



DPR-1, R-33; TR-1, DR-10;  
SNM-960; SNM-1097;  
340054-64; 340054-05; 340054-11

GE Nuclear Energy STE-52  
50-18 50-70  
50-73  
30-183  
70-754  
70-1113  
72-0001  
30-5604  
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40-0534  
40-0609

Steven R. Specker  
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March 1, 1994

John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety and Safeguards  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Schedular Exemption from Third-Party Financial Assurance  
for Decommissioning of NRC-Licensed Facilities

Dear Mr. Austin:

In June 1991, the General Electric Company (GE), along with the Westinghouse Electric Corporation (Westinghouse) submitted to the Commission a petition for rulemaking to the Commission proposing that licensees meeting certain financial and other tests be permitted to "self-guarantee" their decommissioning funding obligations. In a Staff Requirements Memorandum, dated August 12, 1992, the Secretary to the Commission advised the Staff that the petition should be granted, and an appropriate proposed rule prepared for the Commission's approval and publication in the Federal Register. The proposed rule was published on January 11, 1993 (58 F.R. 3515), and the final rule on December 29, 1993 (58 F.R. 68726). The final self-guarantee rule became effective on January 28, 1994.

In a letter, dated October 19, 1992, from you to Mr. A.J. Nardi, Westinghouse's Manager of Regulatory Services, you invited Westinghouse . . .

to provide documentation demonstrating that [Westinghouse] meets the self-guarantee criteria identified in the . . . Staff Requirements Memorandum dated August 12, 1992. If [Westinghouse] demonstrates that it meets those criteria, then the staff is prepared to grant [Westinghouse] a schedular exemption from the regulations that specify acceptable financial assurance mechanisms, until completion of the self-assurance mechanism rulemaking.

In light of the letter of October 19, 1992, GE's representative contacted Mr. Louis Bykoski of your staff in early 1993 and confirmed with him that the staff was prepared to receive and consider a schedular exemption request from GE on the same basis as indicated above. GE did not request a schedular exemption at that time, but, in light of the impending expiration date of its letter of credit, is doing so now.

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In light of the fact that the NRC has now adopted the proposed self-guarantee mechanism, GE hereby requests a schedular exemption from the Commission's regulations that specify acceptable financial assurance mechanisms. Within twenty-one days from today's date, GE expects to submit its proposed self-guarantee package of documents. However, there is no regulatory guide for such a submission and GE cannot be certain that its initial submission will meet all the documentation requirements applicable to the new rule. Accordingly, a schedular exemption would permit GE to allow the current letter of credit to expire on March 23, 1994, and still remain in continued compliance with the decommissioning funding regulations pending completion of the NRC's review and approval of GE's self-guarantee submission and any required modification to those documents (a period of no more than several weeks, I would hope). This request covers the requisite financial assurance for decommissioning under the following U.S. Nuclear Regulatory Commission License Numbers: DPR-1; R-33; TR-1; DR-10; SNM-960; SNM-1097; 3400054-04; 3400054-05; SMB-191 and STB-53.

With the GE self-guarantee, we intend to enclose a letter from the Chief Financial Officer of GE demonstrating that the financial tests set forth in the final rule, published on December 29, 1993, are met, along with an auditor's special report confirming the Chief Financial Officer's Letter (except, of course, for the bond rating certification which is beyond the scope of the auditor's review and is independently verifiable by the NRC staff). Please note that, although the financial tests are computed taking into account GE's parent guarantee for its wholly-owned subsidiary, Reuter-Stokes, License No. SNM-1826, this license is not covered by this schedular exemption request. For the Reuter-Stokes license, the GE parent guarantee will remain in effect.

We also plan to submit with the self-guarantee a letter from a duly authorized officer certifying that GE is a going concern with a positive tangible net worth. In addition, we will submit a statement certifying that GE has at least one class of equity securities registered under the Securities Exchange Act of 1934, as well as copies of GE's most recent Form 10-K annual report (for calendar year 1992) filed with the Securities and Exchange Commission, and evidence of the bond rating of GE's most recent bond issuance. Finally, we will submit GE's corporate self-guarantee, which will be executed and submitted to the staff upon its approval for form.

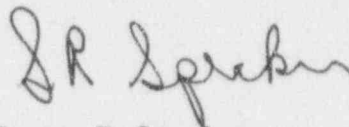
This request is justified because it will enable GE to avoid substantial costs for maintaining in place the third party letter of credit, which will expire on March 23, 1994. These costs do not enhance the public health and safety. It would be unreasonable to require GE to continue to pay the letter of credit fees pending NRC review and approval of the GE self-guarantee documents, especially since GE has borne those fees throughout the whole course of the recently completed rulemaking.

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Moreover, to the extent that a scheduler exemption was acceptable to the NRC in 1992, while the rulemaking was pending, it would be even less problematic now that the final rule has been issued.

If you have any questions regarding that request, please contact W.H. Schindler at (408) 925-2853. Also, given the nearness of the date on which the current letter of credit will expire, we would greatly appreciate all efforts to expedite NRC's approval of this request so that we may advise the bank granting that letter of credit accordingly.

Very truly yours,

A handwritten signature in cursive script, appearing to read "SR Specker".

Steven R. Specker  
Vice President and General Manager  
GE Nuclear