



ATTACHMENT B – Penn State University Self-Guarantee Agreement

**The Pennsylvania State University
Financial Assurance for Cost of Decommissioning Activities
Self-Guarantee Agreement with the Nuclear Regulatory Commission**

December 17, 2021

(Source: NUREG-1757, Vol. 3, Rev 1, Appendix A, Section A.9.12)

Guarantee made by The Pennsylvania State University, a nonprofit university, organized under the laws of the Commonwealth of Pennsylvania, herein referred to as "guarantor," to the U. S. Nuclear Regulatory Commission, on behalf of the university as licensee.

The following license is covered under this guarantee:

License number: SNM-95 Penn State University Docket 070-00113

Recitals

1. The guarantor has full authority and capacity to enter into this self-guarantee by the bylaws of the Trustees of the Pennsylvania State University.
2. This self-guarantee is being issued to comply with regulations issued by NRC, an agency of the U. S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. NRC has promulgated regulations in Title 10, Chapter I of the *Code of Federal Regulations*, Parts 30, 50, and 70, which require that a holder of, or an applicant for, a materials license issued pursuant to 10 CFR Parts 30, 50, and 70 provide assurance that funds will be available when needed for required decommissioning activities.
3. The self-guarantee is issued to provide financial assurance for decommissioning activities for the license and facilities shown. The decommissioning costs for these activities are as follows:

License # (Docket #)	License Description and Method	Certified Amounts or Current Cost Estimates – 2021
SNM-95 (070-00113)	Special Nuclear Material 12/12/19 base estimate of \$286,710 plus 5% per year compounded increase.	\$316,098
	25% contingency fund	\$79,024
	Total Estimated Costs:	\$395,122

4. The guarantor meets or exceeds the following financial test criteria for a nonprofit university that issues bonds, and agrees to comply with all notification requirements as specified in 10 CFR 30 and 10 CFR 30 Appendix E.

Financial Test: The current rating for our most recent uninsured, uncollateralized, and unencumbered bond issuance is **AA** as issued by Standard & Poor's and **Aa1** as issued by Moody's.

5. The guarantor does not have a parent company holding majority control of its voting stock.
6. Decommissioning activities as used below refer to the activities required by 10 CFR Part 30, 50, and 70 for decommissioning of the facilities identified above.
7. Pursuant to the guarantor's authority to enter into this guarantee, the guarantor guarantees to the NRC that the guarantor shall:
 - (a) Carry out the required decommissioning activities, as required by the licenses listed above.
8. The guarantor agrees to submit revised financial statements, financial test data, and an auditor's special report and reconciling schedule annually within 180 days of the close of its fiscal year.
9. Not applicable.
10. The guarantor agrees that if, at the end of any fiscal year before termination of this self-guarantee, it fails to meet the self-guarantee financial test criteria, it shall send within 90 days of the end of the fiscal year, by certified mail, notice to the NRC that it intends to provide alternative financial assurance as specified in 10 CFR Part 30, 50, or 70. Within 120 days after the end of the fiscal year, the guarantor shall establish such financial assurance.
11. The guarantor also agrees to notify the NRC in writing in advance of any proposed change in or transfer of ownership of the licensed activity and to maintain this guarantee until the new licensee provides alternative financial assurance acceptable to the beneficiary.
12. The guarantor agrees that if it determines, at any time other than as described in Recital 10, that it no longer meets the self-guarantee financial test criteria or it is disallowed from continuing as a self-guarantor, it shall establish alternative financial assurance as specified in 10 CFR Parts 30, 50, or 70 within 30 days.
13. The guarantor, as well as its successors and assigns and agrees to remain bound jointly and severally under this guarantee notwithstanding any or all of the following: amendment or modification of the license or NRC-approved decommissioning funding plan for that facility, the extension or reduction of the time of performance of required activities, or any other modification or alteration of an obligation of the licensee pursuant to 10 CFR Parts 30, 50, or 70.
14. The guarantor agrees that it shall be liable for all litigation costs incurred by the NRC in any successful effort to enforce the agreement against the guarantor. Such litigation costs

shall not be deducted from or otherwise reduce the financial assurance provided by this guarantee.

15. The guarantor agrees to remain bound under this self-guarantee for as long as it, as licensee, must comply with the applicable financial assurance requirements of 10 CFR Part 30, 50, or 70, for the previously listed facilities, except that the guarantor may cancel this self-guarantee by sending notice by certified mail to the NRC, such cancellation to become effective not before an alternative financial assurance mechanism has been put in place by the guarantor.
16. The guarantor agrees that if it, as licensee, fails to provide alternative financial assurance as specified in 10 CFR Part 30, 50, or 70 and obtain written approval of such assurance from the NRC within 90 days after a notice of cancellation by the guarantor is received by the NRC from the guarantor, the guarantor shall make full payment under the self-guarantee.
17. The guarantor expressly waives notice of acceptance of this self-guarantee by the NRC. The guarantor also expressly waives notice of amendments or modifications of the decommissioning requirements.
18. If the guarantor files financial reports with the U.S. Securities and Exchange Commission, then it shall promptly submit them to its independent auditor and to NRC during each year in which this self-guarantee is in effect.
19. The guarantor agrees that if the guarantor admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors, or any proceeding is instituted by or against the guarantor seeking to adjudicate it as bankrupt or insolvent, or seeking dissolution, liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for the guarantor or for any substantial part of its property, or the guarantor takes any action to authorize or effect any of the actions stated in this paragraph, then the Commission may:
 - (a) Declare that the financial assurance guaranteed by the guarantee agreement is immediately due and payable to the standby trust set up to protect the public health and safety and the environment, without diligence, presentment, demand, protect, or any other notice of any kind, all of which are expressly waived by guarantor; and
 - (b) Exercise any and all of its other rights under applicable law.
20. The guarantor agrees to notify the NRC, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of Title 11 (Bankruptcy) of the United States Code, or the occurrence of any other event listed in paragraph 19 of this guarantee and by or against the guarantor; the licensee; an entity (as that term is defined in 11 U.S.C. 101(14)) controlling the licensee or listing the

license or licensees as property of the estate; or an affiliate (as that term is defined in 11 U.S.C. 101(2)) of the licensee. This notification must include: a description of the event, including major creditors, the amounts involved, and the actions taken to assure that the amount of funds guaranteed by the guarantee for decommissioning will be transferred to the standby trust as soon as possible; if a petition of bankruptcy was filed, the identity of the bankruptcy court in which the petition for bankruptcy was filed; and the date of filing of any petitions.

21. Not applicable.

22. The guarantor agrees that if, at any time before termination of this self-guarantee, its most recent bond issuance ceases to be rated in any category of "A-" and above by Standard and Poor's or in any category of "A3" and above by Moody's, the licensee will notify the Commission in writing within 20 days after publication of the change by the rating service.

I hereby certify that this self-guarantee is true and correct to the best of my knowledge.

Effective date: 12/17/21

Pennsylvania State University:



Joseph J. Doncsecz

Associate Vice President for Finance and Corporate Controller

Signature of witness or notary:



