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 FACIL: 50-387 Susquehanna Steam Electric Station, Unit 1, Pennsylv    05000387  
 50-388 Susquehanna Steam Electric Station, Unit 2, Pennsylv    05000388

AUTH. NAME                      AUTHOR AFFILIATION  
 FIELDS, J.S.                      Pennsylvania Power & Light Co.  
 RECIP. NAME                      RECIPIENT AFFILIATION  
 GUTSHALL, K.                      Pennsylvania, Commonwealth of

SUBJECT: Forwards SAFECO Surety Bond 5760084 in amount of \$68,000 for closure of Site 3, located at SSES.

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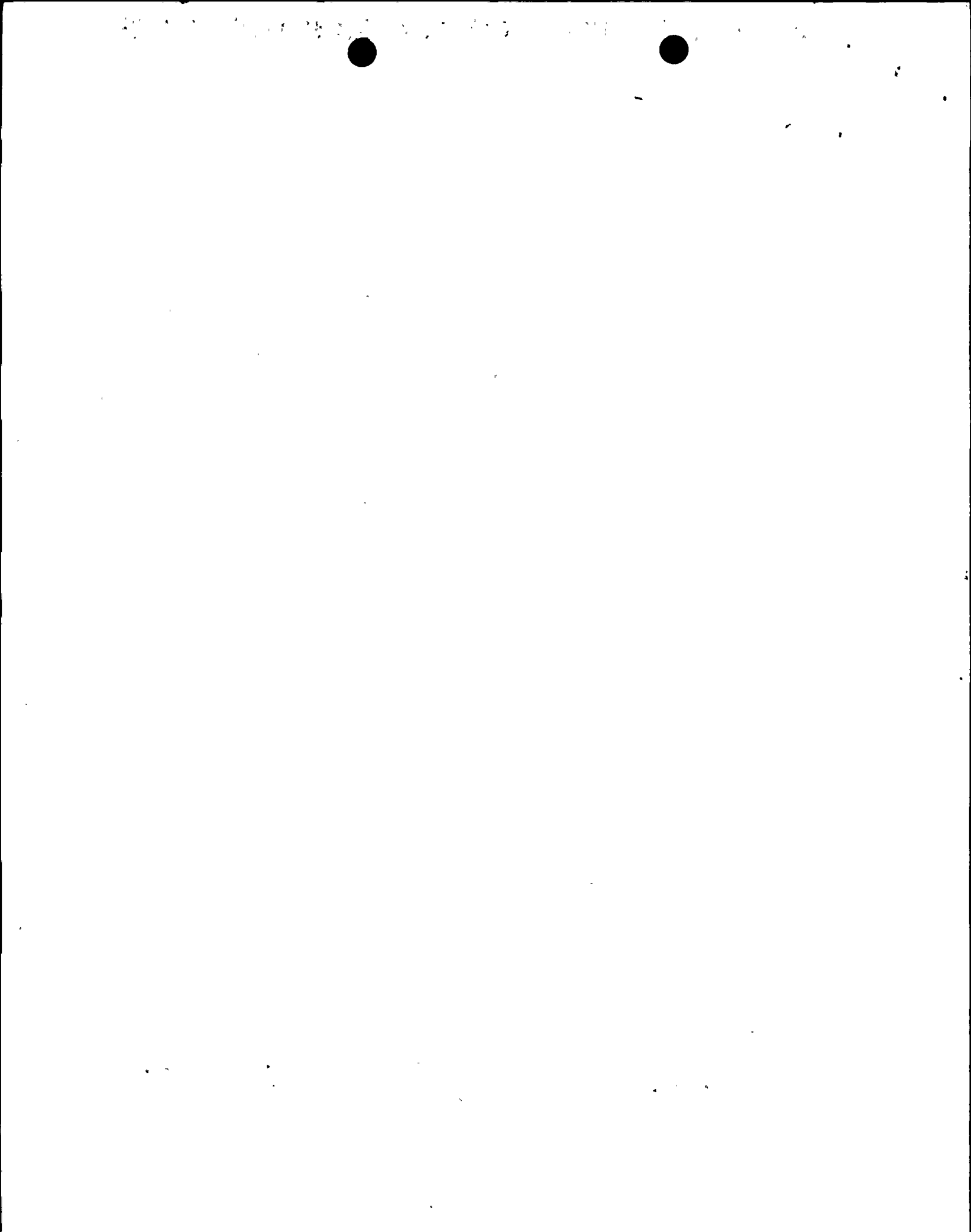
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**Pennsylvania Power & Light Company**

