

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

COMMISSIONERS:

Gregory B. Jaczko, Chairman  
Kristine L. Svinicki  
George Apostolakis  
William D. Magwood, IV  
William C. Ostendorff

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In the Matter of )

AREVA ENRICHMENT SERVICES, LLC )

(Eagle Rock Enrichment Facility) )

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) Docket No. 70-7015  
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**CLI-11-04**

**MEMORANDUM AND ORDER**

This uncontested proceeding concerns the application of AREVA Enrichment Services, LLC (AES) for a license under 10 C.F.R. Parts 30, 40, and 70 to possess and use byproduct, source, and special nuclear material, and to enrich natural uranium by the gas centrifuge process. In conducting the safety-related portion<sup>1</sup> of the mandatory hearing associated with this application, the Atomic Safety and Licensing Board explored in some detail the provisions governing decommissioning funding assurance. Among other things, the Board focused on whether the NRC has sufficient provisions in place to assure the health of a financial institution issuing a surety that decommissioning costs will be paid. To facilitate its consideration of this issue, the Board has certified a question for our consideration:

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<sup>1</sup> The Board adopted a bifurcated schedule for the mandatory hearing, with separate sessions for safety-related and environmental issues. See Initial Scheduling Order (May 19, 2010), at 4 (unpublished).

Is the commitment by applicant AES to provide decommissioning funding financial assurance for the [Eagle Rock Enrichment Facility] by employing [a letter of credit] that is issued by a financial institution whose operations are regulated and examined by a federal or state agency in accordance with the applicable NRC staff guidance in NUREG-1757, without reference to capitalization/net worth, credit rating, or other measures that might be employed as benchmarks of [a letter of credit] issuer's fiscal reliability, sufficient to comply with the requirements of 10 C.F.R. §§ 30.35(f)(2), 40.36(e)(2), 70.25(f)(2) governing the use of surety methods to guarantee the payment of decommissioning costs?<sup>2</sup>

The Board raises a significant and novel issue whose early resolution will materially advance the orderly disposition of this proceeding. Therefore, we grant review of the Board's certified question.<sup>3</sup> Under the circumstances presented here, we find AES's commitment to provide a letter of credit issued by a financial institution whose operations are regulated and examined by a federal or state agency sufficient to satisfy the decommissioning funding assurance requirements in 10 C.F.R. §§ 30.35(f)(2), 40.36(e)(2), and 70.25(f)(2). However, as discussed below, we have identified a related issue that the Board should explore in conducting the remaining portion of the mandatory hearing.

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<sup>2</sup> Memorandum (Certifying Question to the Commission Regarding Decommissioning Financial Assurance) (Feb. 18, 2011), at 10-11 (unpublished) (Board Memorandum Certifying Question). See also 10 C.F.R. §§ 2.319(l), 2.323(f)(1); Notice of Receipt of Application for License; Notice of Consideration of Issuance of License; Notice of Hearing and Commission Order and Order Imposing Procedures for Access to Sensitive Unclassified Non-Safeguards Information and Safeguard Information for Contention Preparation; In the Matter of AREVA Enrichment Services, LLC (Eagle Rock Enrichment Facility), CLI-09-15, 70 NRC 1, 11 (2009), 74 Fed. Reg. 38,052, 38,055 (July 30, 2009) (directing the Board to certify promptly to the Commission "all novel legal or policy issues that would benefit from early Commission consideration").

<sup>3</sup> See 10 C.F.R. § 2.341(f)(1). See also *Private Fuel Storage, L.L.C.* (Independent Spent Fuel Storage Installation), CLI-01-12, 53 NRC 459, 461 (2001). The Board has issued a partial initial decision on the safety-related portion of the proceeding, but left open the issue of decommissioning financial assurance due to the pendency of its certified question. See LBP-11-11, 73 NRC \_\_ (Apr. 8, 2011) (slip op. at 2, 83).

