NRC FORM 195 2-76) NRC DISTRIBUTION FOR PART 50 DOCKET MATERIAL			50-346
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SCRIPTION		ENCLOSURE	
Advising that applican the Swiss Bank Corpora for a line of credit a amount of \$5,000,000, with attached ltr	ation's proposal arrangement in the effective 8/1/77 •		
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NAC FORM 195 (2-76)

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Docket No. 50-346



July 28, 1977

REGULATORY DOCKET FILE COPY Serial No. 331

United States Nuclear Regulatory Commission Attn: Mr. Jerome Saltzman, Chief Antitrust & Indemnity Group Nuclear Reactor Regulation Washington, D. C. 20555

> RE: Davis-Besse #1 Retrospective Premium Guarantee

Gentlemen:

Please refer to our letter of June 30, 1977, whereby we advised that we were electing to provide our portion of the retrospective premium guarantee by utilizing a line of credit arrangement.

Attached is a copy of a letter from the Swiss Bank Corporation outlining their proposal for a line of credit arrangement in the amount of \$5,000,000, effective August 1, 1977. Based on our ownership share of Davis-Besse #1 (48.62%), the amount of our retrospective premium guarantee would be \$4,862,000.

This is to advise you that we are accepting the Swiss Bank Corporation's proposal. As mentioned in their proposal, they will furnish a separate letter specifying that the line of credit will only be made available in the case of an assessment by the Nuclear Regulatory Commission if a letter is requested. Please advise us if the letter is necessary, or if this letter stating our commitment is sufficient.

Roe

Vice President, Facilities Development

Robert F. Ertle Assistant Treasurer

attachment copy: Cleveland Electric Illuminating Company

THE TOLEDO EDISON COMPANY EDISON PLAZA 300 MADISON AVENUE TOLEDO, OHIO 43652

2140275

Société de Banque Suisse Schweizer sch Bankverein Societa di Banca Svizzera

## SWISS BANK CORPORATION

NEW YORK BRANCH

IS NASSAU STREET, NEW YORK, N.Y. 10005

JUL 2 5 1977

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Telephone (212) 791-2500 Cable: Swisbank, New York Our ret .: National I

AMS/mw

New York. July 15, 1977

Toledo Edison Company 300 Madison Avenue Toledo, Ohio 43604

Att: Mr. Donald G. Nicholson Vice President, Finance

Gentlemen:

Following up on our visit to your offices in Toledo last month, and confirming our more recent telephone conversations, we are pleased to offer you the following stand-by credit facility:

-BORROWER: Toledo Edison Company Toledo, Ohio

-AMOUNT: \$5,000,000.--

-UTILIZATION: Straight cash advances against promissory notes.

-RESTRICTION: In keeping with new regulations set forth by the Nuclear Regulatory Commission (NRC), we hereby agree to allow actual usage of this stand-by credit line only in the event that a claim is asserted against Toledo Edison as a result of your liability prising out of any extraordinary mishap connected with your nuclear reactor. We would require official written notice of such an occurrance and specific authorization from the NRC to make this \$5,000,000 facility available to you. (If requested, we will furnish a separate letter specifically stipulating that this line of credit will only be made available to Toledo Edison in the case of a nuclear liability assessment by the Nuclear Regulatory Commission.)

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## SWISS BANK CORPORATION NEW YORK BRANCH

- 2 -

-VALIDITY: Two years; Commencing August 1, 1977 and expiring July 31, 1979. Renewable if mutually agreeable.

-RATE OF INTEREST:

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-COMPENSATING BALANCES:

-COMMITMENT FEE:

-DOCUMENTATION: This aspect would be kept fairly simple and straightforward, with no formal loan agreement necessary. We would require the execution of a Corporate Borrowing Resolution and a Signature Card.

We are delighted that this initial personal contact is developing to our mutual benefit and are looking forward to seeing you again. If you will let us know the next time business brings you to New York we would very much like to host a luncheor for you and your associates. In the meantime, we look forward to your response to the offer outlined in this letter.

Very truly yours,

SWISS BANK CORPORATION New York Branch

Alberto Togni Executive Vice President Joel Stewart First Vice President