Two North Ninth Street • Allentown, PA 18101-1179 • 215/774-5151

June 14, 1993

Kathy Gutshall  
Certification, Licensing, and Bonding  
1st Floor MSSOB  
400 Market Street  
P.O. Box 8766  
Harrisburg, PA 17105-8766

SUSQUEHANNA STEAM ELECTRIC STATION  
SURETY BOND FOR CLOSURE OF C&D#3 SITE  
ID # 101363; SURETY BOND # 5760084  
CCN 741326 FILE R9-8C  
PLE-16917

Dear Ms. Gutshall:

Enclosed is SAFECO Surety Bond #5760084 in the amount of \$68,000 for closure of Site #3, located at the Susquehanna Steam Electric Station. This is an initial bond that replaces the two earlier bonds (numbers 5693511 and 5693538) which could not be processed by your office.

Sincerely,

*Jerome S. Fields for*

Jerome S. Fields  
Sr. Environmental Scientist - Nuclear

Enclosure

Copies to:

NRC Document Control Desk

NRC Region I

Mr. R. J. Clark, NRC Sr. Project Manager

Wm. Tomayko, PaDER Bureau of Waste Management

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II

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1954

Date Prepared

June 9, 1993

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF ENVIRONMENTAL RESOURCES  
BUREAU OF WASTE MANAGEMENT

I.D. Number

101363

SURETY BOND  
For A Waste Management Facility

To be completed by Permittee/Operator:  
Pennsylvania Power & Light Company Solid Waste  
Name of Facility: Disposal Site #3

Address: Susquehanna SES, P. O. Box 467,  
(U.S. Route 11)  
Berwick, PA 18603

Municipality: Salem Township

County: Luzerne

Department Use Only:  
Solid Waste Permit No.: \_\_\_\_\_  
Date of Permit Issuance: \_\_\_\_\_  
Permit Acreage: \_\_\_\_\_

Type of Facility: Check one:

- Hazardous
- Municipal
- Residual
- Other (describe) Demolition, Waste Disposal  
(Describe facility type/activity)

Purpose: Check one:

- (1) Operation and Closure of a Waste Management Facility
  - (a) Initial Bond
  - (b) Repermit of Existing Facility
  - (c) Additional Bond
  - (d) Replacement Bond
  - (e) Change of Ownership
  - (f) Application for Mobile Processing facility permit
- (2) Closure of a Waste Management Facility

To be completed by Surety Company:  
  
Bond No.: 5760084

WHEREAS, PENNSYLVANIA POWER & LIGHT COMPANY (1) a Corporation,  
(Name of Permittee, or Operator)

incorporated under the Laws in the State of Pennsylvania

or (2) \_\_\_\_\_, with its principal place of  
(Individual, Limited/General Partnership, Registered Fictitious Name Business)

business at Two North Ninth Street, Allentown, PA 18101  
(Address)

or (3) \_\_\_\_\_ has (1) filed application for permit(s); or (2) executed  
(municipality or municipal authority)

a \_\_\_\_\_ (hereinafter "agreement") dated \_\_\_\_\_  
(Consent agreement/consent decree/consent adjudication) (date of agreement)

with the Commonwealth of Pennsylvania, Department of Environmental Resources (hereinafter referred to as the "Department"), or (3) has been ordered by the Department, under the provisions of the "Pennsylvania Solid Waste Management Act", Act of July 7, 1980, No. 97, as amended (hereinafter "Act 97") for the purpose, as indicated above

of either (1) the operation and closure or (2) closure of a waste management facility which will affect 4.5  
(Acreage to be Under Permit or as Referenced by Order/Agreement, etc)

acres of land owned by PENNSYLVANIA POWER & LIGHT COMPANY in  
(Name of Landowner)

