



**Pratt & Whitney**

A United Technologies Company

400 Main Street  
East Hartford, Connecticut 06108

June 2, 2005

Division of Nuclear Material Safety  
U.S. Nuclear Regulatory Commission, Region 1  
475 Allendale Road  
King of Prussia, PA 19406-1415

Ref: License No. SMB-151  
Docket No. 04000791

Dear Ms. McLaughlin:

Enclosed is Pratt & Whitney's revised Financial Assurance Surety Bond. The Bond has been increased from \$150,000 to the required amount of \$225,000 per the amended rules issued on October 3, 2003 for financial assurance for decommissioning applicable to NRC licenses issued pursuant to 10 CFR Parts 30, 40, and 70 (68 FR 57327). If you have any questions or require any additional information please contact me at (860) 557-2901.

Sincerely,

Carlos J. Rivera, RSO

Enclosures:

Surety Bond

2005 JUN -3 AM 11: 22

RECEIVED  
REGION 1

13747

NMSS/RGN1 MATERIALS-002

4.5 RECOMMENDED WORDING FOR PAYMENT SURETY BOND

**PAYMENT SURETY BOND**

Date bond executed: June 1, 2005

Effective date: May 2, 2005

Principal: United Technologies Corporation  
Pratt & Whitney  
400 Main Street, MS 133-66  
East Hartford, CT 06108

Type of organization: Corporation

State of incorporation: \_\_\_\_\_ (if applicable)

NRC license number, name and address of facility, and amount(s) for decommissioning activity guaranteed by this bond: SMB-151

Surety (ies) Westchester Fire Insurance Company  
140 Broadway, New York, NY 10005

Type of organization: Corporation

State of incorporation: New York \_\_\_\_\_ (if applicable)

Surety's qualification in jurisdiction where licensed facility(ies) is (are located)

Surety's bond number: [REDACTED]

Total penal sum of bond: \$225,000.00

Know all persons by these presents, That we, the Principal and Surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the U.S. Nuclear Regulatory Commission, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part [30, 40, 70, or 72], applicable to the Principal, which require that a license holder or an

**NONNEGOTIABLE**

4.5 Payment Surety Bond (Continued)

applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligations are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by "the NRC" or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the "NRC" of such assurance, within 30 days after the date of notice of cancellation from the Surety(ies) is received by both the Principal and the "NRC" then this obligation shall be null and void; otherwise it is to remain in full and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the "NRC" that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the "NRC" provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the "NRC", as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the "NRC" and the Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the "NRC"

The Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new amount, provided that the penal sum does not increase by more than 20 percent in any one year, and no decrease in the penal sum takes place without the written permission of the "NRC".

4.5 Payment Surety Bond (Continued)

If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

In Witness Whereof, the Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

Principal

United Technologies Corporation

~~Pratt & Whitney~~

Paul Castel

Name(s) Vice President - Treasurer

Title(s)

[Corporate Seal]

Corporate Surety(ies)

Westchester Fire Insurance Company

State of incorporated: New York

Liability Limit: \$47,617,000

By: Yvonne Olmeda  
Yvonne Olmeda, Attorney-in-Fact

[Corporate Seal]

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety(ies) above.]

Bond premium: \$1,688.00

**Power of Attorney**

380063

WESTCHESTER FIRE INSURANCE COMPANY



1102399

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the State of New York, having its principal office in the City of Atlanta, Georgia, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on November 8, 1999, to wit:

RESOLVED, that the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President, any Senior Vice President, any Vice President, and Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Corporate Secretary, or any Assistant Corporate Secretary, and the seal of the Company affixed thereto, and that the President, any Senior Vice President, any Vice President or any Assistant Vice President may appoint and authorize any other Officer (elected or appointed) of the Company, as Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying Officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.
- (5) The passage of this Resolution does not revoke any earlier authority granted by Resolutions of the Board of Directors.

Does hereby nominate, constitute and appoint VIVIAN CARTI, DEBRA A. DEMING, BETTY CALDERON, HALINA KAZMIERCZAK, YVONNE OLMEDA, CYNTHIA FARRELL-SOMERSALL, THOMAS RHATIGAN, ELIZABETH MARRERO, SANDRA DIAZ and EVANGELINA L. DOMINICK all of the City of New York, State of New York, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Ten Million Dollars (\$10,000,000) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Hancy, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 27th day of April 2005.



