



Westinghouse Electric Company  
Legal, Risk & Commercial Affairs  
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16066  
USA

June 12, 2015

Director  
Office of Nuclear Material Safety Safeguards  
U. S. Nuclear Regulatory Commission  
Document Control Desk  
Washington D.C. 20555-0001

Re: Westinghouse Electric Company LLC Parent Guarantee – "Request for Additional Information (Technical Assignment Control Number L33343) Regarding Fiscal Year 2014 Submission" and Fiscal Year 2015 Submission

To the Director:

By letters dated July 25, 2014, September 19, 2014, and February 19, 2015, Westinghouse Electric Company LLC ("Westinghouse") submitted documentation to demonstrate continued eligibility to use a guarantee by its parent, Toshiba Corporation ("Toshiba"), as financial assurance for fiscal year ("FY") 2014 for decommissioning for the Westinghouse facilities located in Hopkins (Columbia), South Carolina (SNM-1107) and Hematite, Missouri (SNM-33). By letter dated April 30, 2015, staff at the U.S. Nuclear Regulatory Commission ("NRC") requested additional information ("RAI") needed to complete their review of that submission. The information was requested to be provided within 45 days from the date of the letter, by June 14, 2015. Further, the annual submission of Parent Guarantee documentation to demonstrate continued eligibility to use a parent guarantee for fiscal year 2015 is due to be submitted by July 29, 2015.<sup>1</sup>

On May 29<sup>th</sup>, staff inquired of the status of the response to the RAI and Westinghouse advised that it would respond after internal discussions. As noted in a June 5<sup>th</sup> call to C. Ryder, Licensing Project Manager, NMSS, Westinghouse, for the reasons set forth below, will be unable to respond to the RAI by June 14, 2015 or provide the annual submission to demonstrate continued eligibility by July 29, 2015.

In order to respond to the RAI regarding the FY2014 submission and in anticipation of the submission for FY2015, Westinghouse requested documentation be provided by Toshiba. However, as has been publically announced, Toshiba has initiated an independent investigation into accounting methods used in certain in-house Toshiba companies. This investigation covers both past fiscal years as well as the fiscal year which ended on March 31, 2015. Toshiba has advised that the Independent Investigation Committee has stated that it expects to submit its report of the investigation in mid-July. After receipt of the report, Toshiba will revise the consolidated financial statements and financial statements (non-consolidated) and documents

<sup>1</sup> 10CFR Part 30, Appendix A, Section II.C.1 requires submission of documentation in support of the Parent Guarantee within 90 days after the end of the company's fiscal year, which is March 31. On June 19, 2014, NRC granted to Westinghouse an exemption authorizing submission of the documentation within 120 days after the end of the company's fiscal year.

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for the past years and compile the report for the immediately past fiscal year (176<sup>th</sup> Annual Security Report). Toshiba has projected that submission of the Security Report can be expected to be made in August 2015.<sup>2</sup>

In light of the schedule to complete the independent investigation, Toshiba has advised Westinghouse that it will not be able to provide the information/documents requested by the RAI by June 14, 2015. It also has advised that it will not be able to provide the annual documentation for the most recently ended fiscal year by July 29, 2015.

The two NRC regulated facilities for which Westinghouse is utilizing the Parent Guarantee are its active fuel fabrication facility known as the Columbia Fuel Fabrication Facility ("CFFF") and the former fuel fabrication facility located in Hematite, Missouri which is currently undergoing decommissioning and for which active physical work for decommissioning is projected to be complete by end of 2015.<sup>3</sup> Westinghouse has recently submitted a license renewal request for forty years for the CFFF and has commercial commitments until at least 2036. Decommissioning of CFFF is not projected to occur until at least 2055. With respect to the Hematite site, while the decommissioning cost estimate has not been formally adjusted to reflect work which has been completed, the current estimate of the cost the remaining work is significantly less than that contained in the current Decommissioning Funding Plan.

While NRC has requested additional information, the existing parent guarantee remains in effect. Although there is an on-going investigation, Westinghouse anticipates that Toshiba will continue to meet the requirements of the financial test to provide a parent guarantee. In addition, should that change for any reason, Westinghouse understands we have an obligation to provide financial assurance by another means. Based upon these facts, a limited extension of the time by which Westinghouse must submit the response to the RAI and the annual documentation will not create a risk that Westinghouse will be unable to finance decommissioning of these facilities or that the government will be required to do so.

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<sup>2</sup> May 29, 2015 Notice on Approval of Postponement of the Deadlines for Submission of the 176<sup>th</sup> Annual Securities Report (April 1, 2014 to March 31, 2015) and the 177<sup>th</sup> First Quarterly Securities Report (April 1, 2015 to June 30, 2015) ([www.toshiba.co.jp/about/press/index](http://www.toshiba.co.jp/about/press/index)); May 29, 2015 Notice on Submission of Applications for Approval of Postponement of the Deadlines for Submission of the 176<sup>th</sup> Annual Securities Report (April 1, 2014 to March 31, 2015) and 177<sup>th</sup> First Quarterly Securities Report (April 1, 2015 to June 30, 2015) ([www.toshiba.co.jp/about/press/index](http://www.toshiba.co.jp/about/press/index)).

<sup>3</sup> Westinghouse also has two Agreement State (Pennsylvania) facilities for which it utilizes the Parent Guarantee for financial assurance for decommissioning. These facilities are the Waltz Mill facility located in Madison, PA and the research facility located in Churchill, PA. With respect to the Waltz Mill facility, Westinghouse has been funding and conducting decommissioning of certain inactive portions of the facility pursuant to a plan approved by PADEP. However, otherwise, both sites are projected to remain active for the foreseeable future.



June 12, 2015  
Page 3

Therefore, Westinghouse is requesting an extension of the time in which to submit the information/documentation in response to the RAI until September 30, 2015, and advising that it will provide the annual submission by September 30, 2015 as well.

Very truly yours,



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