

June 12, 2012

NOTE

SUBJECT: EXPECTATIONS OF THE NRC STAFF FOR THE WESTINGHOUSE
ANNUAL CERTIFICATION OF THE PARENT COMPANY GUARANTEE

LICENSEE: WESTINGHOUSE

DATE OF CALL: MAY 31, 2012

TIME: 1:30 PM (EASTERN)

PARTICIPANTS

<u>NRC</u>	<u>Westinghouse</u>
Kenneth Kline	Michele Gutman
Reginald Augustus	
Christopher Ryder	

DISCUSSION

Westinghouse Electric Company's ("Westinghouse") Parent is Toshiba Corporation ("Toshiba"). Last year, Westinghouse began using a Toshiba Parent Company Guarantee for financial assurance. This year is the first time that Westinghouse is going through the process of the annual certification. Westinghouse intends to meet the regulatory requirements for submitting the annual certification. Both Toshiba and Westinghouse's fiscal year end on March 31, 2012.

The annual certification requirement includes submission of:

1. Parent Company Guarantee
2. CEO letter
3. CFO letter
4. Financial test
5. Auditor's special report

The required submission date is ninety days from the fiscal year end, or in this case, the due date is Friday, June 29, 2012.

Westinghouse wanted to review the expectations of the NRC staff regarding contents and timing of the required submissions for the annual certification.

The Toshiba Board' meeting will be conducted on June 22, 2012, when it is expected the annual financial figures will be ratified. Letters will have to be signed by the Westinghouse CEO in the United States and by the Toshiba CFO in Japan.

In, addition to discussing the timing and submittal contents, it was noted that the Standby Trust Agreement is not required at this time. In December 2012, a new regulation becomes effective, which will make the STA required. Westinghouse had previously submitted the STA when using letters of credit for financial assurance. Though not required, the NRC staff suggested that the

STA be kept current. NRC staff noted that the STA which was submitted did not include the Letter of Acknowledgement which will be required when the STA is required by the new regulation. Westinghouse stated that they will try, but will not commit to providing the Letter at this time.

The annual report is not required but is helpful to the NRC. Westinghouse stated that the annual report is initially issued in Japanese and is translated two to three months later. As soon as the translated financials are available they will be provided to the NRC.

Given the brief time from when the financial figures become official and the due date, and that the CFO letter comes from Japan, the NRC explored ways to provide assurance that the required documents will arrive at NRC on time. Regulatory requirements for signed original documents preclude sending advanced copies by e-mail. Documents dated prior to June 29, 2012, by arriving at NRC afterwards do not meet the regulatory requirement either. This leaves "receipt at NRC" to be determined because documents can take several days to pass through the internal NRC mail system. This was left as an open issue for the NRC staff to resolve and inform Westinghouse.

The NRC staff reminded Westinghouse that a revised decommissioning cost estimate is due three years from the time of the previous DFP. The DFP is a separate licensing action that is not tied to the annual certification. The cost estimate in the DFP is not recognized by the NRC staff until the DFP has been reviewed. Nonetheless, Westinghouse stated that the 2012 annual certification will include the revised cost estimate of the DFP (as it has been adjusted upward). The NRC staff replied that the annual certification must have at least the amount of the last accepted DFP.

The NRC staff also reminded Westinghouse to be sure that signed documents are dated. The previous annual certification, which was submitted prematurely, lacked dates on one signed document.

FOLLOW-UP

1. The NRC staff will inquire about what is meant by "receipt" of the annual certification.
2. Westinghouse will provide either a paper version or an internet link of the annual report.