

December 20, 1990

Docket No. 40-3392
License No. SUB-526

Allied-Signal, Inc.
ATTN: Mr. M. D. Kosmider
Plant Manager
P. O. Box 430
Metropolis, Illinois 62960

Gentlemen:

We have reviewed your submittal dated July 23, 1990, regarding financial assurance for decommissioning and have enclosed our comments on the identified deficiencies. Please note that guidance on the certification of financial assurance can be found in Regulatory Guide 3.66, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 72," dated June 1990. The financial assurance instrument should be resubmitted addressing the deficiencies within 60 days of the date of this letter.

The submittal included an amendment application to incorporate the financial assurance instrument into the license. However, the NRC staff has determined that licenses need not be amended to incorporate decommissioning financial assurance requirements at this time. Therefore, the amendment application dated July 23, 1990, may be withdrawn.

If you have any questions regarding this matter, please contact Mr. Scott Pennington of my staff on (301) 492-0693.

Sincerely,
Original Signed By
Charles J. Haughney, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

Enclosure: As stated

Distribution w/encls.

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RFonner, OGC	VLTharpe(2)	WSPennington	GBidinger
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Comments on Allied-Signal, Inc. (AS)
Certification of Financial Assurance for Decommissioning

Irrevocable Standby Letter of Credit

In item (2) of the first paragraph, add "U.S. Nuclear Regulatory Commission" after the words, "issued under authority of..."

References to Parts 30, 70, and 72 should be removed from the second paragraph.

Standby Trust Agreement

Section 5 should include fund withdrawal limits which should be expressed as both a percentage of the outstanding balance and a fixed dollar amount.

Section 7, paragraph (b), is incomplete and should include the recommended wording found on page 4-40 of Regulatory Guide 3.66.

In Section 8, paragraph (a), and Section 10, AS should consider adding the recommended wording found in the regulatory guidance.

In the first sentence of Section 16, the words, "Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the...", should be inserted before the acronym "NRC."

Trust Agreement Schedule

The trustee's signature is required in Schedule B.

Certificate of Events

Include the name and address of the trustee.

The following items should be provided to complete the submittal:

Schedule C in the Trust Agreement Schedule.

An executed copy of the trustee's acknowledgement of the standby trust agreement.

Copy of corporate bylaws or other evidence indicating that the parties signing the Standby Trust Agreement for Allied Signal, Inc., are authorized to represent the organization in the transaction.

Evidence that the Irrevocable Standby Letter of Credit and Standby Trust Agreement are originally signed duplicates if the originals are not submitted.

Evidence that Sumitomo Bank, Limited, has the authority to act as a trustee and to issue a letter of credit and whose letter-of-credit operations are regulated and examined by a Federal or State agency.