



7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 701151, 700036, 11004036, 11004358, 11004552, 11004670, 11004736, 11004752, 11004918, 11005042, 11005057, 11005536, 11005678, 11005908, 11006001, 11006014, 11006040, 11006060, 11006085, 11006217, 11004990, 11005031, 11005224, 11005357, 11006233, 11005472, 11006011, 11006216, 11005639, 11005030, 11005968; NRC-2018-0135]

Order Approving Indirect Transfer of Control of License: Westinghouse Electric Company, LLC

AGENCY: Nuclear Regulatory Commission.

ACTION: Indirect transfer of license; order.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) issued an Order approving the indirect transfer of several licenses for Westinghouse Electric Company, LLC (Westinghouse). Westinghouse is the holder of special nuclear materials (SNM) license numbers SNM-1107 and SNM-33, which authorize the possession and use of SNM at the Columbia Fuel Fabrication Facility in Hopkins, South Carolina, and Hematite Fuel Fabrication Facility in Festus Township, Missouri, respectively. Westinghouse is also the holder of several export licenses as noted in the Order. The Order approves the indirect transfer of control of these licenses resulting from the acquisition of Westinghouse's intermediate parent company, TSB Nuclear Energy Services Inc., by Brookfield WEC Holdings Inc., a Delaware limited liability company, which is ultimately owned and controlled by Brookfield Asset Management Inc., a Canadian company. The Order became effective upon issuance.

DATES: The Order was issued on June 28, 2018, and is effective until June 28, 2019.

ADDRESSES: Please refer to Docket ID **NRC-2018-0135** when contacting the NRC about the availability of information regarding this document. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web Site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2018-0135**. Address questions about NRC dockets to Jennifer Borges; telephone: 301-287-9127; e-mail: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):** You may obtain publicly-available documents online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "[ADAMS Public Documents](#)" and then select "[Begin Web-based ADAMS Search](#)." For problems with ADAMS, please contact the NRC's Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document. The ADAMS accession number for the package containing the Order and Safety Evaluation Report is ML18162A027.

- **NRC's PDR:** You may examine and purchase copies of public documents at the NRC's PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Marilyn Diaz, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-7110, e-mail: Marilyn.Diazmaldonado@nrc.gov.

SUPPLEMENTARY INFORMATION: The text of the Order is attached.

Dated at Rockville, Maryland, this 2nd day of July, 2018.

For the Nuclear Regulatory Commission.

Craig G. Erlanger,

Director,

Division of Fuel Cycle Safety, Safeguards, and Environmental Review,

Office of Nuclear Material Safety and Safeguards.

Attachment – Order Approving Indirect Transfer of Control of License

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

In the Matter of Westinghouse Electric Company, LLC.

EA-28-084; Docket Nos. 70-1151, 70-0036, 11004036, 11004358, 11004552, 11004670, 11004736, 11004752, 11004918, 11005042, 11005057, 11005536, 11005678, 11005908, 11006001, 11006014, 11006040, 11006060, 11006085, 11006217, 11004990, 11005031, 11005224, 11005357, 11006233, 11005472, 11006011, 11006216, 11005639, 11005030, 11005968

License Nos. SNM-1107, SNM-33, XCOM1014, XCOM1047, XCOM1072, XCOM1082, XCOM1093, XCOM1094, XCOM1102, XCOM1111, XCOM1113, XCOM1116, XCOM1170, XCOM1188, XCOM1219, XCOM1246, XCOM1249, XCOM1252, XCOM1255, XCOM1262, XCOM1298, XSNM3006, XSNM3034, XSNM3163, XSNM3264, XSNM3461, XSNM3702, XSNM3769, XR169, XR176, XR178

**ORDER APPROVING THE INDIRECT TRANSFER OF
CONTROL OF LICENSES**

I

Westinghouse Electric Company, LLC (Westinghouse), is the holder of materials license numbers SNM-1107 and SNM-33, which authorize the possession and use of special nuclear material (SNM) at the Columbia Fuel Fabrication Facility (CFFF) in Hopkins, South Carolina, and Hematite Fuel Fabrication Facility (Hematite) in Festus Township, Missouri, respectively. Westinghouse is also the holder of export license numbers. XCOM1014, XCOM1047, XCOM1072, XCOM1082, XCOM1093, XCOM1094, XCOM1102, XCOM1111, XCOM1113, XCOM1116, XCOM1170, XCOM1188, XCOM1219, XCOM1246, XCOM1249, XCOM1252, XCOM1255, XCOM1262, XCOM1298, XSNM3006, XSNM3034, XSNM3163, XSNM3264, XSNM3461, XSNM3702, XSNM3769, XR169, XR176, and XR178.

II

By letter dated March 21, 2018 (ADAMS Accession Number ML18086B504), and supplemented by letters dated April 10, 2018 (ADAMS Accession Number ML18100B265), April 26, 2018 (ADAMS Accession Number ML18116A673), April 27, 2018 (ADAMS Accession Number ML18123A213), and May 24, 2018 (ADAMS Accession Number ML18144A994) (collectively, the Application), Westinghouse requested the NRC's consent to the indirect transfer of control of the licenses listed above. The Application describes the indirect transfer of control of Westinghouse from Toshiba Corporation (Toshiba) to Brookfield WEC Holdings Inc. (WEC Holdings), which is ultimately owned and controlled by Brookfield Asset Management Inc. (BAM), a Canadian global alternative asset manager, through a series of intermediate holding companies and investment funds.

