

UNITED STATES GOVERNMENT

Memorandum

TO : Files

DATE: MAY 17 1962

FROM : L. P. Roger Huard, Chief, Administrative Branch
Division of Licensing and Regulation

SUBJECT: INDEMNIFICATION AGREEMENT WITH WESTINGHOUSE ELECTRIC CORPORATION

As holder of AEC License Nos. CX-6, CX-11, CX-16, and TR-2, Westinghouse qualifies for government indemnification. Indemnification dates from November 25, 1957 when License No. CX-6 was issued (the first facility license granted to Westinghouse).

License No. CX-6 covers ^{the} 2000 watt the CRX reactor. The CES reactor licensed under CX-11 on June 17, 1958 is authorized to be operated up to 100 watts. License No. CX-16 authorizes the LRX reactor as of May 3, 1960 to be operated up to 3000 watts. The Westinghouse Test Reactor was originally licensed under License No. TR-2 to operate up to 20 Mw. The license was amended on January 8, 1960 to permit operation up to 60 Mw(th). In accordance with the use of the formula set forth in 10 CFR Part 140, Section 140.12, the required financial protection as of April 18, 1961 has been found to be \$12,600,000.

Proof of financial protection has been submitted with Endorsement No. 15 to MAELU Policy No. MF-4 indicating coverage of \$6.5 million and Endorsement No. 8 to NELIA Policy No. NF-82 indicating coverage under that policy of \$6.5 million (for a total coverage under both policies of \$13.0 million).

After discussions on March 27, 1962 with representatives of Westinghouse, it was agreed that for purposes of Item 4 of the Attachment to the indemnity agreement, the floor plan presented by Westinghouse would be utilized. The plan was drawn up by Factory Mutual Engineering Division, Associated Factory Mutual Fire Insurance Companies and is numbered IND. No. 40474, Tr.No. 62-793 dated March 22, 1962. The location is all buildings shown within the fenced area on the referenced plan including the "side sketch" shown on that plan but excluding hot cells when the hot cells are not used for licensed activities under the four facility licenses.

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The fee for the indemnification agreement as issued is \$100 per annum from January 25, 1957 to June 17, 1958 (CX-6); \$200 per annum from June 17, 1958 to June 19, 1959 (CX-6 and CX-11); \$800 per annum from June 19, 1959 to January 8, 1960 (CX-6, CX-11, and 20 Mw TR-2); \$2000 per annum from January 8, 1960 to May 3, 1960 (CX-6, CX-11, and 60 Mw TR-2); and \$2,100 subsequent to May 3, 1960 (CX-6, CX-11, 60 Mw TR-2, and CX-16).

Westinghouse Electric Corporation complies with the requirements of 10 CFR Part 140 and a formal indemnification agreement is being issued.