



Westinghouse Electric Company
 Legal & Contracts, Environment, Health & Safety
 P.O. Box 355
 Pittsburgh, Pennsylvania 15230-0355
 U.S.A.

U.S. Nuclear Regulatory Commission, Region I
 Nuclear Material Section B
 475 Allendale Road
 King of Prussia, Pennsylvania 19406
 ATTN: Mark C. Roberts

Direct tel: 412-374-5124
 Direct fax: 412-374-3832
 e-mail: Holme1bg@westinghouse.com

L-8

March 14, 2008

**Subject: Increase in Financial Assurance Amount for License Number SNM-770
 Docket Number: 070-00698; Mail Control Number: 141403**

References:

1. Westinghouse Electric Company LLC, License Number SNM-770
2. USNRC, letter dated March 16, 2006 with "Path Forward" document
3. Westinghouse Electric Company LLC letter dated December 6, 2007, Application for an amendment to USNRC License No. SNM-770 to permit the acceptance of the residual radioactive material presently remaining onsite in the TR Facilities (USNRC License No. TR-2)
4. Westinghouse Electric Company LLC letter dated January 29, 2008, Submittal of Decommissioning Cost Estimate for the SNM-770 Retired Facilities and TR Facilities

RECEIVED
 REGION 1
 MAR 17 AM 9:26

Dear Mr. Roberts:

As the holder of several Westinghouse licenses, Westinghouse maintains the appropriate amounts of financial assurance as required by 10 CFR 30.35, 40.36 and 70.25. In conjunction with the license renewal process completed in 2002, Westinghouse recently prepared a revision to the decommissioning cost estimate for the TR-2 materials and retired facilities at the Waltz Mill Site (formerly the financial responsibility of CBS Corporation). The details of this cost estimate have been submitted to NRC under a separate cover. To reflect the increased cost estimate (this new cost estimate for the TR-2 materials and the retired facilities, added to the existing cost estimate for the active facilities), Westinghouse is providing the NRC with an increase in the Letter of Credit appropriate for the SNM-770 license as amended to include the additional materials. Enclosed are the following attachments that implement this change:

1. Updated Certificate of Continuing Financial Assurance.
2. Amendment #2 to Letter of Credit # [REDACTED] issued by JPMorgan Chase Bank, NA increasing the amount to \$69,181,000 from \$30,578,000 for License Number SNM-770 (Waltz Mill Site).

March 14, 2008

3. Amendment #11 to the Standby Trust Agreement to reflect the revised Letter of Credit amount.
4. Summary table for the revised cost estimate, for the TR-2 materials and retired facilities.

Please note that there are one original and two copies for Attachment 3. Please sign all three and return two signed copies to me for the bank's records and ours. If you have any questions concerning the submittal, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "B. G. Holmes". The signature is fluid and cursive, with the first letter "B" being particularly large and stylized.

B. G. Holmes, Manager
Environment, Health and Safety

Attachments: As stated.

CC: Ken Kline, USNRC, HQ-NMSS
Wayne D. Vogel, RSO, Waltz Mill

ATTACHMENT 1

Continuing Certificate of Financial Assurance

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Company LLC
Energy Center Site
4350 Northern Pike
Monroeville, PA 15146

Mailing address correspondence regarding this matter:

Westinghouse Electric Company LLC
Energy Center Site
4350 Northern Pike
Monroeville, PA 15146
Attention: B. Griffith Holmes

NRC license numbers, name and address of each facility:

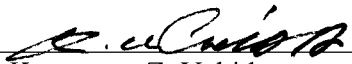
See Attachment 1, p. 2
(List of NRC licenses for which Westinghouse Electric Company LLC
is providing the financial assurance covered by this certification)

Issued to: US Nuclear Regulatory Commission
Washington DC 20555

This is to certify that: Westinghouse Electric Company LLC is licensed to possess the NRC Combined Materials and Special Nuclear Materials licenses identified on p. 2 of this Attachment 1; and (2) that financial assurance in the amounts prescribed by 10 CFR Parts 30, 40 and 70 has been obtained for the purpose of decommissioning the NRC licenses identified on p.2 of this Attachment 1, p. 2. The list of licenses identified on Attachment 1, page 2, identifies the specific licenses covered, the name of the licensee and the amounts of financial assurance provided for each. The total financial assurance amounts to \$215,245,000.

