

From: [Cuadrado-Caraballo, Leira](#)
To: [Johnson, Robert](#)
Subject: May 18, 2017 Conference Call Summary: NFS Replacement of Letter of Credit
Date: Tuesday, May 30, 2017 4:34:00 PM

Conference Call Summary: NFS Replacement of Letter of Credit; License No. SNM-124, Docket 70-143

Date: Thursday, May 18, 2017

Scheduled Time: 3:00 – 3:30 pm

Participants:

NFS:

Amaryl Morie
Rik Droke

AREVA:

Jeff Weiss

NRC:

Robert Johnson
Leira Cuadrado

Purpose: Discuss status on obtaining alternate financial assurance instrument to replace the JPMorgan Letter of Credit No. TFTS-934413.

Summary of Discussions:

NRC staff conveyed they requested this meeting to obtain follow-up status on replacing the Letter of Credit (LOC) issued by JPMorgan Chase Bank (Ref. 1). JPMorgan provided written notification on April 13, 2017 (Ref.2) that they will not be renewing the Letter of Credit TFTS-934413 issued on July 19, 2011 for the account of Nuclear Fuel Services License No. SNM-124 and AREVA NP, Inc. The letter of credit will expire on July 19, 2017.

AREVA representative indicated:

- Progress made since last call on May 9th. AREVA has the commitment from a bank to issue a LOC for the full amount covered by TFTS-934413.
- AREVA organization is currently in the review and authorization process before finalizing process with the bank. They expect that review process and issuance of letter of credit to take 1 to 2 weeks.
- They understand the time sensitivity highlighted by the NRC staff and are planning to submit a replacement for the letter of credit for NRC review and approval as soon as possible.

NFS representatives indicated:

- NFS will provide draft documents to the NRC shortly of the surety bonds that will replace currently approved letters of credit for the NFS commercial business portion of their decommissioning liability. In addition, they will provide a new letter of credit that will replace a currently approved letter of credit for the Joint Venture portion with AREVA. They will also be submitting the changes to Standby Trust Agreement, Schedule A, which references all the financial assurance instruments in place.

NRC staff indicated the following:

- The licensee should provide a timely submittal of any appropriate replacement for financial assurance to the NRC for review and approval so the new instrument is approved and in place prior to July 19, 2017(current LOC expiration date).
- NRC intends to issue a letter of intent to the licensee, NFS, to inform of our intention to formally submit our request to draw to the bank on June 19th if we do not have indication there will be an alternate instrument in place by the expiration date.
- No later than 30 days prior to the expiration date of the letter of credit, NRC has to notify the bank of its intent to draw on this instrument, should that be NRC management decision.

All participants of this call agree to hold a status conference call on Monday May 22nd to share additional information.

References:

- 1) [Nuclear Fuel Services, Inc. - Letter of Credit No. TFTS-934413 Issued by JPMorgan Chase Bank. Dated July 28, 2011](#)
- 2) [JPMorgan Chase Bank - Notification that Letter of Credit TFTS-93. Dated April 13, 2017](#)