## I. BACKGROUND

AES plans to provide forward-looking, incremental funding for decommissioning.<sup>4</sup> AES must provide financial assurance for decommissioning by selecting one or more of three methods in 10 C.F.R. §§ 30.35(f), 40.36(e), and 70.25(f) – (1) prepayment, (2) a surety, insurance, or other guarantee method, or (3) an external sinking fund.<sup>5</sup> AES proposes to rely on a surety method – in particular, a letter of credit.<sup>6</sup> Because it has chosen a surety method, AES also must ensure that the letter of credit is payable to a trust established for decommissioning costs.<sup>7</sup>

AES submitted, and the Staff reviewed, a draft letter of credit and draft standby trust agreement.<sup>8</sup> The Staff determined that the language of both drafts is consistent with applicable agency guidance, but does not satisfy the regulations because, among other things, the draft letter of credit does not name a financial institution, and the draft standby trust agreement does not name a trustee.<sup>9</sup> Accordingly, the Staff has imposed a license condition that requires AES to submit final copies of the proposed financial instruments for Staff review six months prior to

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<sup>4</sup> To this end, AES has sought an exemption from 10 C.F.R. §§ 40.36(d) and 70.25(e), which require that the licensee certify that financial assurance has been provided in the amount of the cost estimate for decommissioning. Rather than fund a thirty-year decommissioning obligation (based on a thirty-year operating life for the facility), AES requested an exemption that would enable it to provide decommissioning funding on a forward-looking, incremental basis, at a rate proportional to the then-current decontamination and decommissioning liability. The Staff has granted the exemption. See Ex. NRC000032, NUREG-1951, Safety Evaluation Report for the Eagle Rock Enrichment Facility in Bonneville County, Idaho (Sept. 2010), §§ 1.2.4.2.1, 10.3.3.1.1, at 1-13 to 1-14, 10-7 to 10-12 (SER). For convenience, we follow the exhibit numbering format used by the Board. See Board Memorandum Certifying Question at 3 n.1.

<sup>5</sup> Sections 30.35(f), 40.36(e), and 70.25(f) contain identical provisions.

<sup>6</sup> See Ex. AES000037, Eagle Rock Enrichment Facility Safety Analysis Report, Rev. 2, § 10.2.1, at 10.2-1 (SAR); Ex. NRC000032, SER § 10.3.3, at 10-6. See also Ex. AES000037, SAR Appendices 10A to 10B (draft letter of credit and draft standby trust agreement).

<sup>7</sup> 10 C.F.R. §§ 30.35(f)(2)(ii), 40.36(e)(2)(ii), 70.25(f)(2)(ii).

<sup>8</sup> See Ex. NRC000032, SER § 10.3.3.3, at 10-14 to 10-16.

<sup>9</sup> See *id.* § 10.3.3.3, at 10-15.

receipt of licensed material for testing at the Centrifuge Assembly Building.<sup>10</sup> The Staff states that it will review the instruments for compliance with the relevant regulatory requirements once they are finalized.<sup>11</sup>

As part of its consideration of decommissioning funding as a general matter, the Board posed questions to the parties regarding the applicable standards for assuring that the issuer of the proposed letter of credit is financially reliable.<sup>12</sup> At bottom, the Board's questions reflect concern that neither our rules nor applicable guidance require that the letter of credit issuer demonstrate minimum capitalization requirements, credit rating requirements, or other substantive measures that would demonstrate the issuer's financial soundness.<sup>13</sup> Following review of the responses to its questions from AES and the NRC Staff, the Board certified to us the instant question.<sup>14</sup>

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<sup>10</sup> See *id.* § 10.3.3.1.1, at 10-9. The license condition sets forth the schedule for submission by AES to the NRC of updated decommissioning funding plans, cost estimates, and financial instruments at various points thereafter, as operation of the facility is "ramped up," and once the plant reaches full capacity. See *id.* § 10.3.3.1.1, at 10-9 to 10-12. In addition, the Staff intends to impose a standard "tie-down" license condition that will impose on AES an obligation to conduct activities in accordance with the statements, representations, and conditions in the SAR and other licensing documents submitted as part of the license application. LBP-11-11, 73 NRC at \_\_\_ (slip op. at 49); Tr. at 229-30.

<sup>11</sup> See *id.* § 10.3.3.3, at 10-15.

<sup>12</sup> See Memorandum and Order (Providing Presentation Topics and Administrative Directives Associated with Mandatory Hearing on Safety Matters) (Dec. 17, 2010), at 5-6 (unpublished); Memorandum and Order (Additional Publicly-Available Question Regarding Safety Matters and Identification of "Available" AES Witnesses) (Jan. 21, 2011), at 2-3 (unpublished).

<sup>13</sup> See Board Memorandum Certifying Question at 7-11. The total estimated cost to decommission the Eagle Rock Enrichment Facility is considerable – the estimated cost for site and facility decommissioning, and depleted uranium disposition, including a 25% contingency factor, is \$3,523,436,000. See Ex. NRC000032, SER § 10.3.3.2, at 10-14.