Sincerely,

WESTINGHOUSE ELECTRIC COMPANY LLC

By: 
Name: Kazumasa Z. Uchida
Title: Chief Financial Officer
Date: March 6, 2008

ATTACHMENT 1, PAGE 2
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC COMPANY LLC
CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE/ LICENSEE	FINANCIAL ASSURANCE VALUE ¹ IN \$
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM/ Westinghouse Electric Company LLC	81,346,000 ²
2	SNM-1460	Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials/ Westinghouse Electric Company LLC	5,879,000 ²
3	SNM-33	Former Fuel Cycle Facility Highway P Hematite, MO	Decommissioning / Westinghouse Electric Company LLC	58,839,000 ²
4	SNM-770	Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials/ Westinghouse Electric Company LLC	69,181,000 ²
Totals				215,245,000

1 Financial assurance values referenced in (10CFR 30.35, 40.36, and 70.25).


2 Decommissioning cost is based on an engineering study.


ATTACHMENT 2

Amendment to Letter of Credit

JPMorgan Chase Bank, N.A.
c/o JPMorgan Treasury Services
Global Trade Services
10420 Highland Manor Drive
Tampa, FL 33610

MAR 6, 2008

OUR L/C NO.: 

APPLICANT REF. NO.: 

AMENDMENT NO.: 2

TO:
US NUCLEAR REGULATORY COMMISSION
("NRC") DECOMMISSIONING & LAB BRNCH
KING OF PRUSSIA PA 19406-1415

APPLICANT:
WESTINGHOUSE ELECTRIC COMPANY LLC
4350 NORTHERN PIKE
MONROEVILLE PA 15146

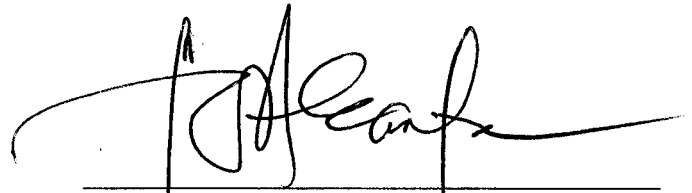
IN ACCORDANCE WITH INSTRUCTIONS RECEIVED, THE ABOVE REFERENCED STANDBY
LETTER OF CREDIT HAS BEEN AMENDED AS FOLLOWS:

RECEIVER'S REFERENCE: NONREF

L/C INCREASED BY: USD38,603,000.00

TO AN AGGREGATE AMOUNT OF USD69,181,000.00.

ALL OTHER TERMS AND CONDITIONS OF THE CREDIT REMAIN UNCHANGED.



AUTHORIZED SIGNATURE

NONNEGOTIABLE

ATTACHMENT 3

Amendment to Standby Trust Agreement

**AMENDMENT NO. 11 TO
STANDBY TRUST AGREEMENT**

The **STANDBY TRUST AGREEMENT** (the "Agreement") originally made and entered into as of the 12th day of March 1999 by and between Westinghouse Electric Company LLC, a Delaware Limited Liability Company (herein referred to as the "Grantor") and J. P. Morgan Trust Company, National Association, organized and existing under the laws of the United States of America (the "Trustee") as previously amended is hereby further amended by this Amendment No. 11 to the Agreement as follows:

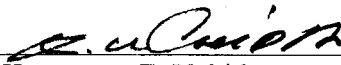
- 1) The existing Schedule B submitted with the Agreement as previously amended is replaced with the Schedule B attached to this Amendment No. 11.
- 2) Except as set forth herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 11 to the Standby Trust Agreement to be executed by their respective officers duly authorized and the corporate or company seals to be hereto affixed and attested as of this 6th day of March, 2008.

