



HITACHI

GE Hitachi Nuclear Energy

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~~Security Related and Proprietary Information Notice~~

Attachments 2 through 6 to this letter contain and forward security-related and company proprietary information which is to be withheld from public disclosure in accordance with 10CFR2.390 and RIS 2005-31.

SPM 11-035

August 17, 2011

Mr. Christopher Ryder
Licensing Project Manager
Fuel Manufacturing Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

ATTN: Document Control Desk

Dear Mr. Ryder

Subject: GEH Response to NRC Request for Additional Information Dated 6/2/11
for Decommissioning Funding Parent Company Guarantee


References: 1) Docket Numbers 50-18, 50-73, 50-70, 50-183, 70-754, 70-1113, 70-2872, and 72-1
2) NRC Letter Request for Additional Information Regarding Parent Company Guarantee, C. Ryder to K. S. Sherin, 6/2/11
3) GNF-A telecom with NRC to Discuss RAIs, 6/17/11
4) GNF-A letter Requesting Response Extension, S. P. Murray to NRC Document Control Desk, 6/20/11
5) NRC Letter Approving Response Extension, C. Ryder to S. Murray, 7/13/11

Attached is GE Hitachi Nuclear Energy's (GEH) response to NRC's request for additional information (RAI) dated June 2, 2011 (Reference 1) as we discussed on June 17, 2011.

Please note attachments 2 thru 6 to this letter contain either security related sensitive or company proprietary information and are requested to be withheld from public disclosure in accordance with 10 CFR 2.390 and RIS 2005-31. In addition, the requested CEO letter in support of Parent Guarantee from GE Energy Reuter-Stokes, Inc. is not available at this time and will be provided no later than August 24, 2011.

Please contact me on (910) 819-5950 if you have any questions or would like to discuss this matter further.

Sincerely,


Scott P. Murray, Manager
Licensing & Liabilities

Commitment: CEO letter from GE Energy Reuter-Stokes, Inc. no later than August 24, 2011.

Attachment 1

RAI 1) Clarify the effective date of the parent guarantee.

GEH Response:

As discussed with NRC on June 17, 2011, GE annually provides an update to its financial assurance for decommissioning funding for selected licensees and to demonstrate that it meets the financial test criteria for a parent guarantee. As stated in Attachment 3 to the March 18 2011 financial assurance update letter, the current guarantee was made the 18th day of March 2011 and this is the effective date. The next GE financial assurance update letter provided in March 2012 will be revised to include an effective date on the signature page.

RAI 2) Clarify the corporate relationship between the various licensees stated on the agreement and provide additional CEO letters for GNF-A and Reuter Stokes.

GEH Response:

GE-Hitachi Nuclear Energy Americas, LLC (GEH) and Global Nuclear Fuel-Americas, LLC (GNF-A) are majority owned subsidiaries of the General Electric Company. GE Energy Reuter-Stokes, Inc. is a wholly owned subsidiary of the General Electric Company.

A CEO letter in support of the use of financial tests to demonstrate financial assurance for GNF-A is provided as Attachment 2. The requested CEO letter in support of Parent Guarantee from GE Energy Reuter-Stokes, Inc. is not available at this time and will be provided no later than August 24, 2011.

RAI 3) Clarify the basis for the increased cost estimates.

GEH Response:

The costs for each licensee are reviewed and adjusted as necessary using the same method described in the April 4, 2011 Vallecitos Nuclear Center decommissioning funding plan. The cost estimates are updated to reflect completed decommissioning activities, current contamination levels, inflation, changes in waste disposal costs, prices of goods and services, changes in decommissioning techniques, and any other relevant changes in facility conditions.

Attachment 3 provides an explanation of the changes from the 2010 to 2011 cost estimates.

RAI 4) Provide certification of financial assurance letters.

GEH Response:

Certification of financial assurance letters for GEH, GNF-A and Reuter Stokes are provided as Attachments 4, 5 and 6.