<sup>14</sup> See Ex. NRC000027, NRC Staff Responses to Licensing Board's Additional Questions on Financial Assurance (NRC Staff Responses to Additional Questions); Ex. NRC000125, NRC Staff Responses to Licensing Board's Second Set of Supplemental Questions Regarding Financial Assurance (NRC Staff Responses to Second Supplemental Questions); Ex. AES000063, AES Responses to Third Supplemental Public Safety Question (AES Responses).

## II. DISCUSSION

The certified question focuses on the provision of our rules that governs the proposed letter of credit and standby trust agreement. As the Board observes, the rule on its face imposes no requirements with respect to the financial health of the letter of credit issuer.<sup>15</sup> By implication, assessment of compliance with NRC regulations concerning the use of a letter of credit in this context does not require reference to NRC-established or NRC-endorsed benchmarks concerning capitalization, net worth, credit rating, or similar measurement of fiscal reliability. The relevant regulatory guidance provides that the issuer of a letter of credit “should be a financial institution whose operations are regulated and examined by a Federal or State agency.”<sup>16</sup> AES has committed to using a letter of credit issuer that is federally or state regulated.<sup>17</sup>

In response to questions from the Board, the Staff described its process for reviewing letters of credit in accordance with the guidance. The Staff explained that it ensures that the issuer of a letter of credit is either federally or state regulated.<sup>18</sup> The Staff is also expected to ensure that the final letter of credit includes provisions regarding the issuer’s obligation to disclose developments pertaining to the issuer’s financial health.<sup>19</sup> In response to Board

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<sup>15</sup> Board Memorandum Certifying Question at 8. The rules do provide, however, that the trustee and standby trust be “acceptable” to the Commission. “An acceptable trustee includes an appropriate State or Federal government agency or an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.” 10 C.F.R. §§ 30.35(f)(2)(ii), 40.36(e)(2)(ii), and 70.25(f)(2)(ii).

<sup>16</sup> Ex. NRC000096, NUREG-1757, Vol. 3, Consolidated NMSS Decommissioning Guidance, “Financial Assurance, Recordkeeping, and Timeliness” (Sept. 2003), Appendix A, § A.10.1, at A-97 (NUREG-1757, Vol. 3, Appendix A). Although not part of the evidentiary record, NUREG-1797, Volume 3, Chapter 4, provides additional guidance on the Staff’s review of a letter of credit issuer. See NUREG-1757, Vol. 3, § 4.3.2.7, at 4-24 to 4-25.

<sup>17</sup> Ex. AES000037, SAR § 10.2.1, at 10.2-1.

<sup>18</sup> Ex. NRC000027, NRC Staff Responses to Additional Questions at 1.

<sup>19</sup> See *infra* pp. 9-10.

questions, the Staff provided an explanation for its seemingly limited review on this issue. Fundamentally, the Staff relies on the expertise of federal or state agencies that oversee and assess the strength of financial institutions serving as letter of credit issuers. The Staff provided examples of three federal financial regulatory agencies – the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Federal Reserve – which “prescribe minimum capital requirements and lending limits” for federal and state banks within their jurisdiction.<sup>20</sup> The Staff represents that these agencies also regularly examine banks within their jurisdiction, generally at twelve or eighteen-month intervals.<sup>21</sup> The Staff stated that it “defer[s] to the expertise of the appropriate federal or state financial regulatory bodies [like the OCC, the FDIC, and the Federal Reserve,] to set and monitor the qualifications that the issuer must meet.”<sup>22</sup>

In our view, this approach reflects a reasonable, and appropriate, use of NRC resources. The NRC’s enabling legislation gives us the important responsibility to protect the health and safety of the public. That responsibility occasionally requires us to consider matters related to finance, such as the decommissioning funding questions raised in this proceeding. But the NRC is not a financial regulator. Thus, it is sensible for the NRC to rely on sister government agencies that regulate in the financial arena to assure the financial solvency of institutions providing letters of credit to our licensees.

The NRC’s reliance on the expertise of federal or state financial regulatory bodies, as reflected in agency guidance, is analogous to other contexts where the NRC defers to other

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<sup>20</sup> Ex. NRC000125, NRC Staff Responses to Second Supplemental Questions at 1.

<sup>21</sup> *Id.* at 2-4 (citing 12 C.F.R. §§ 3.14, 4.6, and 12 C.F.R. Subpart E; Ex. NRC000132, FDIC: Risk Management Manual of Examination Policies, Section 1.1; Ex. NRC000133, Federal Reserve Division of Banking Supervision and Regulation, Commercial Bank Examination Manual, Section 1000.1 (Mar. 1994)).

