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September 28, 1962

L. P. R. Huard Chig. P. Roger Huard, Chief, Administrative Branch Administrative Drano Division of Licensing and Regulation

> INDEMNIFICATION AGREEMENT WITH THE PENNSYLVANIA STATE UNIVERSITY

The Pennsylvania State University holds License No. R-2 which was issued in 1955 and predates the indemnity program. As a state-owned University, which fact was established in their letter of February 18, 1958, they are immune from liability and as such could not supply basic financial protection. Their indemnity agreement thus dates from the date Section 170 of the Act was amended. August 23, 1958. They also hold License No. R-72 which is a license to own but not operate the Quehanna facility formally held by Curties-Wright. For purposes of indemnification, R-72 is considered a storage only license.

The maximum power level authorized by License No. R-2 is 200 kw for an indemnity fee of \$100.00 and the indemnity fee for License No. R-72 is also \$100.00 per year from December 12, 1960.

The locations used in the indemnity agreement in both cases are essentially total reactor building and in the case of the Quehanna facility, we have excluded the hot cells.

Penn State complies with the requirements of 10 CFR Part 140 and their interim indemnity agreement is being superseded by the issuance of a formal indemnity agreement.

cc: Bill Stewart, OGC Lucille Baumgardner, FIN

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