WESTCHESTER FIRE INSURANCE COMPANY

*Stephen M. Hancy*

Stephen M. Hancy, Vice President

COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA ss.

On this 27th day of April, A.D. 2005, before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Hancy, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



NOTARIAL SEAL  
Kathleen Tirri, Notary Public  
Philadelphia, Philadelphia County  
My commission expires September 22, 2007

*Kathleen Tirri*

Notary Public

I, the undersigned Secretary of WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 15th day of June 2005



*George D. Mulligan*

George D. Mulligan, Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER April 27, 2007.

WESTCHESTER FIRE INSURANCE COMPANY

FINANCIAL STATEMENT

December 31, 2004

ADMITTED ASSETS

BONDS	\$1,363,863,132
SHORT - TERM INVESTMENTS	24,549,145
STOCKS	0
REAL ESTATE	0
CASH ON HAND AND IN BANK	5,338,440
PREMIUM IN COURSE OF COLLECTION*	117,395,478
INTEREST ACCRUED	15,349,513
OTHER ASSETS	365,657,095
<b>TOTAL ASSETS</b>	<b>1,892,152,803</b>

LIABILITIES

RESERVE FOR UNEARNED PREMIUMS	\$415,496,923
RESERVE FOR LOSSES	1,150,554,701
RESERVE FOR TAXES	5,413,537
FUNDS HELD UNDER REINSURANCE TREATIES	0
OTHER LIABILITIES	(179,492,174)
<b>TOTAL LIABILITIES</b>	<b>\$1,391,972,987</b>

CAPITAL: SPECIAL SURPLUS	\$187,300,000
CAPITAL: 928,592 SHARES, \$4.85 PAR VALUE	4,503,671
CAPITAL: PAID IN	129,098,800
SURPLUS (UNASSIGNED)	179,277,545
SURPLUS TO POLICYHOLDERS	500,179,816
<b>TOTAL</b>	<b>\$1,892,152,803</b>

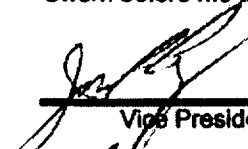
(\*EXCLUDES PREMIUM MORE THAN 90 DAYS DUE.)

STATE OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

John P. Taylor, being duly sworn, says that he is Vice President of Westchester Fire Insurance Company and that to the best of his knowledge and belief the foregoing is a true and correct statement of the said Company's financial condition as of the 31 st day of December, 2004.

Sworn before me this 27th day of April, 2005.

  
Vice President

  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Irene T. Verratti, Notary Public  
City Of Philadelphia, Philadelphia County  
My Commission Expires Nov. 15, 2007  
Member, Pennsylvania Association Of Notaries

Nov 15 2007  
My commission expires

This is to acknowledge the receipt of your letter/application dated

6/2/05, and to inform you that the initial processing which includes an administrative review has been performed.

- Financial Assurance SMB-151/04000791**  
There were no administrative omissions. Your application was assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

- Please provide to this office within 30 days of your receipt of this card
- 

A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned **Mail Control Number** 137147.  
When calling to inquire about this action, please refer to this control number.  
You may call us on (610) 337-5398, or 337-5260.

(FOR LFMS USE)  
INFORMATION FROM LTS

BETWEEN:

License Fee Management Branch, ARM  
and  
Regional Licensing Sections

: Program Code: 11300  
: Status Code: 2  
: Fee Category: 2C  
: Exp. Date: 20050630  
: Fee Comments: \_\_\_\_\_  
: Decom Fin Assur Req'd: Y  
:.....

LICENSE FEE TRANSMITTAL

A. REGION I

1. APPLICATION ATTACHED  
Applicant/Licensee: UNITED TECHNOLOGIES CORP.  
Received Date: 20050603  
Docket No: 4000791  
Control No.: 137147  
License No.: SMB-151  
Action Type: Fin. Assurance

2. FEE ATTACHED  
Amount: /  
Check No.: /

3. COMMENTS

Signed Rebecca J. J...  
Date 6/10/05

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /\_\_/)

1. Fee Category and Amount: \_\_\_\_\_

2. Correct Fee Paid. Application may be processed for:  
Amendment \_\_\_\_\_  
Renewal \_\_\_\_\_  
License \_\_\_\_\_

3. OTHER \_\_\_\_\_

Signed \_\_\_\_\_  
Date \_\_\_\_\_