ATTEST:




WESTINGHOUSE ELECTRIC COMPANY LLC

By: 
Name: Kazumasa Z. Uchida
Title: Chief Financial Officer

ATTEST:



**J. P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION**

By: 
Name: P. KELLY
Title: EXECUTIVE DIRECTOR

AGREED TO AND ACCEPTED:

**UNITED STATES NUCLEAR
REGULATORY COMMISSION**

By: _____
Name: _____
Title: _____

NONNEGOTIABLE

SCHEDULE A TO STANDBY TRUST AGREEMENT

LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC COMPANY LLC
TRUST AGREEMENT SCHEDULE

This Agreement demonstrates financial assurance for the following cost estimates or prescribed amounts for the following licensed activities:

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE/ LICENSEE	FINANCIAL ASSURANCE VALUE ¹ IN \$
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM/ Westinghouse Electric Company LLC	81,346,000 ²
2	SNM-1460	Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials/ Westinghouse Electric Company LLC	5,879,000 ²
3	SNM-33	Former Fuel Cycle Facility Highway P Hematite, MO	Decommissioning / Westinghouse Electric Company LLC	58,839,000 ²
4	SNM-770	Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials/ Westinghouse Electric Company LLC	69,181,000 ²
Totals				215,245,000

1 Financial assurance values referenced in (10CFR 30.35, 40.36, and 70.25).

2 Decommissioning cost is based on an engineering study.

SCHEDULE B TO STANDBY TRUST AGREEMENT
(ADDED BY AMENDMENT NO. 11)

LISTING OF LETTERS OF CREDIT

<u>Letter of Credit No.</u>	<u>Issuing Institution of Irrevocable Letter of Credit*</u>	<u>Amount and License Number</u>
	Bank One, NA Global Trade Services One Bank One Plaza Mail Code IL1-0236 Chicago, IL 60670	\$58,839,000.00 No. SNM-33
	Bank One, NA Global Trade Services Mail Code IL1-0236 Chicago, IL 60670	\$81,346,000.00 No. SNM-1107
	Bank One, NA Global Trade Services Mail Code IL1-0236 Chicago, IL 60670	\$69,181,000.00 No. SNM-770
	Bank One, NA Global Trade Services Mail Code IL1-0236 Chicago, IL 60670	\$5,879,000.00 No. SNM-1460
TOTAL		\$215,245,000.00

*Beneficiary of Letter of Credit is NRC

ATTACHEMENT 4

**Summary Table of Revised Cost Estimate for
TR-2 material and Retired Areas
(in addition to cost estimate for active areas)**