Salem Township  
(Name of Municipality)

Luzerne County, Pennsylvania (hereinafter referred to as "facility").  
(Name of County)

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that we, PENNSYLVANIA POWER & LIGHT COMPANY  
(Name of Principal)

\_\_\_\_\_, as principal, and  
SAFECO INSURANCE COMPANY OF AMERICA, a corporation of the State of

Washington, licensed to do business in the Commonwealth of Pennsylvania, and

with its principal place of business at Three Bala Plaza East, Bala Cynwyd, PA, 19004  
(Address)

\_\_\_\_\_, as surety,

and intending to be legally bound hereby, are held and firmly bound unto the Department, in the just and full sum of

SIXTY-EIGHT THOUSAND AND NO/100----- (\$ 68,000.00-----) Dollars,  
(Written Dollar Amount) (Numerical Dollar Amount)

to the payment whereof, well and truly to be made, we do hereby bind ourselves, our heirs, executors, administrators, assigns and successors, firmly by these presents:

NOW THE CONDITION OF THIS OBLIGATION is such that if the operator shall faithfully perform all of the requirements of (1) the Act of Assembly approved July 7, 1980, P.L. 380, known as the "Solid Waste Management Act."; (2) the Act of Assembly approved June 22, 1937, P.L. 1987, as amended, known as "The Clean Streams Law"; (3) the Act of Assembly approved January 8, 1960, P.L. 2119, as amended, known as the "Air Pollution Control Act"; (4) the applicable provisions of the Act of Assembly approved November 26, 1978, P.L. 1375, as amended known as the "Dam Safety and Encroachments Act"; (5) the applicable provisions of the Act of Assembly approved May 31, 1945, P.L. 1198, as amended, known as the "Surface Mining Conservation and Reclamation Act"; (6) the Act of Assembly approved July 28, 1988, P.L. 556, known as the "Municipal Waste Planning, Recycling and Waste Reduction Act"; (7) the rules and regulations promulgated thereunder; (8) the provisions and conditions of the permits issued thereunder and designated in this bond; (9) any agreement with or order of the Department, and (10) such amendments or additions to the acts, regulations, terms and conditions of the permits, and orders of the Department as may hereinafter be lawfully made (all of which are hereinafter referred to as the "law"), then this obligation shall be null and void, otherwise to be and remain in full force and effect.

LIABILITY UPON THIS BOND shall be for the amount specified herein. Liability upon this bond shall be continuous from the initiation of operations at the facility, and shall continue for the duration of the processing and/or disposal of solid waste at the aforesaid facility and for a period of ten (10) years after approved final closure of the site, unless released in whole or in part by the Department, in writing, prior thereto as provided by the law. In the event any environmental damage is caused by the Principal in violation of the aforementioned law, then the bond shall not be released, but the liability under this bond shall continue until such environmental damage is corrected and the site restored to a condition of compliance with the aforementioned law. This bond shall be in default if the Principal fails, refuses or is unable to complete restoration work as directed, in writing, by the Department. Liability upon this bond shall extend to the entire facility. It is agreed and understood by the Surety and the Principal that this bond covers and includes any and all liabilities and obligations under the aforementioned law which accrued on the permit site prior to the issuance of Permit No. 101363, as well as any and all liabilities and obligations of the Principal to be accrued under the law from the date of issuance of the Permit until such time as the Department shall release, in writing, such liabilities and obligations.

It is acknowledged and agreed by the parties that the liability upon this bond is a penal sum, and as such the Commonwealth retains an interest in such guarantee, which interest may not be affected by bankruptcy, insolvency, or other financial incapacity of the Principal on the bond until release of such liability as provided by the law.

