



030-05995.
 030-06134.
 030-06135.
 030-20550.
 040-08976.
 050-00022.
 070-00048.

**Westinghouse
 Electric Corporation**

Theodore Stern
 Senior Executive
 Vice President

Westinghouse Building
 Gateway Center
 Pittsburgh PA 15222

070-00698.
 070-00997.
 070-01503.
 070-01151.
 070-01143

March 20, 1991
 TS-091-845

Mr. Samuel Chilk, Secretary
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Subject: Certification of Financial Assurance for Decommissioning

Dear Mr. Secretary:

Westinghouse Electric Corporation hereby submits the following documentation to certify financial assurance of funds for decommissioning costs required under the NRC final rule, "General Requirements for Decommissioning Nuclear Facilities (10CFR Parts 30, 40, 50, 51, 70 and 72)." This submittal includes the following: Certification of Financial Assurance (Exhibit 1), the Standby Trust Fund (Exhibit 2) and the standby Line of Credit (Exhibit 3). Included in Exhibit 1 is Attachment 1, which identifies the twelve specific NRC licenses held by Westinghouse.

On May 25, 1990, Westinghouse submitted an application for specific exemptions from the rule to permit Westinghouse to act as a "self-guarantor" to satisfy the requirements of the rule. That application was denied by the Commission on July 31, 1990. On August 20, 1990, Westinghouse submitted a "Petition for Reconsideration of Commission Denial of Request for Exemption from Financial Assurance Requirements of the Decommissioning Rule." By letter dated March 7, 1991, the Commission denied the Westinghouse request for reversal of the July 31, 1990 decision. In accordance with the March 7, 1991 letter, this submittal provides certification of the financial assurance requirements specified by the rule.

Sincerely,

Theodore Stern

ADD:
 Scott Pennington 6H-3
 Ted Michaels 11B-20
 32 John Kinneman Reg. I

| Ltr. | Encl. |
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EXHIBIT 1

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
Pittsburgh, PA 15222

Mailing address for correspondence regarding this matter:

Westinghouse Electric Corporation
Energy Systems
P. O. Box 355
Pittsburgh, PA 15230

NRC license numbers, name and address of each facility:

See Exhibit 1, Attachment 1 (List of Westinghouse licenses covered by this certification).

Issued to: U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

This is to certify that Westinghouse Electric Corporation is licensed to possess a Production and Utilization Facility, and By-product, Special Nuclear and Source Materials licenses and that financial assurance in the amounts prescribed by 10CFR Parts 30, 40, 50 and 70 has been obtained for the purpose of decommissioning. The list of licenses in Exhibit 1, Attachment 1, identifies the specific licenses covered and the amounts of financial assurance provided for each. The total financial assurance amounts to \$32,975,000.

Sincerely,



Theodore Stern
Senior Executive Vice President

Attachment 1

WESTINGHOUSE ELECTRIC CORPORATION

LISTING OF NRC LICENSES

| | <u>License Number</u> | <u>Facility and Location</u> | <u>Type of License</u> |
|----|---------------------------|---|----------------------------|
| 1 | SNM-1107 | Nuclear Fuel Fabrication Facility located at Columbia, SC | SNM |
| 2 | 37-5809-01 | Pump Repair Facility located at Cheswick, PA | Combined Materials |
| 3 | 37-5809-02 | Industrial Radiography Facility located at Cheswick, PA | By-product |
| 4 | SNM-770 | Waltz Mill Site located at Madison, PA | Combined Materials |
| 5 | TR-2 | Westinghouse Test Reactor located at Madison, PA | Part 50 |
| 6 | SNM-1460 | Science & Technology Center located at Churchill, PA | Combined Materials |
| 7 | SNM-47 | Science & Technology Center located at Churchill, PA | Combined Materials |
| 8 | SNM-951 | Large Site located at Large, PA | Combined Materials |
| 9 | SNM-1120 | Plutonium Fuels Development Laboratory located at Cheswick, PA | Combined Materials |
| 10 | 37-00497-09 | Forest Hills Site located at Forest Hills, PA | Combined Materials |
| 11 | 29-21348-01 | Marlton located at Marlton, NJ | By-product Material |
| 12 | SMB-1527 | Bloomfield located at Bloomfield, NJ | Source Material |
| | | | TOTALS |

WESTINGHOUSE FINANCIAL SERVICES, INC.