MOTA Corporation Cost Estimate Summary

Project Name: SNM-770 Retired Facilities and WTR Facilities

WBS #	Task Identification	Labor	Travel & Living	Equipment	Materials	Subcontracts	Waste Disposal	Total
1.1.1	D&D Pre-Planning	\$ 151,195.20	\$ 3,375.00	\$ -	\$ 1,600.00	\$ -	\$ -	\$ 156,170.20
1.2.1	Pre-Mobilization	\$ 288,169.60	\$ 10,125.00	\$ -	\$ -	\$ -	\$ -	\$ 298,294.60
1.2.2	Mobilization	\$ 145,757.00	\$ 61,512.50	\$ 11,923.42	\$ 13,214.65	\$ 29,351.57	\$ -	\$ 261,759.15
1.2.3	Preparatory	\$ 437,271.00	\$ 38,587.50	\$ 35,770.27	\$ 57,643.96	\$ 238,504.72	\$ 41,384.00	\$ 849,161.45
1.4.1.1.1	Hot Cell Stab	\$ 134,123.00	\$ 14,437.50	\$ 36,511.43	\$ 14,832.77	\$ 264,945.64	\$ 119,350.00	\$ 584,200.35
1.4.1.1.2	Chem Cell	\$ 9,754.40	\$ 1,050.00	\$ 873.34	\$ 9,578.75	\$ 2,396.05	\$ 49,910.00	\$ 73,662.53
1.4.1.1.3	HCLA	\$ 34,140.40	\$ 3,675.00	\$ 11,666.69	\$ 3,775.61	\$ 26,386.16	\$ 93,310.00	\$ 172,953.87
1.4.1.1.4	Met Lab	\$ 24,386.00	\$ 2,625.00	\$ 5,045.35	\$ 6,946.87	\$ 5,990.12	\$ 15,654.80	\$ 60,648.14
1.4.1.1.5	Pre-Demo Activities	\$ 48,772.00	\$ 5,250.00	\$ 324,866.70	\$ 5,393.74	\$ 189,980.23	\$ -	\$ 574,262.67
1.4.1.1.6	Demolition >32' Elev.	\$ 48,772.00	\$ 5,250.00	\$ 4,866.70	\$ 5,393.74	\$ 288,680.23	\$ 26,700.00	\$ 379,662.67
1.4.1.1.7	Remove Floors 32' Elev.	\$ 43,894.80	\$ 4,725.00	\$ 47,332.03	\$ 4,854.36	\$ 46,782.21	\$ 281,018.00	\$ 428,606.41
1.4.1.2.1	Sub Cell Fan Room	\$ 53,849.20	\$ 5,775.00	\$ 56,565.37	\$ 5,933.11	\$ 65,178.26	\$ 577,990.00	\$ 765,090.94
1.4.1.2.2	Sub Cell Room	\$ 19,508.80	\$ 2,100.00	\$ 16,814.68	\$ 2,157.49	\$ 63,317.09	\$ 168,140.00	\$ 272,038.07
1.4.1.2.3	West Annex	\$ 60,965.00	\$ 6,562.50	\$ 65,555.38	\$ 6,742.17	\$ 64,975.29	\$ 678,440.00	\$ 883,240.34
1.4.1.2.4	Transfer Canal - G-Bldg.	\$ 112,175.60	\$ 12,075.00	\$ 159,873.42	\$ 12,405.59	\$ 149,234.54	\$ 862,120.00	\$ 1,307,884.15
1.4.1.2.5	East Annex	\$ 29,263.20	\$ 3,150.00	\$ 39,264.02	\$ 3,236.24	\$ 7,188.14	\$ 403,620.00	\$ 485,721.60
1.4.2.1	Process Waste Tunnel	\$ 85,351.00	\$ 9,187.50	\$ 8,516.73	\$ 11,139.04	\$ 20,965.41	\$ 5,670.00	\$ 140,829.68
1.4.2.2	Service Tunnel	\$ 97,544.00	\$ 10,500.00	\$ 9,733.41	\$ 15,037.47	\$ 23,960.47	\$ 32,550.00	\$ 189,325.35
1.4.2.3	West Annex Utility Tunnel	\$ 146,316.00	\$ 15,750.00	\$ 19,220.11	\$ 32,467.21	\$ 85,440.70	\$ 151,040.00	\$ 450,234.02
1.4.2.4	Head Tank Tunnel	\$ 36,579.00	\$ 3,937.50	\$ 3,650.03	\$ 4,895.30	\$ 8,985.18	\$ 6,090.00	\$ 64,137.00
