly waives notice of acceptance of this guarantee by the NRC or by Framatome ANP, Inc. The guarantor also expressly waives notice of amendments or modification of the decommissioning requirements and of amendments or modification of the license.
17. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit them to the NRC during each year in which this guarantee is in effect.

I hereby certify that the guarantee is true and correct to the best of my knowledge.



Gérald Arbola
Member of the Executive Board
Chief Financial Officer
06th December, 2002