



Joseph J. Doncsecz
Associate Vice President for Finance and Corporate Controller

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The Pennsylvania State University
408 Old Main
University Park, PA 16802-1505

December 20, 2013

U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland 20852 – 2738
Attn: Xiasong Yin

Copy

NRC Project Manager
Chris Ryder

Subj: Audited Financial Statements – Year Ending June 30, 2013, Self-Guarantee Agreement and Standby Trust Agreement

License numbers: R-2 Breazeale Nuclear Reactor, Docket 050-0005
SNM-95 Penn State University, Docket 070-0113

Dear Sir or Madam,

Attachment A contains The Pennsylvania State University's Audited Financial Statements for the last fiscal year (July 1, 2012 through June 30, 2013). In addition to the enclosed report, an electronic version may also be found at <http://www.controller.psu.edu/Divisions/ControllersOffice/reports.html>.

As required in 10 CFR 30.35.(f).(2), the financial test and self-guarantee method of 10 CFR 30 Appendix E will be used. The Pennsylvania State University certifies that the University has:

- (i) 10 CFR 30 Appendix E Paragraph II.A.(1) – The University currently holds a rating for its most recent bond issuance of **AA** as issued by Standard and Poor's, and a bond rating of **Aa2** as issued by Moody's, and
- (ii) 10 CFR 30 Appendix E Paragraph II.C.(1) – Audited financial statements are attached.

Attachment B contains Penn State University's Self-Guarantee Agreement for Financial Assurance for Cost of Decommissioning Activities.

Attachment C contains the Standby Trust Agreement between The Pennsylvania State University and Bank of New York Mellon.

Please contact Jeffrey Leavey at 814-865-3939 or JAL62@psu.edu if you have any questions.

Sincerely,

Joseph J. Doncsecz
Associate Vice President for Finance and Corporate Controller

Received in DCD 1/13/2014

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NMSS*

Attachment A – Audited financial statements

Attachment B – Penn State University's self-guarantee agreement

Attachment C – Standby Trust Agreement

cc: Jeffrey Leavey, Radiation Safety Officer

Mark Trump, Associate Director, Radiation Science and Engineering Center, Breazeale Reactor