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Subject: Annual Certification of the Parent Company Guarantee: Possible Oversight
Date: Thursday, October 02, 2014 12:04:00 PM

Jason,

Per our discussion this morning, I am reiterating the points that I made regarding information that appears to have been overlooked in the annual certification to use the parent company guarantee for financial assurance of decommissioning.

- Part 30, Appendix A, Section II.B requires, in part, that the parent company's independent certified public accountant must evaluate the parent company's off-balance sheet transactions and provide an opinion on whether those transactions could materially adversely affect the parent company's ability to pay for decommissioning costs.
- The NRC staff is unable to find this required information in the submittal dated July 25, 2014,
- NRC staff had discussions with American Institute of Certified Public Accountants (AICPA) and came to the understanding that accountants can quantify a company's off-balance sheet transactions and can perform calculations in which the accountant deducts the aggregate amount of off-balance sheet transactions from each of the numeric (dollar amounts) components of the guarantee test. This is to demonstrate the guarantor meets the financial test after deducting out the aggregate amount of the company's off-balance sheet transactions.
- NRC staff received satisfactory documentation from other independent accountants.
- Westinghouse needs to submit the information to demonstrate their continued eligibility to use the parent-company guarantee.

If the information is in the submittal, please identify the location. If the information is missing, Westinghouse may want to consider formally supplementing the submittal. In the case of missing information, I would prefer formally supplementing the submittal, instead of responding to a request for additional information. As we discussed, the latter is typically used to clarify statements made in a submittal, not asking for missing information. We can discuss this so as to make efficient and effective use of resources, both at Westinghouse and the NRC.

Regards.

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