



AlliedSignal Inc.
P.O. Box 1219
Morristown, NJ 07962-1219

40-3392

February 7, 1994

Mr. John T. Greeves
Deputy Director For Facilities
Division of Fuel Cycle Safety and
Safeguards, NMSS
United States Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**Subject: AlliedSignal Inc. Scheduling Exemption From 10 CFR 40.36 (e)
(TAC NO. L30534)**

Dear Mr. Greeves:

Attached is a copy of your letter dated July 30, 1993 to Mr. M. D. Kosmider, Plant Manager of the AlliedSignal Metropolis, Illinois plant. Pursuant to this letter, AlliedSignal has been granted an exemption from the requirement to provide the financial assurance mechanism, letter of credit, which is currently in place.

It is my understanding that the Sumitomo Letter of Credit is no longer required, *but has not yet been returned to Sumitomo*. Attached is a copy of a request by Sumitomo to return the Original Letter of Credit, L/G/NY-401057 and a copy of a letter of which you were copied requesting the return of the LOC to the issuing bank.

Please return the Original letter of credit to The Sumitomo Bank, Limited, at the address noted on the request as soon as possible.

Thank you in advance for your cooperation.

Sincerely,

Lauren A. Wittnebert
Supervisor, Cash Management

cc: E. McColly-Sumitomo
B. Vandermullin
LC file: 90002

160007

940225016B 940207
PDR ADOCK 04003392
C PDR

217# P281 580 259

NFI2

Telegraphic Address
"SUMITBANK, New York"
Telephone No.
(212)553-0100

THE SUMITOMO BANK, LIMITED
NEW YORK BRANCH

One World Trade Center,
Suite 9651,
New York,
New York 10048

9002

AMENDMENT OF LETTER OF CREDIT

L/C Number: L/G/NY-401057

December 9, 1993

BENEFICIARY:
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON D.C., 20555

ACCOMPLISHER:
ALLIED-SIGNAL INC.

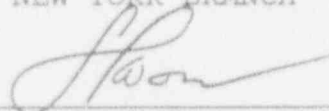
Gentlemen:

We hereby advise you that the above Letter of Credit has been amended as follows:

This Letter of Credit is hereby cancelled.

Please sign, date and return to Attn: Mr. S. Kota, the original of this amendment and Letter of Credit acknowledging your consent to this cancellation.

VERY TRULY YOURS,
THE SUMITOMO BANK, LTD.
NEW YORK BRANCH



S. KOTA
VICE PRESIDENT



December 7, 1993

Mr. Ed McColly
Vice President
The Sumitomo Bank, Limited
One World Trade Center, Suite 9651
New York, NY 10048

Mr. John McFadden
Vice President
Sumitomo Bank of New York Trust Company
One World Trade Center Suite 8505
New York, NY 10048

RE: Letter of Credit L/G/NY-401057
Beneficiary: U.S. Nuclear Regulatory Commission

Standby Trust Agreement dated July 2, 1990 between
AlliedSignal Inc. and Sumitomo Bank of New York Trust Company

Dear Sirs:

This notice serves as notification that the above referenced Letter of Credit and related Standby Trust Agreement are no longer required by the Beneficiary and should be canceled and returned immediately. The Beneficiary has granted an exemption from the requirement of 10 CFR 40.36(e) which requires the above financial assurance mechanisms.

Attached is the letter from the Beneficiary and a copy of L/C L/G/NY-401057 issued under regulation Part 40.

I can be reached at (201)455-5628 if you have any questions.

Sincerely,

Lauren A. Wittnebert
Supervisor, Cash Management

Authorized Signature:

Roger C. Matthews
Assistant Treasurer

cc: John T. Greeves-U.S. Nuclear Regulatory Commission
B. Vandermullin-EMS(Metropolis)
L/C File: 90002



NON NEGOTIABLE COPY

Telegraphic Address
"SUMITBANK, New York"
Telephone No.
(212)553-0100

THE SUMITOMO BANK, LIMITED NEW YORK BRANCH

One World Trade Center,
Suite 9651
New York,
New York 10048

IRREVOCABLE STANDBY LETTER OF CREDIT L/G/NY 401057

July 2, 1990

Effective Date: June 29, 1990
This Credit Expires June 29, 1991

Issued For: U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. L/G/NY-401057 in your favor at the request of Allied-Signal Inc., P.O. Box 1319R Morristown, NJ 07960-1219 up to the aggregate amount (U.S. Dollars Seven Hundred Fifty Thousand), U.S. \$750,000.00 available upon presentation of:

- (1) Your sight draft, bearing reference to this Letter of Credit No. L/G/NY-401057, and
- (2) Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of

This letter of credit is issued in accordance with regulations issued under the authority of the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter of the Code of Federal Regulations Part [30,40,70 or 72], which require that a holder of, or an applicant for, a license issued under 10 CFR Parts [30,40,70, or 72] provide assurance - ~~that~~ will be available when needed for decommissioning. ~~Paragraph~~ paragraph is provided for informational purposes and shall not affect our obligation to honor drawings under this letter of credit upon your revocation of your sight draft and statement described above.

This letter of credit is effective as of June 29, 1990 and shall expire on June 29, 1991, but such expiration date shall be automatically extended for period of 1 year on June 1, 1991 and on each successive expiration date, unless at least 90 days before the current expiration date, we notify both you and Allied-Signal Inc., as shown on the signed return receipts, if Allied-Signal Inc., does not secure alternative financial assurance to repl-

NON-NEGOTIABLE COPY

Telegraphic Address
"SUMITBANK, New York"
Telephone No.
(212)553-0100

THE SUMITOMO BANK, LIMITED NEW YORK BRANCH

One World Trade Center,
Suite 9651,
New York,
New York 10048

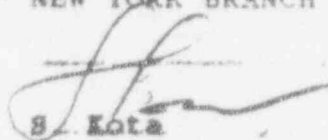
this letter of credit within 30 days of notification of cancellation, the NRC may draw upon the full value of this letter of credit prior to cancellation. We shall give immediate notice to the applicant and the NRC of any notice received or action filed alleging (1) our insolvency or bankruptcy or (2) any violations of regulatory requirements that could result in suspension or revocation of our charter or license to do business. We also shall give immediate notice if we, for any reason, become unable to fulfill our obligation under the letter of credit.

Whenever this letter of credit is drawn on under and in compliance with the terms of this letter of credit we shall duly honor such draft upon its presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of Allied-Signal Inc. in accordance with your instructions.

Each draft must bear on its face the clause: "Drawn under Letter of Credit No. L/G/NY-401057, dated June 29, 1990, and the total of this draft and all other drafts previously drawn under this letter of credit does not exceed \$750,000.00."

Except so far as otherwise stated, this letter of credit is subject to the Uniform Customs and practice for Documentary Credits (1983 Revision) International Chamber of Commerce Publication No. 400.

Very truly yours
THE SUMITOMO BANK LIMITED
NEW YORK BRANCH


S. Kota
Vice President



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20565-0001

JUL 30 1993

DOCKET: 40-3392
LICENSEE: Allied-Signal, Inc.
Metropolis, Illinois
SUBJECT: SAFETY EVALUATION REPORT, AMENDMENT APPLICATION DATED JUNE 11, 1993, RE SCHEDULAR EXEMPTION FROM 10 CFR 40.36(E)

Background

In a Staff Requirements Memorandum (SRM) dated August 12, 1992, the Commission directed the staff to proceed with the General Electric Company and Westinghouse Electric Corporation petition for rulemaking to allow self-assurance as a mechanism to satisfy the financial assurance requirement of the decommissioning rule. In a letter dated February 1, 1993, Allied was informed that if it could meet the financial test identified in the SRM, the staff would grant a schedular exemption from the regulations that specify acceptable financial assurance mechanisms, until completion of the self-assurance mechanism rulemaking. In an application dated February 26, 1993, Allied requested a schedular exemption and provided the specified information requested in the SRM. By letter dated May 20, 1993, the staff requested additional information. On June 11, 1993, Allied revised the application in its entirety.

