



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

AUG 14 1979

Docket No. 50-305

Wisconsin Public Service Corporation
Wisconsin Power and Light Company
Madison Gas & Electric Company
ATTN: Mr. E. W. James
Senior Vice President
Power Generation & Engineering
P. O. Box 1200
Green Bay, Wisconsin 54305

Gentlemen:

We are enclosing herewith an amendment to your indemnity agreement reflecting a change in 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements." The amendment to Part 140, which was effective on August 1, 1977, adds a new "Article VIII" to § 140.92. This article establishes procedures that the Commission would utilize to recover retrospective premiums paid by the Government on behalf of defaulting licensees.

We would appreciate your indicating your acceptance of the amendment to your indemnity agreement in the space provided and returning one signed copy to the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerome Saltzman", written over a horizontal line.

Jerome Saltzman, Chief
Antitrust & Indemnity Group
Office of Nuclear Reactor Regulation

Enclosure:
Amendment to Indemnity Agreement

Answer 2
BD

Docket No. 50-305

AMENDMENT TO INDEMNITY AGREEMENT NO. B-53

AMENDMENT NO. 5

Effective August 1, 1977, Indemnity Agreement No. B-53, between Wisconsin Public Service Corporation, Wisconsin Power and Light Company, and Madison Gas and Electric Company, and the Atomic Energy Commission, dated July 13, 1972, as amended, is hereby further amended by adding a new Article VIII to read as follows:

"ARTICLE VIII

- "1. If the licensee fails to pay assessed deferred premiums, the Commission reserves the right to pay those premiums on behalf of the licensee and to recover the amount of such premiums from the licensee.
- "2. The Commission shall require the immediate submission of financial statements by those licensees who indicate, after an assessment of the retrospective premium by the insurance pools, that they will not pay the assessment. Such financial statements shall include, as a minimum, exhibits indicating internally generated funds from operations and accumulated retained earnings. Subsequent submission of financial statements by such licensees may be requested by the Commission, as required.
- "3. If premiums are paid by the Commission as provided in paragraph 1, payment by the Commission shall create a lien in the amount paid in favor of the United States upon all property and rights to property, whether real or personal, belonging to such licensee. The lien shall arise at the time payment is made by the Commission and shall continue until the liability for the amount (or a judgment against the licensee arising out of such liability) is satisfied or becomes unenforceable. The Commission will issue a certificate of release of any such lien if it finds that the liability for the amount has been fully satisfied or has become legally unenforceable.

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"4. If the Commission determines that the licensee is financially able to reimburse the Commission for a deferred premium payment made in its behalf, and the licensee, after notice of such determination by the Commission fails to make such reimbursement within 120 days, the Commission will take appropriate steps to suspend the license for 30 days. The Commission may take any further action as necessary if reimbursement is not made within the 30-day suspension period including, but not limited to, termination of the operating license."

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION

/s/ JEROME SALTZMAN

Jerome Saltzman, Chief
Antitrust and Indemnity Group
Office of Nuclear Reactor Regulation

Accepted _____, 1978

By _____
WISCONSIN PUBLIC SERVICE CORPORATION

Accepted _____, 1978

By _____
WISCONSIN POWER AND LIGHT COMPANY

Accepted _____, 1978

By _____
MADISON GAS AND ELECTRIC COMPANY

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