

October 3, 2005

Dr. Keith E. Asmussen
Director, Licensing, Safety
and Nuclear Compliance
General Atomics
P.O. Box 85608
San Diego, CA 92186-9784

SUBJECT: SUBMISSION OF 2004 FINANCIAL STATEMENTS RE: FINANCIAL
ASSURANCE FOR DECOMMISSIONING - GENERAL ATOMICS
(TAC NOS. MC6840 AND MC6841)

Dear Dr. Asmussen:

By letter dated April 25, 2005, General Atomics (GA) submitted to the U.S. Nuclear Regulatory Commission (NRC) the consolidated financial statements of General Atomic Technology Corporation (GATC), the parent corporation of GA, and an attestation report containing decommissioning cost estimates and financial tests. This information was submitted in accordance with a commitment made by GATC as part of an alternate method of compliance, agreed to by NRC, with the financial assurance requirements for decommissioning.

Our review of the information confirmed that GATC does not meet the regulations to provide a parent company guarantee and that the alternate method of compliance remains necessary. Our review also concludes that GA has provided adequate financial assurance pursuant to the conditions of the alternate compliance method agreed to by NRC.

If you have any questions, please call me at 301-415-1127.

Sincerely,

/RA/

Alexander Adams, Jr., Senior Project Manager
Research and Test Reactors Section
New, Research and Test Reactors Program
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket Nos. 50-89 and 50-163

cc: Please see next page

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General Atomics

Docket No. 50-89/163

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