

AUG 07 1991

Mr. Bertram Wolfe
Vice President and General Manager
General Electric Company
175 Curtner Avenue
San Jose, California 95125

Dear Mr. Wolfe:

SUBJECT: RESPONSE TO FINANCIAL ASSURANCE SUBMITTAL OF MARCH 22, 1991

The U.S. Nuclear Regulatory Commission (NRC) has reviewed the March 22, 1991, General Electric Company (GE) financial assurance documents submitted to satisfy its compliance with the financial assurance requirements of the decommissioning rule. The submission is intended to assure decommissioning costs for licenses DPR-1; R-33; TR-1; DR-10; SNM-960; SNM-1097; 3400054-04; 3400054-05; SMB-191; STB-53; SUB-831; 37-02006-09; and 37-02006-05. The NRC staff requests GE to modify the submission to address the specific matters identified in the enclosure to this letter.

Should you have any questions, please contact Timothy Johnson on (301) 492-2055, Louis Bykoski on (301) 492-0572, or Michael Finkelstein, Office of the General Counsel, on 301-492-1623.

Original signed by G. A. Arlotto

RA
Robert M. Bernero, Director
Office of Nuclear Material Safety
and Safeguards

Enclosure: As stated

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PDR YES NO Category: Proprietary or CF Only
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 * See Previous Concurrence *CS*
8/7/91

OFC :LLDR*	:LLDR*	:OGC*	:LLDR	:LLDR*	:IMNS*	:IMNS*	:NRR*
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DATE: 7/23/91	: 7/24/91	: 7/25/91	: / /91	: 7/26/91	: 7/26/91	: 7/28/91	: 7/25/91	: 7/25/91

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REVIEW OF GENERAL ELECTRIC COMPANY FINANCIAL ASSURANCE
PACKAGE SUBMITTED MARCH 22, 1991

1. The three cost estimates (SUB-831, 37-020006-09, and 37-020006-05) totaling \$800k are unsubstantiated. General Electric Company (GE) should document the cost estimates using the cost estimate tables in Appendix F, Regulatory Guide 3.66.
2. Decommissioning Cost Estimates for R-33 (NTR), TR-1 (GETR), DR-10 (EVESR), DPF-1 (VBWR):

GE maintains that adjustments for inflation will be made every 5 years or when significant changes such as burial costs or changes in facility conditions occur. Regulatory Guide 1.159, page 7, states that for non-electric utility licensees who prepare a decommissioning cost estimate, adjustments to the cost estimate should be prepared annually, but need not be submitted to the Nuclear Regulatory Commission (NRC) staff. GE should state that they will prepare an annual adjustment to the decommissioning cost estimate for inspection by NRC staff.

3. Irrevocable Standby Letter of Credit:

The blank space in subparagraph 2 should state "...under authority of the U.S. Nuclear Regulatory Commission."

4. Standby Trust Agreement:

(Section 5) - The statement that "no withdrawal can exceed 100 percent of the outstanding balance" must be amended to "10 percent of the outstanding balance."

Enclosure