1.4.3.1	PDL - Surge Tank to MH-1	\$ 48,772.00	\$ 5,250.00	\$ 22,018.70	\$ 10,468.74	\$ 76,336.23	\$ 74,365.00	\$ 237,210.67
1.4.3.2	PDL - MH-1 to MH-2	\$ 73,158.00	\$ 7,875.00	\$ 60,156.05	\$ 25,938.60	\$ 116,582.35	\$ 159,042.50	\$ 442,752.51
1.4.3.3	PDL - G-Bldg. SCFR to MH-2	\$ 60,965.00	\$ 6,562.50	\$ 49,022.38	\$ 20,537.17	\$ 96,459.29	\$ 24,565.35	\$ 258,111.69
1.4.3.4	PDL - MH-2 to MH-3	\$ 73,158.00	\$ 7,875.00	\$ 46,099.05	\$ 33,204.60	\$ 109,354.35	\$ 173,384.80	\$ 443,075.81
1.4.3.5	PDL - MH-3 to MH-6	\$ 121,930.00	\$ 13,125.00	\$ 88,872.76	\$ 32,191.34	\$ 160,934.59	\$ 273,980.00	\$ 671,013.68
1.4.3.6	PDL - MH-6 to Stand Pipe	\$ 60,965.00	\$ 6,562.50	\$ 39,557.38	\$ 17,862.17	\$ 89,231.29	\$ 84,110.00	\$ 298,288.34
1.4.4.1	Ion Exchange Cubicle	\$ 7,315.80	\$ 787.50	\$ 730.01	\$ 809.06	\$ 1,797.04	\$ 800.80	\$ 12,240.20
1.4.4.2	N&S Storage Pits	\$ 60,965.00	\$ 6,562.50	\$ 30,863.38	\$ 18,406.17	\$ 136,995.29	\$ 352,170.00	\$ 605,962.34
1.4.4.3	Hot Cell Vent Stack Base	\$ 46,333.40	\$ 4,987.50	\$ 146,118.37	\$ 13,902.05	\$ 49,001.22	\$ 66,596.25	\$ 326,938.79
1.4.4.4	FLLWP	\$ 48,772.00	\$ 5,250.00	\$ 236,146.70	\$ 62,718.74	\$ 51,580.23	\$ 1,515,625.00	\$ 1,919,992.67
1.4.4.5	Groundwater Pump & Treat Facility	\$ 9,754.40	\$ -	\$ -	\$ -	\$ -	\$ 5,215.00	\$ 14,969.40
1.4.5.1	Hot Cell Vent Stack Soil	\$ 9,754.40	\$ 1,050.00	\$ 2,625.34	\$ 2,622.75	\$ 10,316.05	\$ 21,700.00	\$ 48,068.53
1.4.5.2	N&S Storage Pits Soil	\$ 7,315.80	\$ 787.50	\$ 2,382.01	\$ 1,594.06	\$ 7,737.04	\$ 11,200.00	\$ 31,016.40
1.4.5.3	G-Bldg. Area Soil	\$ 19,508.80	\$ 2,100.00	\$ 5,250.68	\$ 4,944.49	\$ 20,632.09	\$ 50,750.00	\$ 103,186.07
1.4.5.4	Works Eng. Bldg. Soil	\$ 29,263.20	\$ 3,150.00	\$ 17,788.02	\$ 17,710.24	\$ 30,948.14	\$ 232,750.00	\$ 331,609.60
1.4.5.5	T-Bldg. Yard Soil	\$ 26,824.60	\$ 2,887.50	\$ 14,240.69	\$ 13,324.55	\$ 28,369.13	\$ 171,500.00	\$ 257,146.47
1.4.5.6	MH-6 Soil	\$ 24,386.00	\$ 2,625.00	\$ 28,865.35	\$ 31,731.87	\$ 50,546.12	\$ 243,500.00	\$ 381,656.34
1.4.5.7	FSLWPA (Cost in FSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4.5.8	WTR Basin 1 Area (Cost in FSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4.5.9	WTR Basin 2 Area (Cost in FSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.4.5.10	WTR Basin 3 Area (Cost in FSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.5.1.1	Vapor Shell Pre-Demo Activities	\$ 182,895.00	\$ 19,887.50	\$ 18,250.14	\$ 20,226.51	\$ 599,925.88	\$ 64,470.00	\$ 905,455.02
