

Enclosure 1. Order Approving the Transfer of Licenses and Conforming Amendments

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
GENERAL ELECTRIC COMPANY	)	
	)	
(Vallecitos Boiling Water Reactor,	)	Docket Nos.: 50-18,
General Electric Test Reactor,	)	50-70,
Nuclear Test Reactor, and	)	50-73, and
ESADA Vallecitos Experimental Superheat Reactor)	)	50-183
	)	
	)	License Nos.: DPR-1,
	)	TR-1,
	)	R-33, and
	)	DR-10

ORDER APPROVING TRANSFER OF LICENSES  
AND CONFORMING AMENDMENTS

I

The General Electric Company (GE) is the holder of License No. DPR-1 for the Vallecitos Boiling Water Reactor (VBWR), License No. TR-1 for the General Electric Test Reactor (GETR), and License No. DR-10 for the ESADA Vallecitos Experimental Superheat Reactor (EVESR), which authorize possession but not operation of these facilities. GE is also the holder of License No. R-33 for the Nuclear Test Reactor (NTR), which authorizes possession, use and operation of the facility. The VBWR, the GETR and the EVESR are permanently shut down with possession-only licenses, and are maintained in safe storage with their nuclear fuel removed from the site. The NTR is a research reactor that operates at power levels not in excess of 100 kilowatts (thermal) under the authority of an operating license. The facilities are located at GE's Vallecitos site in Sunol, California.

By letter dated January 19, 2007, and supplemented on January 25, 2007, February 23, 2007, March 2, 2007, March 26, 2007, May 16, 2007, May 18, 2007, June 4, 2007, July 6, 2007, and August 9, 2007, (collectively, the Application), GE requested approval by the U.S. Nuclear Regulatory Commission (NRC) to the direct license transfers that would be necessary in connection with GE's proposed transfers to GE-Hitachi Nuclear Energy Americas, LLC (GE-Hitachi) of its 100 percent interests in the VBWR, the EVESR, the GETR, and the NTR.

GE also requested approval of conforming amendments to the respective licenses to reflect the proposed transfers of ownership of the facilities from GE to GE-Hitachi. No physical changes to the facilities or operational changes were proposed in the Application. After completion of the proposed transfers, GE-Hitachi would be the owner of the VBWR, the EVESR, and the GETR, and owner and operator of the NTR.

Approval of the transfer of the licenses and the conforming amendments was requested pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, (the Act), 10 CFR 50.80 and 10 CFR 50.90. A notice of consideration of approval and opportunity for a hearing or to submit written comments for the requested direct transfers was published in the *Federal Register* on March 28, 2007 (72 FR 14621-14622). No request for hearing or comment were received on the Application.

Pursuant to 10 CFR 50.80, no license for a production or utilization facility, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the Application and other information before the Commission, and relying upon the representations and agreements contained in the Application, the NRC staff has determined that GE-Hitachi is

qualified to hold the licenses to the extent now held by GE regarding its ownership interests and operating authority as proposed in the Application, and the transfer of the licenses is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission, subject to the conditions set forth below. The NRC staff has further found that the Application for the proposed amendments to the licenses complies with the standards and requirements of the Act, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facilities will operate in conformity with the Application, the provisions of the Act and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendments can be conducted without endangering the health and safety of the public, and that such activities will be conducted in accordance with the Commission's regulations; the issuance of the proposed amendments to the licenses will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendments to the licenses will be in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. The findings set forth above are supported by NRC's Safety Evaluation dated September 6, 2007.

### III

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended; 42 U.S.C. §§ 2201(b), 2201(i), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the transfer of the licenses, as described herein, to GE-Hitachi is approved, subject to the following conditions:

1. GE-Hitachi Nuclear Energy Americas, LLC, as stated in the Application, will abide by all commitments and representations previously made by GE with respect to the licenses. These include, but are not limited to, maintaining

decommissioning records, implementing decontamination activities, and eventually decommissioning the facilities.

2. The Manager of the Vallecitos Nuclear Center, the Vice-President, Reactor Facility Safety and Security of GE-Hitachi Nuclear Energy Americas, LLC, and the Manager of GE-Hitachi Nuclear Energy Americas, LLC, shall be US citizens. These individuals shall have the responsibility and exclusive authority to ensure and shall ensure, that the business and activities of GE-Hitachi Nuclear Energy Americas, LLC, with respect to the licenses for the subject facilities, are at all times conducted in a manner consistent with the protection of the public health and safety and the common defense and security.
3. The commitments/representations made in the Application, regarding reporting relationships and authority over safety and security issues and compliance with NRC requirements shall be adhered to and may not be modified without the prior written consent from the Director, Office of Nuclear Reactor Regulation, the Director, Office of Federal and State Materials and Environmental Management Programs, or their designee(s).
4. GE-Hitachi Nuclear Energy Americas, LLC, shall cause to be transmitted to the Director, Office of Nuclear Reactor Regulation and the Director, Office of Federal and State Materials and Environmental Management Programs within 30 days of filing with the U.S. Securities Exchange Commission (SEC), any schedule 13D or 13G filed pursuant to the Securities Exchange Act of 1934 that discloses beneficial ownership of a registered class of General Electric stock.
5. Prior to completion of the transfer of the licenses, GE-Hitachi Nuclear Energy Americas, LLC, shall provide the Nuclear Regulatory Commission staff satisfactory documentary evidence that it has obtained the appropriate amount

of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

6. Prior to completion of the transfer of the licenses, GE-Hitachi Nuclear Energy Americas, LLC, shall provide the Nuclear Regulatory Commission staff satisfactory documentary evidence of a parent company guarantee or another method authorized by and meeting the requirements of 10 CFR 50.75 for decommissioning funding assurance for the licenses in an amount no less than \$8,016,000 for the VBWR, \$14,077,000 for the GETR, \$3,411,000 for the NTR, and \$10,516,000 for the EVESR.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), amendments to the licenses that make changes as indicated in Enclosure 2 to the cover letter, which forwards this Order, to conform the licenses to reflect the subject transfer of the licenses, are approved. The amendments to the licenses shall be issued and made effective at the time the proposed transfers are completed.

IT IS FURTHER ORDERED that GE shall inform the Directors of the Office of Nuclear Reactor Regulation and the Office of Federal and State Materials and Environmental Management Programs in writing of the date of closing of the transfer of the subject interests in the VBWR, the EVESR, the GETR, and the NTR at least (five) 5 business days prior to transfer to GE-Hitachi. Should the transfer of the licenses not be completed within one year of this Order's date of issuance, this Order shall become null and void, provided, however, that upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the Application and the Safety Evaluation, which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area 01 F21, 11555 Rockville Pike (first floor), Rockville, Maryland and accessible electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS, or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737, or by e-mail to [pdrr@nrc.gov](mailto:pdrr@nrc.gov).

Dated at Rockville, Maryland this 6<sup>th</sup> day of September 2007.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

J. E. Dyer, Director  
Office of Nuclear Reactor Regulation