<sup>22</sup> Ex. NRC000027, NRC Staff Responses to Additional Questions at 1.

agencies with greater expertise on an issue. The “design basis threat” rule in 10 C.F.R. Part 73 is a prime example. The rule requires licensees to establish and maintain systems to “protect against acts of radiological sabotage and to prevent the theft or diversion of special nuclear material.”<sup>23</sup> A series of threats are enumerated in the purpose and scope of the rule, which licensees must use to develop their physical protection systems.<sup>24</sup> But we did not include the threat of air attacks within licensees’ responsibilities, however, because we determined that a private security force cannot reasonably be expected to defend against such attacks.<sup>25</sup> We reasoned that adequate protection against the threat of air attacks is assured through the actions of other federal agencies with defense capabilities and air-safety expertise.<sup>26</sup> We find equally reasonable the Staff’s deference to the expertise of agencies like the OCC, the FDIC, and the Federal Reserve to set and monitor the financial soundness of institutions issuing letters of credit.<sup>27</sup>

In the discussion of its certified question, the Board provides two examples where capitalization and credit rating benchmarks have been employed, either in the commercial sector, or elsewhere in the decommissioning funding assurance rule. First, the Board points to a draft sale and leaseback agreement that was submitted as part of a license amendment

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<sup>23</sup> 10 C.F.R. § 73.1.

<sup>24</sup> *Id.*

<sup>25</sup> See Final Rule, Design Basis Threat, 72 Fed. Reg. 12,705, 12,710 (Mar. 19, 2007).

<sup>26</sup> See *id.* (discussing the responsibilities of the Defense, Homeland Security, Transportation, and Justice Departments). On judicial review, a majority of the three-judge Ninth Circuit panel found the rationale for excluding the air threat to be reasonable. See *Public Citizen v. NRC*, 573 F.3d 916, 926 (9th Cir. 2009).

<sup>27</sup> Cf. *U.S. Postal Serv. v. Gregory*, 534 U.S. 1, 10 (2001) (noting that “a presumption of regularity attaches to the actions of Government agencies” (citing *United States v. Chem. Found., Inc.*, 272 U.S. 1, 14-15 (1926))).

request for the Beaver Valley Unit 2 operating license.<sup>28</sup> The circumstances of that transaction, however, are distinguishable from those presented here. The *Beaver Valley* example involved a capital refinancing transaction entered into by the licensed owners of the plant for their own financial benefit. Specifically, the licensees of the plant requested NRC approval to sell and lease back all (or parts) of their ownership interests in the Beaver Valley facility. The financial documents associated with the transaction, which were submitted to the NRC as part of the request, provided that the issuers of any letter of credit associated with the transaction would demonstrate a minimum credit rating.<sup>29</sup>

The focus of the Staff's review of the transaction was to ensure that the transaction had no effect on the license, and that the licensed operator (as opposed to others who might acquire an interest in the plant as a result of the transaction) remained responsible to the NRC for the safe operation and maintenance of the plant. The Staff did not review the adequacy of the financial instruments as a basis for approving the transaction. Rather, the letter of credit provision in the draft transaction documents was incidental to the Staff's review. The Staff ultimately found that the transaction would have no effect on the source of funds for operating and maintenance expenses, which were to be derived from utility revenues.<sup>30</sup> Here, in contrast,

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<sup>28</sup> Board Memorandum Certifying Question at 9 (citing Letter from Peter S. Tam, Project Manager, Division of Reactor Projects I/II, U.S. NRC, to J. J. Carey, Senior Vice President, Nuclear Group, Duquesne Light Co. (Sept. 23, 1987), unnumbered attachment 2, Safety Evaluation by the Office of Nuclear Reactor Regulation Supporting Amendment No. 1 to Facility Operating License No. NPF-73 (ADAMS accession no. ML003772796) (Beaver Valley Safety Evaluation)).

<sup>29</sup> *Id.*; Letter from David R. Lewis, counsel for Duquesne Light Co., to U.S. NRC (Sept. 17, 1987), unnumbered attachment 1, Draft Participation Agreement, at 54-56 (NUDOCS accession No. 8709210496); *id.*, unnumbered attachment 2, Draft Facility Lease, Appendix A, at 21-23, 34.