Discussion

In order to grant an schedular exemption from 10 CFR 40.36(e), an applicant should pass the following financial test: (1) tangible net worth of at least 1 billion dollars; (2) tangible net worth of at least 10 times the total current decommissioning cost estimate for which the company is responsible as self-guaranteeing licensee and as a parent-guarantor; (3) assets located in the United States amounting to at least 90 percent of total assets or at least 10 times the total current decommissioning cost estimate for which the company is responsible; and (4) for its most recently issued bonds, a current rating of AAA, AA, or A as issued by Standard and Poors (S&P) or Aaa, Aa, or A as issued by Moodys. If the applicant passes the financial test, the applicant must also meet the following requirements: (1) the company must have at least one class of equity securities registered under the Securities Exchange Act of 1934, (2) the company must provide the Commission with copies of all reports filed with the Securities and Exchange Commission under section 13 of the Securities Exchange Act of 1934, and (3) the company's independent certified public accountant must compare the data used by the company in the financial test with the company's independently audited year end financial statements.

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→ In its application, Allied demonstrated: (1) that its tangible net worth is greater than 1 billion, (2) that its tangible net worth is greater than 10 times the total current decommissioning cost estimate for which it is responsible, (3) assets located in the United States amount to at least 10 times the total current decommissioning cost estimate for which it is responsible, and (4) it has a current rating of "A" from Standard and Poors. In addition, Allied has at least one class of equity securities registered under the Securities Exchange Act of 1934, has provided copies of reports filed with the Securities and Exchange Commission, and has had its independent certified public accountant compare the data used by the company in the financial test with the company's independently audited year end financial statement. The staff has reviewed the information provided by Allied-Signal and determined that they have met the financial test.

Categorical Exclusion

The staff has reviewed the proposed license amendment and determined that it is administrative in nature and (1) there is no significant increase in the amounts of any effluents that may be released offsite, (2) there is no significant increase in individuals or cumulative occupational radiation exposure, (3) there is no significant construction impact, and (4) there is no significant increase in the potential for or consequences from radiological accidents. Accordingly, pursuant to 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for the proposed action.

Conclusion/Recommendation

Based on the discussion, the staff concludes that the license can be amended without adversely affecting the protection provided for the health and safety of the workers and the public or the environment. Therefore, the staff recommends approval of the licensee request for an exemption to 10 CFR 40.36(e).

The Region III office and the Division of Low-Level Waste Management and Decommissioning have no objection to this proposed action.

Principal Contributors:

Michael A. Lamastra
Mary Adams



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

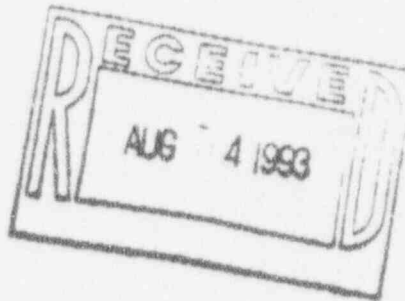
Copy: JEH
Ron Yano

Docket 40-3392
License SUB-526
Amendment 14

JUL 30 1993

File: NRC L

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



Dear Mr. Kosmider:

SUBJECT: SCHEDULAR EXEMPTION FROM 10 CFR 40.36(e) (TAC NO. L30534)

In accordance with your application dated June 11, 1993, and pursuant to Part 40 to Title 10 of the Code of Federal Regulations, Materials License SUB-526 is hereby amended to grant your schedular exemption request from 10 CFR 40.36(e) requirements. Accordingly, Condition 10 is amended to include the date of June 11, 1993, and Condition 28 is added to read as follows:

Condition 28 The licensee is hereby granted a schedular exemption from the requirement of 10 CFR 40.36(e), that specifies acceptable financial assurance mechanisms, until completion of the self-assurance mechanism rulemaking.

Please note that due to a reorganization at the Nuclear Regulatory Commission, we have reformatted your license by deleting those license conditions that have been complied with and renumbering the conditions.

All other conditions of this license shall remain the same.

* In granting the exemption to 10 CFR 40.36(e), we have determined, in accordance with 10 CFR 40.14(a), that the exemption is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest.

Enclosed are copies of License SUB-526, in the new format, and the Safety Evaluation Report, which includes the Categorical Exclusion determination.

Sincerely,

John T. Greeves
John T. Greeves, Deputy Director
for Facilities
Division of Fuel Cycle Safety
and Safeguards, NMSS

- Enclosures:
1. Materials License SUB-526
2. Safety Evaluation Report

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