UPON THE HAPPENING OF ANY DEFAULT of the provisions, conditions and obligations assumed under this bond and the declaration of a forfeiture by the Secretary, or his designee, the period for appeal provided by law having expired, the Principal and the Surety hereby authorize and empower the Attorney General of the Commonwealth of Pennsylvania; or any other attorney of any court of record in Pennsylvania, or elsewhere, by him deputized for the purpose, to appear for and confess judgement against the principal and/or the surety, their successors or assigns, in favor of the Commonwealth of any sum or sums of money which may be due hereunder, with or without defalcation or declaration filed, with interest and costs, with release of errors, without stay of execution and with ten (10%) percent added for collection fees, and for the exercise of this power, this instrument, or a copy thereof, any rule of court to the contrary notwithstanding, shall be full warrant and authority. This power shall be inexhaustible. The surety and principal are jointly and severally liable for payment of the bond amount, which shall be confessed to judgement and execution upon forfeiture.

The principal and surety further agree that execution may issue upon judgement so confessed for the full amount of money and accrued interest that is owing from the principal and/or the surety to the Commonwealth, with costs and collection fee upon filing information in writing in the court when such judgement shall be entered.

Full payment shall be made under the bond within 30 days of receipt of the Department's declaration of forfeiture by the surety.

The surety may cancel the bond by sending written notice of cancellation to the Department and the principal on the bond, only under the following conditions:

The notice of cancellation shall be sent by certified mail, return receipt requested. Cancellation may not take effect until 120 days after receipt of the notice of cancellation by the Department and the principal on the bond as evidenced by return receipts.

Within 30 days after receipt of a notice of cancellation, the Principal shall provide the Department with a replacement bond as defined by the law. If the Principal fails to submit a replacement bond acceptable to the Department within the 30 day period, the Department will issue a notice of violation to the Principal requiring that the bond be replaced within 30 days of the notice of violation. If the bond is not replaced within the 30 day period,



the Department may issue a cessation order for permits of the Principal and related parties, and thereafter take action as may be appropriate.

Failure of the Principal to submit a replacement bond within 30 days after the notice of violation constitutes grounds for forfeiture of the bond, and other bonds submitted by the Principal, under the law. If the Department declares the bond forfeited before the expiration of the 120 day period, the notice of cancellation is null and void.

FURTHER, the principal and the surety agree that their liability hereunder shall not be impaired or affected by, (a) any renewal or extension of the time for performance of any of the provisions, conditions or obligations upon which this bond is conditioned, or (b) any forbearance or delay in declaring this bond to be forfeited or in enforcing payment on this bond. The surety hereby waives any right to cover or perform the obligations of the principal upon the principal's default, provided however, that the Department may, in writing, authorize the surety to cover such defaulted obligations if the Department determines that it is in the Department's interest to do so.

FURTHER, the Surety agrees that any collateral held by it as security for its indemnification with respect to this bond is held by the Surety as a trust on behalf of the Department to assure the liabilities and obligations secured by this bond will be performed, fulfilled and complied with. The Surety hereby agrees that, upon its cessation in business, insolvency or bankruptcy, all of its right, title and interest in such collateral shall immediately vest in the Department such that the Department has full ownership thereof.

FURTHER, the Principal and the Surety agree that their liability hereunder shall not be impaired or affected by, (a) any renewal or extension of the time for performance of any of the provisions, conditions or obligations upon which this bond is conditioned, or (b) any forbearance or delay in declaring this bond to be forfeited or in enforcing payment on this bond.

FURTHER, the Department reserves the right to require additional bonding from the Principal, as provided by law, which shall be a supplement to and augment the bond liability provided herein. The Department may release, in writing, a portion of the amount of liability provided in this bond for partial completion of the provisions, conditions and obligations assumed by the Principal herein, as may be authorized by the law, and such amount released shall be a credit upon the total amount of this bond. Nothing herein shall limit or preclude the Department from seeking to enforce any remedy, in addition to the forfeiture of this bond, which may be authorized or provided by law.