<sup>30</sup> Beaver Valley Safety Evaluation at 2-3 (reasoning that the source of funds for operating and maintenance expenses – “utility revenues derived from the regulated rates charged to utility customers” – would be unaffected by the transaction). See *generally* 10 C.F.R. § 50.33(f).

the letter of credit is an integral part of the Staff's review of AES's compliance with the decommissioning funding assurance regulations.

Second, the Board notes the use of capitalization/net worth and credit ratings for parent company guarantee or self-guarantee decommissioning funding assurance methods. This example similarly does not inform our review in this proceeding. Without the additional financial tests required for parent company guarantees and self-guarantees, there otherwise would not be objective and disinterested indicators<sup>31</sup> for assuring the financial strength of the parent company or the licensee, which normally would be an unregulated private entity. The situation is different when, as here, we are dealing with financial institutions issuing letters of credit. They are regulated and monitored by a federal or state agency – which provides the necessary indicator of their financial strength equivalent to the financial tests we require of parent company or self-guarantees.

Safeguards in the draft instruments themselves provide an additional basis for finding AES's commitment adequate. AES has provided a draft letter of credit that, consistent with the guidance in NUREG-1757, requires the issuer to immediately notify AES and the NRC of circumstances affecting its financial health. In particular, the issuer must disclose "any notice received or action filed alleging (1) the insolvency or bankruptcy of the financial institution or (2) any violation of regulatory requirements that could result in suspension or revocation of the bank's charter or license to do business."<sup>32</sup> Based on the information received from the issuer,

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<sup>31</sup> For example, the financial tests for both parent company guarantees and self-guarantees require that an independent certified public accountant review the data used in the financial test, and require that the licensee "inform [the] NRC within 90 days of any matters coming to the auditor's attention which cause the auditor to believe that the data specified in the financial test should be adjusted and that the company no longer passes the test." 10 C.F.R. Part 30, Appendix A, II.B. *Accord* 10 C.F.R. Part 30, Appendix C, II.B(2).

<sup>32</sup> Ex. AES000037, SAR Appendix 10A. This is identical to the language in the model letter of credit in NUREG-1757, Volume 3. See Ex. NRC000096, NUREG-1757, Vol. 3, Appendix A, at A-100.

the NRC then may decide whether to draw on the letter of credit and place the funds in the standby trust.<sup>33</sup> The draft letter of credit also requires the issuer to “give immediate notice if the bank, for any reason, becomes unable to fulfill its obligation under the letter of credit.”<sup>34</sup> In that event, AES will be required to secure alternative financial assurance.

Before the Board, AES reiterated that it intends to fulfill its obligation to provide decommissioning funding assurance by submitting a letter of credit that is “structured and adopted consistent with applicable NRC regulatory requirements and in accordance with NRC regulatory guidance contained in NUREG-1757.”<sup>35</sup> Given that, once submitted, the Staff will ensure that the finalized letter of credit contains the safeguards provided in the draft letter of credit, and given that the Staff will ensure that the letter of credit issuer’s operations are regulated by a federal or state agency, we see no reason for the Board to explore additional benchmarks such as capitalization/net worth or credit ratings for letter of credit issuers in this uncontested proceeding.<sup>36</sup>

That said, however, in reviewing the record for this proceeding we have identified a related issue that the Board should explore with AES and the Staff involving the timing of the submittal of completed financial instruments.<sup>37</sup> In the SER, the Staff cites 10 C.F.R.

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<sup>33</sup> Ex. NRC000125, NRC Staff Responses to Second Supplemental Questions at 5.

<sup>34</sup> Ex. AES000037, SAR Appendix 10A. This also mirrors the language in the model letter of credit in NUREG-1757, Volume 3. See Ex. NRC000096, NUREG-1757, Vol. 3, Appendix A, at A-100.

<sup>35</sup> Ex. AES000063, AES Responses at 2. Although NRC guidance documents are not legally binding, and compliance with them is not required, they describe an approach to compliance with our rules that is acceptable to the NRC. See NUREG-1757, Vol. 3, at x.

<sup>36</sup> Board Memorandum Certifying Question at 10. Nothing in the regulations, guidance, or this decision would preclude the Staff from further inquiry should it become aware of information or receive notice raising questions about the financial health of a letter-of-credit issuer or the viability of the surety for decommissioning funding.

<sup>37</sup> See Memorandum and Order (Updated General Schedule) (Mar. 30, 2011), at 2 (unpublished) (scheduling the second mandatory hearing session during the week of July 11, (Continued . . .))