Westinghouse is currently a wholly owned subsidiary of Toshiba, a Japanese Corporation. On March 29, 2017, Westinghouse and its immediate parent, TSB Nuclear Energy Services Inc. (TSB Services), and other affiliated entities, filed petitions for bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court). On January 12, 2018, Brookfield WEC Holdings LLC (BWH), TSB Services, and Toshiba Nuclear Energy Holdings (UK) Limited entered into a Plan Funding Agreement that provides, among other things, for the acquisition by BWH of 100 percent ownership of TSB Services. BWH is a special purpose vehicle established under Delaware law and is ultimately controlled by BAM. Upon closing of the transaction, BWH will assign, and WEC Holdings will assume, the transaction documents and WEC Holdings will acquire Westinghouse. Like BWH, WEC Holdings is also ultimately controlled by BAM through a series of intermediate holding companies

and investment funds. At the closing under the transaction, WEC Holdings will have acquired 100 percent ownership of TSB Services and, indirectly, Westinghouse. The transaction is the basis of Westinghouse's Plan of Reorganization that the Bankruptcy Court confirmed on March 28, 2018.

There will be no direct transfer of control involved with the transaction because Westinghouse will continue to be the licensee. There will also be no change in the management or technical personnel responsible for licensed activities. The current safety, security, and licensing organizations within Westinghouse will remain unchanged. Additionally, there are no planned changes in the operational organization, location, facilities, equipment, or procedures associated with the NRC licenses, and there will be no changes in Westinghouse operating procedures, emergency procedures, or decommissioning financial assurance. Because the licensee remains the same, there will be no physical transfer of any records concerning the safe and effective decommissioning of the facility, public dose, and waste disposal, and such records will remain with Westinghouse. No physical or operational changes affecting the Westinghouse sites and licensed activities were proposed in the Application.

Westinghouse requested the NRC's consent to the indirect transfer of control, pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR) Sections 70.36 and 110.50. A notice of receipt of the Application and opportunity to request a hearing and provide written comments was published in the *Federal Register* on May 14, 2018 (83 FR 22294). The NRC did not receive any comments or requests for a hearing in response to the notice.

Section 184 of the Atomic Energy Act of 1954 (AEA) provides that no NRC license shall be transferred, assigned, or in any manner disposed of, directly or

indirectly, through transfer of control of any license to any person unless the Commission, after securing full information, finds that the transfer is in accordance with the provisions of the AEA, and gives its consent in writing. Pursuant to 10 CFR 70.36, no 10 CFR Part 70 license shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, unless the NRC, after securing full information, finds that the transfer is in accordance with the provisions of the Act, and gives its consent in writing. After review of the information in the Application, and relying on the representations and agreements contained in the Application, the NRC staff has determined that WEC Holdings, and ultimately BAM, is qualified to hold the ownership interests previously held by Toshiba, and that the transfer of ownership and operating interests to WEC Holdings, described in the Application, is otherwise consistent with applicable provisions of law and regulations. The NRC staff further finds that the requested transfer of control will not be inimical to the common defense and security or to the health and safety of the public. The findings set forth above are supported by the NRC's Safety Evaluation Report issued with this Order. These findings are subject to the conditions set forth below.

III

Accordingly, pursuant to Sections 161.b., 161.i., 183, and 184 of the Act; 42 U.S.C. 2201(b), 2201(i), 2233, and 2234; and 10 CFR 70.36, IT IS HEREBY ORDERED that the Application regarding the indirect transfer of control over licenses listed above from Toshiba to WEC Holdings, and ultimately to BAM, is approved, subject to the following conditions:

1. With respect to the licenses listed above, Westinghouse shall continue to abide by all commitments and representations it previously made. These include, but are not limited to, maintaining decommissioning records and financial assurance, conducting decontamination activities, and eventually decommissioning the site.
2. The commitments/representations made in the Application regarding reporting relationships and authority over safety and security matters as well compliance with NRC requirements, shall be adhered to and may not be modified without the prior written consent from the Director, Office of Nuclear Material Safety and Safeguards, or that person's designee.

IT IS FURTHER ORDERED that Westinghouse, at least one (1) business day before all actions necessary to accomplish the indirect transfer of control are completed, shall so inform the Director, Office of Nuclear Material Safety and Safeguards, in writing. Should the proposed indirect transfer not be completed within one year from the date of issuance of this Order, the Order shall become null and void; provided, however, upon timely written application and for good cause shown, such completion date may be extended by Order.

This Order is effective upon issuance.

For further details with respect to this Order, see the Application cited in Section II above, and the Safety Evaluation Report supporting this action (ADAMS Accession No. ML18162A243), 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, through the 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 via e-mail, to pdr@nrc.gov.

Dated and issued this 28th day of June, 2018.

FOR THE NUCLEAR REGULATORY COMMISSION.

Marc L. Dapas, Director
Office of Nuclear Material Safety
and Safeguards