Irrevocable Line of Credit No. 1

Issued To:

U. S. Nuclear Regulatory Commission ("NRC"); Washington, DC 20555

Dear Sir or Madam:

Westinghouse Financial Services, Inc. ("WFSI") hereby establishes its Irrevocable Line of Credit No. 1 in favor of the NRC, at the request and for the account of Westinghouse Electric Corporation ("WEC"), Gateway Center, Pittsburgh PA 15222 up to the aggregate amount of Thirty Two Million, Nine Hundred Seventy-Five Thousand U.S. Dollars (\$32,975,000) available upon presentation to WFSI of:

- (1) your sight draft, bearing reference to this Line of Credit No. 1, and
- (2) your signed statement reading as follows: "The U. S. Nuclear Regulatory Commission certifies that the amount of the draft is payable pursuant to 10 Code of Federal Regulations Parts 30, 40, 50, or 70 for the purpose of decommissioning (which decommissioning shall be performed by Westinghouse Electric Corporation) of the licensed facilities identified in the Standby Trust Agreement between Morgan Guaranty Trust Company of New York and Westinghouse Electric Corporation dated March 15, 1991." Said Standby Trust Agreement is incorporated by reference herein.

This Line of Credit No. 1 is issued in accordance with regulations issued under the authority of the 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. The NRC has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Parts 30, 40, 50 or 70, (the "Applicable Regulations") which require that a holder of, or an applicant for, a license issued under the Applicable Regulations, provide assurance that funds will be available when needed for decommissioning of the materials and activities referred to above.

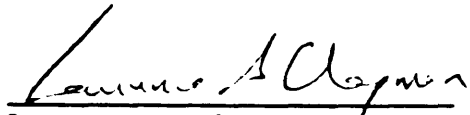
This Line of Credit No. 1 is effective as of March 22, 1991 and shall expire on March 31, 1992, but such expiration date shall be automatically extended for a period of at least one (1) year on March 31, 1992 and on each successive expiration date, unless, at least ninety (90) days before the current expiration date, WFSI notifies both you and WEC, by certified mail, as shown on the signed return receipts. If WEC is unable to secure alternative financial assurance within the guidelines of the Applicable Regulations to replace this Line of Credit No. 1 within thirty (30) days of notification of cancellation, the NRC may draw upon the full value of this Line of Credit No.

1 prior to cancellation. WFSI shall give immediate notice to WEC and the NRC of any notice received or action filed alleging (1) the insolvency or bankruptcy of WFSI or (2) any violations of regulatory requirements that could result in suspension or revocation of WFSI's charter. WFSI also shall give immediate notice if, for any reason, it becomes unable to fulfill its obligation under the Line of Credit No. 1.

Whenever this Line of Credit No. 1 is drawn on under and in compliance with the terms hereof, WFSI shall duly honor such draft upon its presentation to it within 30 days, and WFSI shall cause to be deposited the amount of the draft directly into the standby trust fund of WEC in accordance with the NRC's instructions.

Each sight draft must bear on its face the clause: "Drawn under Line of Credit No. 1, dated March 31, 1991, and the total of this draft and all other drafts previously drawn under this line of credit does not exceed \$32,975,000".

This Line of Credit No. 1 is subject to the most recent edition of the Uniform Customs and Practice of Documentary Credits, published by the International Chamber of Commerce, except to the extent that the terms thereof conflict with this document in which case the terms this Line of Credit No. 1 shall govern.



Laurence A. Chapman
Executive Vice President and
Chief Financial Officer
Westinghouse Financial Services, Inc.

STANDBY TRUST AGREEMENT

TRUST AGREEMENT, the Agreement entered into as of March 15, 1991 by and between Westinghouse Electric Corporation, a Pennsylvania Corporation, herein referred to as the "Grantor", and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 60 Wall Street, New York, New York 10260, the "Trustee".

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part [30, 40, or 70]. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30, 40, and 70 license provide assurance that funds will be available when needed for required decommissioning activities.

WHEREAS, the Grantor has elected to use a line of credit to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under a line of credit this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in list attached as Exhibit B issued pursuant to 10 CFR Part [30, 40, or 70].

Section 3. Establishment of Fund. The grantor and the Trustee hereby establish a standby trust fund (the Fund) for the benefit of the NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash and Eligible Securities. The Fund is established initially as consisting of the property. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund", together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the attached Specimen Certificate, and
- b. A certificate executed by the Grantor attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan.
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that Plan, and
 - (3) that the NRC has been given 30 days' prior notice of the Grantor's intent to withdraw funds from the escrow fund.

No withdrawal from the fund can exceed 20% percent of the outstanding balance of the Fund or \$100,000 dollars, whichever is greater unless NRC approval is attached.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct, in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with instructions from the Grantor which the Grantor may communicate in writing to the Trustee from time to time; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the fund in Eligible Securities as hereinafter defined. Eligible Securities shall be securities or other obligations of the Federal Government, i.e., GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services.

Section 7. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals or to reinvest in Eligible Securities at the direction of the Grantor.
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in the name of the Grantor, and to hold any security in bearer form or in book entry, to reinvest interest payments and funds from matured and redeemed instruments in Eligible Securities, to file proper forms concerning securities held in the fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank in book entry form, but the books and records of the Trustee shall at all times show that all such securities are part of the fund.
- (d) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 8. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 9. Annual Valuation. After payment has been made into this standby trust fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the standby trust fund, furnish to the Grantor and to the NRC a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the grantor and the NRC, or State agency, shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 10. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 11. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 12. Successor Trustee. Upon 90 days notice to the NRC, or State agency, the Trustee may resign; upon 90 days notice to NRC, or State agency, and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC or State agency, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this section shall be paid as provided in Section 8.

Section 13. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. If the NRC or State agency issues orders, requests, or instructions to the Trustee, these shall be in writing, signed by the NRC, or State agency, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests,

and instruction from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 14. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or State agency, or by the Trustee and the NRC or State Agency, if the Grantor ceases to exist.

Section 15. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 14, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 16. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State Agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the trust fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

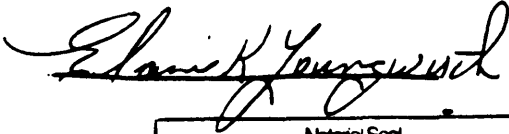
Section 17. This Agreement shall be administered, construed, and enforced according to the laws of the State of New York.

Section 18. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. 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 parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the date first written above.

ATTEST:

WESTINGHOUSE ELECTRIC CORPORATION



✓ 

By:
Title:

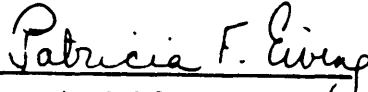
Notarial Seal
Elaine K. Youngwirth, Notary Public
Pittsburgh, Allegheny County
My Commission Expires April 2, 1994

By:
Title: Vice President & Treasurer

Member, Pennsylvania Association of Notaries

ATTEST:

MORGAN GUARANTY TRUST OF NEW YORK





[Title]
[Seal]

PATRICIA F. EWING
ASSISTANT SECRETARY

By: M. J. FAHY
Title: VICE PRESIDENT

ACKNOWLEDGEMENT

STATE OF NEW YORK

CITY OF NEW YORK

On this 15th day of March , before me, a notary public in and for the City and State aforesaid, personally appeared Marlene Fahey and she did depose and say that she is a Vice President of Morgan Guaranty Trust Company of New York, a New York State banking association, Trustee, which executed the above instrument, that she knows the seal of said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association; and that she signed her name thereto by like order.

Kenann K. Scarnati
[Signature of notary public]

My Commission Expires: _____

KENANN K. SCARNATI
Notary Public, State of New York
No. 31-4969901
Qualified in New York County
Commission Expires July 30, 1992

EXHIBIT

WESTINGHOUSE ELECTRIC CORPORATION

LISTING OF NRC LICENSES

MARCH 21, 1991

| <u>License Number</u> | <u>Facility and Location</u> | <u>Type of License</u> | <u>Financial Assurance Amounts in \$00</u> |
|-----------------------|--|------------------------|--|
| 1 SNM-1107 | Nuclear Fuel Fabrication Facility located at Columbia, SC | SNM | 750 |
| 2 37-5809-01 | Pump Repair Facility located at Cheswick, PA | Combined Materials | 750 |
| 3 37-5809-02 | Industrial Radiography Facility located at Cheswick, PA | Byproduct | 75 |
| 4 SNM-770 | Waltz Mill Site located at Madison, PA | Combined Materials | 750 |
| 5 TR-2 | Westinghouse Test Reactor located at Madison, PA | Part 50 | 26,000 ² |
| 6 SNM-1460 | Science and Technology Center located at Churchill, PA | Combined Materials | 750 |
| 7 SNM-47 | Science and Technology Center located at Churchill, PA | Combined Materials | 750 |
| 8 SNM-951 | Large Site located at Large, PA | Combined Materials | 750 |
| 9 SNM-1120 | Plutonium Fuels Development Laboratory located at Cheswick, PA | Combined Materials | 750 |
| 10 37-00497-09 | Forest Hills Site located at Forest Hills, PA | Combined Materials | 750 |
| 11 29-21348-01 | Marlton located at Marlton, NJ | Byproduct Material | 750 |
| 12 SMB-1527 | Bloomfield located at Bloomfield, NJ | Source Material | 150 |
| | | TOTALS | <u>32,975</u> |

1 Financial assurance amounts (except for Item 5, the TR-2 License) are as referenced in 10CFR 30.35, 40.36 and 70.25.

2 Financial assurance amount is based on a cost estimate for decommissioning of the facility. (Note: This is a possession only type license).