

50-54

February 23, 1994

NOTE TO: Marvin Mendonca, NRR/DORS

FROM: Robert Wood, NRR/ILPB *RW*

SUBJECT: CINTICHEM PARENT COMPANY GUARANTEE FOR DECOMMISSIONING

On February 18, 1994, I talked with P. Yachmetz and D. McDede of Hoffmann-LaRoche, Cintichem's parent company. The enclosed letter documents this conversation, which you should place in the PDR. Because of an anomaly this year between the date dividends from Cintichem to Hoffmann-LaRoche were declared and paid, Yachmetz and McDede indicated that the licensee has temporarily failed to satisfy a criterion of the financial test relating to the ratio of current assets to current liabilities as provided in 10 CFR Part 30, Appendix A. Once declared dividends are paid in late February or early March, the licensee will meet this financial test criterion and again fully comply with the financial test provisions. Because this is an accounting convention and does not reflect underlying financial weakness of the licensee or its parent, I do not believe there is cause for any further NRC action. Further, the licensee has technically complied with Part 30, Appendix A, by, in effect, reinstating its parent company guarantee within the 90-day time period allowed.

Enclosure:
As stated

cc:
Tony Gody

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