§ 70.25(b)(2) as authority for AES to defer execution of the final letter of credit and standby trust agreement until after the license is issued but before the receipt of licensed material.<sup>38</sup>

However, it appears that subsection 70.25(b)(2) does not apply to the AES application.

The financial assurance requirements in section 70.25 are structured according to the quantity of material that will be authorized for possession and use.<sup>39</sup> Depending on the quantity of material, Part 70 license applicants must submit either a “decommissioning funding plan” or a “certification of financial assurance.”<sup>40</sup> Certifications of financial assurance, which are used by applicants seeking to possess smaller quantities of material, are governed by subsection 70.25(b)(2).<sup>41</sup> That rule expressly provides that an applicant submitting a *certification* may defer execution of its financial instruments until after the license has issued. In contrast, an applicant seeking a specific license for a uranium enrichment facility is required to submit a decommissioning funding plan that is consistent with 10 C.F.R. § 70.25(e). Subsection 70.25(e) specifies that each decommissioning funding plan must include a signed original of the instrument obtained to provide financial assurance for decommissioning. In contrast to the certification rule set out in subsection 70.25(b)(2), however, subsection 70.25(e) does not provide for deferral of execution of the financial instruments until after the license has issued. As an applicant seeking a specific license associated with a uranium enrichment facility, AES

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2011 “[t]o maximize the possibility of including in this . . . session any further proceedings that might be necessary relative to the question recently certified to the Commission by the Board regarding decommissioning financial assurance”).

<sup>38</sup> Ex. NRC000032, SER § 10.3.3.3, at 10-15.

<sup>39</sup> See 10 C.F.R. § 70.25(a)-(b). Sections 30.35 and 40.36 are similarly structured. See 10 C.F.R. §§ 30.35(a)-(b), 40.36(a)-(b).

<sup>40</sup> 10 C.F.R. § 70.25(a), (b)(1)-(2).

<sup>41</sup> The possession limits associated with a certification are set forth in 10 C.F.R. § 70.25(d). An applicant whose possession limits exceed those identified in the table must base its financial assurance on a decommissioning funding plan.

has submitted a decommissioning funding plan.<sup>42</sup> Thus, AES's decommissioning funding plan must comply with subsection 70.25(e), which, as discussed above, requires "a signed original" of the financial instruments at the time the plan is submitted.<sup>43</sup>

As discussed above, AES sought and received an exemption from 10 C.F.R. §§ 40.36(d) and 70.25(e) to provide forward-looking, incremental funding for decommissioning.<sup>44</sup> It appears that the exemption request could extend to the requirement to provide a signed original of the financial instruments prior to issuance of the license.<sup>45</sup> The Board should explore with AES and the Staff whether the exemption from sections 40.36(d) and 70.25(e) also permits AES to defer execution of its initial financial instruments after the license is issued but before the receipt of licensed material.

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<sup>42</sup> See Ex. AES000037, Chapter 10; Ex. NRC000032, SER at 10-1; 10 C.F.R. § 70.25(a)(1).

<sup>43</sup> Compare 10 C.F.R. § 70.25(e) ("The decommissioning funding plan must . . . contain a certification by the licensee that financial assurance for decommissioning has been provided in the amount of the cost estimate for decommissioning and a signed original of the financial instrument obtained to satisfy the requirements of paragraph (f) of this section."), with 10 C.F.R. § 70.25(b)(2) (A certification of financial assurance "may state that the appropriate assurance will be obtained after the application has been approved and the license issued but before the receipt of licensed material."). Accord 10 C.F.R. § 40.36(b)(2), (d).

<sup>44</sup> See Ex. NRC000032, SER §§ 1.2.4.2.1, 10.3.3.1.1, at 1-13 to 1-14, 10-7 to 10-12; *supra* note 4 and accompanying text.

<sup>45</sup> See Ex. NRC000032, SER § 1.2.4.2.1, at 1-13 to 1-14.

### III. CONCLUSION

As discussed above, we take review of the certified question. We find AES's commitment to provide a letter of credit that is issued by a financial institution whose operations are regulated and examined by a federal or state agency sufficient to satisfy the decommissioning funding assurance requirements in 10 C.F.R. §§ 30.35(f)(2), 40.36(e)(2), and 70.25(f)(2). We further direct the Board to further consider the appropriate scope of AES's exemption request, consistent with this decision.

IT IS SO ORDERED.

For the Commission

**(NRC SEAL)**

**/RA/**

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Annette L. Vietti-Cook  
Secretary of the Commission

Dated at Rockville, Maryland,  
this 12th day of July, 2011.