1.5.1.2	Vapor Shell Demolition	\$ 73,158.00	\$ 7,875.00	\$ 62,800.05	\$ 8,090.60	\$ 176,521.35	\$ 8,425.00	\$ 336,870.01
1.5.1.3	Truck Lock Demolition	\$ 43,894.80	\$ 4,725.00	\$ 35,768.03	\$ 4,854.36	\$ 56,782.21	\$ 397,734.00	\$ 543,758.41
1.5.1.4	Bioshield Removal	\$ 134,123.00	\$ 14,437.50	\$ 342,951.43	\$ 17,232.77	\$ 231,995.64	\$ 825,454.00	\$ 1,566,194.35
1.5.1.5	Chem Test Loop Cubicles	\$ 43,894.80	\$ 4,725.00	\$ 27,508.03	\$ 4,854.36	\$ 97,782.21	\$ 266,700.00	\$ 445,464.41
1.5.1.6	Rabbit Pump Room	\$ 17,070.20	\$ 1,837.50	\$ 1,703.35	\$ 6,137.81	\$ 18,193.08	\$ 32,396.00	\$ 77,337.94
1.5.1.7	Transfer Canal	\$ 97,544.00	\$ 10,500.00	\$ 93,885.41	\$ 10,787.47	\$ 97,460.47	\$ 718,440.00	\$ 1,028,717.35
1.5.1.8	Test Loop Dump Tank Pit	\$ 51,210.90	\$ 5,512.50	\$ 24,934.04	\$ 10,694.42	\$ 59,579.25	\$ 335,258.00	\$ 487,188.81
1.5.1.9	Diesel Pump Pit	\$ 56,087.80	\$ 6,037.50	\$ 23,768.71	\$ 25,978.80	\$ 117,587.27	\$ 414,820.00	\$ 644,280.07
1.5.2.1	Primary Coolant Tunnel	\$ 243,860.00	\$ 26,250.00	\$ 24,333.52	\$ 38,018.68	\$ 59,901.17	\$ 40,110.00	\$ 432,473.36
1.5.2.2	Top Test Loop Tunnels	\$ 134,123.00	\$ 14,437.50	\$ 13,383.43	\$ 15,682.77	\$ 32,945.64	\$ 7,210.00	\$ 217,782.35
1.5.3	Containment Construction	\$ 97,544.00	\$ 10,500.00	\$ 9,733.41	\$ 10,787.47	\$ 887,960.47	\$ -	\$ 1,016,525.35
1.6.1	Final Status Survey	\$ 497,698.80	\$ 48,825.00	\$ 45,260.34	\$ 50,161.74	\$ 146,416.18	\$ 14,000.00	\$ 802,362.06
1.6.2	Site Restoration	\$ 18,560.00	\$ 2,100.00	\$ 1,946.68	\$ 2,157.49	\$ 4,792.09	\$ -	\$ 29,556.27
1.6.3	Demobilization	\$ 145,757.00	\$ 12,862.50	\$ 11,923.42	\$ 13,214.65	\$ 29,351.57	\$ -	\$ 213,109.15
1.6.4	License Termination	\$ 72,204.00	\$ 5,906.25	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 128,110.25
1.6.5	Final Report	\$ 81,440.00	\$ 6,675.00	\$ -	\$ -	\$ -	\$ -	\$ 88,115.00
1.7	Project Management	\$ 4,517,821.44	\$ 952,630.00	\$ 323,772.04	\$ 358,834.43	\$ 984,521.02	\$ -	\$ 7,137,578.93
Sub-Total		\$ 9,245,615.04	\$ 1,452,611.25	\$ 2,690,908.00	\$ 1,122,929.00	\$ 6,270,778.00	\$ 10,099,140.50	\$ 30,881,981.79
Total Fully Burdened Costs		\$ 9,245,615.04	\$ 1,452,611.25	\$ 2,690,908.00	\$ 1,122,929.00	\$ 6,270,778.00	\$ 10,099,140.50	\$ 30,881,981.79

TOTAL COST: \$30,881,982
CONTINGENCY: \$7,720,495
TOTAL FIRM-FIXED PRICE: \$38,602,477

25.00% Contingency (%)