

December 31, 2013

NOTE

FROM: Christopher Ryder, Licensing Project Manager

SUBJECT: Summary of Conference Call Regarding an Exemption from the 90-Day Requirement for Annual Certification of Financial Assurance

Date and Time

December 12, 2013, at 7:50 AM (eastern)

Participants

NRC	Westinghouse
Christopher Ryder ^(a)	Jason Zorn ^(b)

Notes

- a. Licensing Project Manager
- b. Senior Counsel

Background

The Westinghouse Electric Company (Westinghouse), as the licensee for the Columbia Fuel Fabrication Facility, uses a parent company guarantee to provide financial assurance for decommissioning. Each year, the licensee is required to submit financial statements to the U.S. Nuclear Regulatory Commission (NRC) per Title 10 of the *Code of Federal Regulations* (10 CFR) Part 30, Appendix A, 90 days after the close of the fiscal year. With the fiscal year of Westinghouse ending on March 30th, the annual certification of financial assurance is due by June 30th of each year. The shareholders meeting of the parent company, Toshiba, is near the end of June. Final, signed originals of statements have to be obtained from Japan, which can be difficult to meet. Westinghouse has been inquiring with the NRC staff (Staff) about the asking for additional time to gather the financial statements.

During the subject phone call, Westinghouse asked a few clarifying questions of the Staff as it considers submission of an exemption request.

Discussion

The licensee asked the section of the 10CFR 51 that needed to be addressed for environmental protection. The Staff stated that they would address environmental protection in the safety evaluation report; a member of the Staff has a technical specialty in that area.¹

The licensee expressed reservations as the exemption, were it to be granted, appearing as a condition of the license for the Columbia site (docket 70-1151, license SNM-1107)². For example, some of the documents submitted for the annual certification are in accordance with

¹ On December 31, 2013, C. Ryder called J. Zorn to clarify that past submittals regarding administrative changes have so stated in the cover letter to address Part 51.

² After the conference call, Westinghouse reminded C. Ryder that the Westinghouse Hematite facility (70-36, SMN-33) is also at issue.

NRC guidance, but not specifically required by Appendix A to 10 CFR Part 30. The concern was whether a future license amendment might then be required if the guidance documents were to change, or Westinghouse chooses to provide financial assurance by another means as allowed by other regulations. The Staff clarified that the exemption would be to the 90-day requirement of Part 30, Appendix A; a license condition would be worded around the regulatory requirement. Such a license condition would not bind Westinghouse to the parent company guarantee; other regulations state acceptable forms of financial assurance.

The Staff reminded the licensee submit a thoroughly documented exemption request:

- cite the specific regulation
- request additional time to provide the same documents
- state the reason for needing the additional time

In previous annual certifications, to respond to requests for additional information (RAI), the licensee has provided an English translation of the Toshiba Annual Report, which contains Toshiba's audited financial statements and an independent auditor's report of Toshiba's financials. The Toshiba Annual Report is typically published in English several months after the initial submittal per the 90-day requirement. The Toshiba Annual Report has not been included as part of the initial annual Westinghouse submittal because it is originally published in Japanese, and hence, must be translated. Previous discussions with the Staff raised the possibility of making a license condition to provide the auditor's report that is published in the Toshiba Annual Report without have to expend resources with the RAI process for the same information each year. The licensee stated that it currently believes that the information in the financial statements and the auditor's report is in the documents that are part of the initial submittal, and that the English translation is likely unnecessary to verify Toshiba's continuing eligibility to provide a parent guarantee. The Staff clarified that the exemption request should document just matter of the exemption. Other matters can be formally documented separately.

Closing Remarks

Westinghouse expects to submit the exemption request in January 2014, but is still discussing its schedule internally. The Staff asked that an advance copy be sent so that they can know to look for the submittal.