

ROCHESTER GAS AND ELECTRIC CORPORATION • 89 EAST AVENUE, ROCHESTER, N.Y. 14649

TELEPHONE
AREA CODE 716 546-2700

September 8, 1978

Mr. Jerome Saltzman, Chief
Antitrust and Indemnity Group
Office of Nuclear Reactor Regulation
Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Docket No. 50-244

Dear Mr. Saltzman:

As requested in your letter dated August 14, 1978 attached is one signed copy of Amendment No. 7 to Indemnity Agreement No. B-38.

Sincerely,

Roger R. Kussie
Insurance Analyst

RRK:lmw

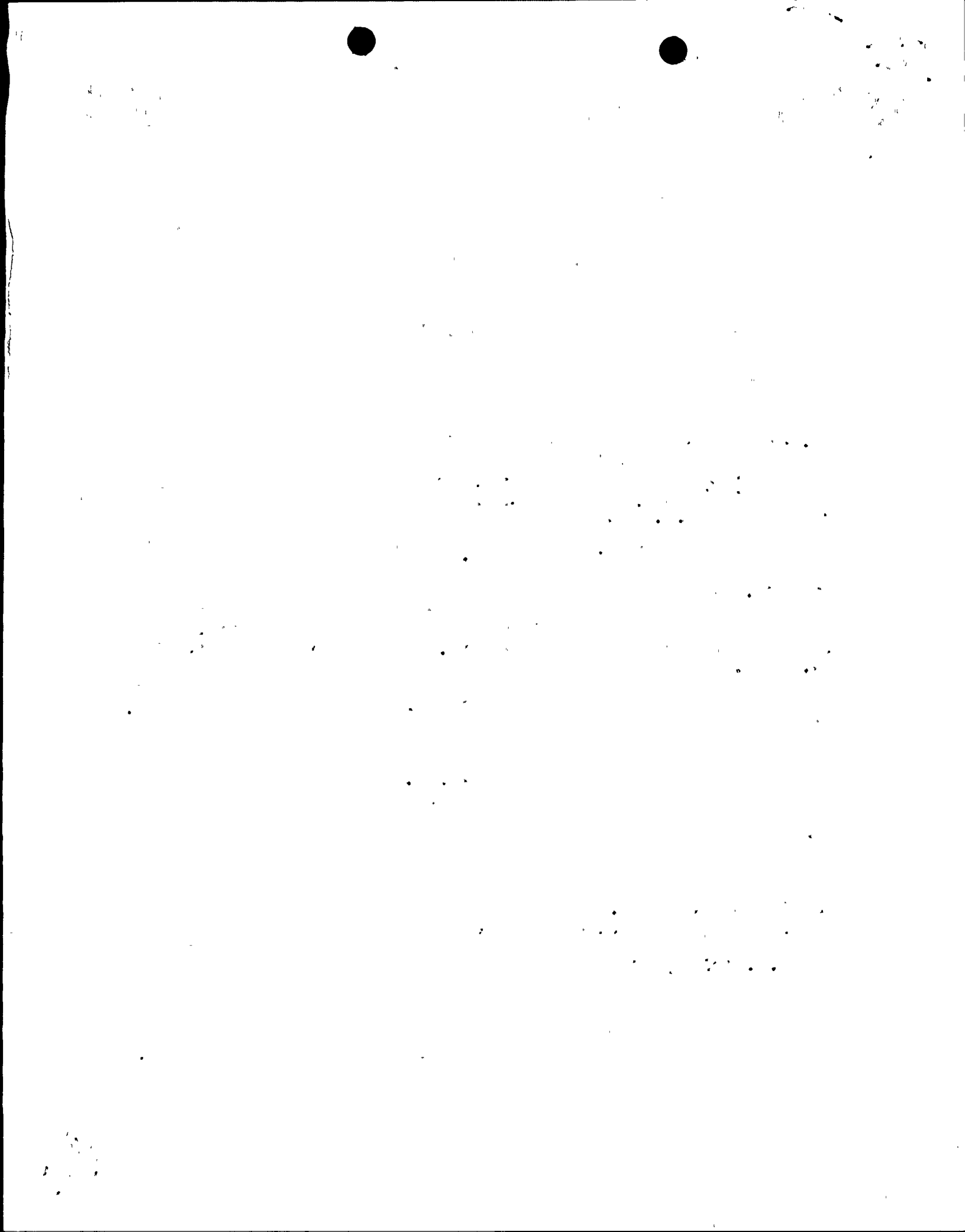
Enclosure

xc: Lex Larson, Esq.
LeBoeuf, Lamb, Leiby & McRae

L.D. White, RG&E

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

Docket No. 50-244

AMENDMENT TO INDEMNITY AGREEMENT NO. B-38

AMENDMENT NO. 7

Effective August 1, 1977, Indemnity Agreement No. B-38, between Rochester Gas and Electric Corporation, and the Atomic Energy Commission, dated March 21, 1969, 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.

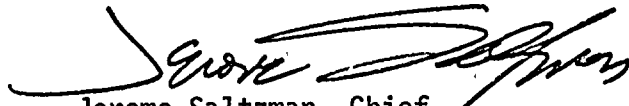


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"4. If the Commission determines that the licensee is financially able to reimburse the Commission for a deferred premium payment made in its behalf, and the licensee, after notice of such determination by the Commission fails to make such reimbursement 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


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

Accepted September 8, 1978

By , Vice President
ROCHESTER GAS AND ELECTRIC CORPORATION

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