IN WITNESS WHEREOF, the principal and surety have hereunto set their hands and seals, intending to be legally bound hereby, this 9th day of June, 19 93.

Principal: PENNSYLVANIA POWER & LIGHT COMPANY  
(Print Name of Permittee / Operator)

Affix Corporate Seal Here:

Attest ~~XXXXXXXXXX~~

Jean A. Smolick  
(Print / Type Name)

Jean A. Smolick  
(Signature of Above)

Jean A. Smolick  
(Print / Type Name)

Jean A. Smolick  
(Signature of Above)

By: John R. Biesar, Vice President-Finance  
(Print / Type Name and Title)

[Signature]  
(Signature of Above)

By: John P. Kierzkowski, Treasurer  
(Print / Type Name and Title)

[Signature]  
(Signature of Above)

Surety: SAFECO INSURANCE COMPANY OF AMERICA  
(Print Name)

Affix Corporate Seal Here:

~~XXXXXXXXXX~~ Witness:

DIANE C. BELL  
(Print / Type Name)

[Signature]  
(Signature of Above)

\_\_\_\_\_  
(Print / Type Name)

\_\_\_\_\_  
(Signature of Above)

Pennsylvania Resident Agent

Sally A. Mullen, Attorney-in-fact  
By: Pennsylvania Resident Licensed Agent  
(Print / Type Name and Title)

[Signature]  
(Signature of Above)

By: \_\_\_\_\_  
(Print / Type Name and Title)

\_\_\_\_\_  
(Signature of Above)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print / Type Name)

Approved as to legality and form:

PRE-APPROVED OAG 10/15/92  
Office of Attorney General

\_\_\_\_\_  
(Chief Counsel / Assistant Counsel)  
Department of Environmental Resources

Approved for the Department:

\_\_\_\_\_  
(Type Name and Title)

\_\_\_\_\_  
(Signature of Above)

\_\_\_\_\_  
(Date)



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 3218

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint \*\*\*\*\*KATHRYN G. SCHNEIDER; KATHLEEN M. ZIOBRO; DAVID CHARLES ROSENBERG; JOHN R. MANNERING; HARRY C. ROSENBERG; SALLY A. MULLEN; DIANE M. DIMARTINO; DIANE C. BELL, Bala Cynwyd, Pennsylvania\*\*\*\*\*

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 29th day of January, 19 93

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 9th day of June, 19 93



SAFECO INSURANCE COMPANY OF AMERICA  
 FINANCIAL STATEMENT — DECEMBER 31, 1992

Assets		Liabilities	
Cash and Bank Deposits .....	\$ 11,026,157	Unearned Premiums .....	\$ 363,894,260
*Bonds — U.S. Government .....	102,336,348	Reserve for Claims and Claims Expense .....	1,040,462,045
*Other Bonds .....	1,402,975,091	Funds Held Under Reinsurance Treaties .....	0
*Stocks .....	447,311,123	Reserve for Dividends to Policyholders .....	9,301,336
Real Estate .....	40,040,036	Additional Statutory Reserve .....	919,944
Agents' Balances or Uncollected Premiums .....	151,699,002	Reserve for Commissions, Taxes and	
Accrued Interest and Rents .....	41,865,581	Other Liabilities .....	<u>145,739,381</u>
Other Admitted Assets .....	<u>83,333,894</u>	Total .....	<u>\$1,560,316,966</u>
		Capital Stock .....	\$ 2,500,000
		Paid in Surplus .....	13,639,941
		Unassigned Surplus .....	<u>704,130,325</u>
		Surplus to Policyholders .....	<u>720,270,266</u>
Total Admitted Assets .....	<u>\$2,280,587,232</u>	Total Liabilities and Surplus .....	<u>\$2,280,587,232</u>



\* Bonds are stated at amortized or investment value; Stocks at Association Market Values. Securities carried at \$202,663,525 and real estate carried at \$4,110,298 are deposited as required by law.

I, PHILIP A. STEPHENS, Senior vice-president of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 1992, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 1993.

*Philip A. Stephens*  
 Senior Vice-President