



GE Aircraft Engines

General Electric Company
P.O. Box 156301, One Neumann Way
Cincinnati, OH 45215-6301
513 243 2000

December 6, 1990

U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois, 60137

Docket No. 04000659
License No. STB-53

A. Bert Davis, Regional Administrator

Ref: Your letter of November 2, 1990
and General Electric letter of November 29, 1990

Enclosed is the Certificate of Financial Assurance as
Payment Surety Bond with Bond Number 8128-90-86 in the
sum of \$750,000.

Sincerely,

J. David Engel

J. David Engel
Radiation Protection Officer

Copy: Director, Division of Low-Level Waste
Management and Decommissioning, Office of Nuclear
Safety and Safeguards, Washington D.C. 20555

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CHUBB GROUP OF INSURANCE COMPANIES

100 William Street, New York, New York 10038-4568

FEDERAL INSURANCE COMPANY

PAYMENT SURETY BOND

Date bond executed: November 30, 1990

Effective date: November 30, 1990

Principal: General Electric Company
3135 Easton Turnpike
Fairfield, Connecticut 06431

Type of organization: Corporation

State of incorporation: New York

NRC license number: STB-53
GE Aircraft Engines
1 Neumann Way, Bldg. D
Evendale, Ohio 45215

Surety: Federal Insurance Company
100 William Street
New York, N.Y. 10038

Type of organization: Corporation

Surety's qualification in jurisdiction where licensed facility(ies) is (are located): See Certification on Power of Attorney

Surety's bond number: 8128-90-86

Total penal sum of bond: \$750,000.00

Know all persons by these presents, That we, the Principal and surety(ies) hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the U.S. Nuclear Regulatory Commission, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part (30, 40, 70, or 72), applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of decommissioning of each facility identified above, fund the standby trust fund in the amount(s) identified above for the facility;

Or, if the Principal shall fund the standby trust fund in such amount(s) after an order to begin facility decommissioning is issued by the NRC or a U.S. district court or other court of competent jurisdiction;

Or, if the Principal shall provide alternative financial assurance and obtain the written approval of the NRC of such assurance, within 30 days after the date a notice of cancellation from the Surety(ies) is received by both the Principal and the NRC, then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the NRC that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the NRC provided, however, that cancellation shall not occur during the 90 days beginning on the date of receipt of the notice of cancellation by both the Principal and the NRC, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the NRC and to Surety(ies) 90 days prior to the proposed date of termination, provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond from the NRC.

If any part of this agreement is invalid, it shall not affect the remaining provisions which will remain valid and enforceable.

In Witness Whereof, the Principal and Surety(ies) have executed this financial guarantee bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies).

GENERAL ELECTRIC COMPANY

By: C. L. Chadwell 12590 PVP
Name: Charles L. Chadwell
Title: Vice President & General Manager-Aircraft Engines Production
Division

FEDERAL INSURANCE COMPANY
100 William Street
New York, N.Y. 10038

State of Incorporation: Indiana
Liability limit: \$750,000.00

By: [Signature]
Name: Richard G. Hight
Title: Attorney-in-fact

Bond premium: \$2,812.00

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, an Indiana Corporation, has constituted and appointed, and does hereby constitute and appoint David B. Norris, Jr., Richard G. Hight, Michael Heningburg, Jr., Greg Kuruvilla, Edward J. Reilly, Anna Maria Lovecchio, Maria Scardigno, Helen S. Brown and Earnestine Porter of New York, New York-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds or obligations (other than Bail Bonds) given or executed in the course of its business, and any instruments amending or altering the same, and consents to the modification or alteration of any instruments referred to in said bonds or obligations.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Vice President and Assistant Secretary and its corporate seal to be hereto affixed this 1st day of May 19 90 Corporate Seal



FEDERAL INSURANCE COMPANY
By

Richard D. O'Connor
Richard D. O'Connor
Assistant Secretary

James D. Dixon
James D. Dixon
Vice President

STATE OF NEW JERSEY }
County of Somerset } ss.

On this 1st day of May 19 90 before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority, and that he is acquainted with James D. Dixon and knows him to be the Vice President of said Company, and that the signature of said James D. Dixon subscribed to said Power of Attorney is in the genuine handwriting of said James D. Dixon and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal

Acknowledged and Sworn to before me
on the date above written.



Nicolette T. Pasculli
NICOLETTE T. PASCULLI
Notary Public
Notary Public, State of New Jersey
No. 8066518
Commission Expires October 2, 1994

NOTARIAL ACKNOWLEDGEMENT

CITY, COUNTY & STATE OF NEW YORK, ss

On this 30th day of November 19 90 before me personally came Richard G. Hight

to me known, who, being by me duly sworn, did depose and say that he is an Attorney-in-Fact of the FEDERAL INSURANCE COMPANY, the Corporation described in and which executed the annexed instrument, that he knows the corporate seal, that it was so affixed by order and authority of the Board of Directors of said corporation, and that he signed his name thereto by like order and authority.

Sworn to and Acknowledged
before me on the date above written.

Helen S. Brown
(Notary's Signature, Description and Seal)
HELEN S. BROWN
NOTARY PUBLIC, State of New York
No. 31-4682129
Qualified in New York County
Commission Expires December 31, 1990

CERTIFICATION

STATE OF NEW JERSEY
County of Somerset

§§

I, the undersigned Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 2, 1990 and that this By-Law is in full force and effect:

ARTICLE XVIII

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice Chairman or the President or a Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers, Chairman, Vice Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

I, the undersigned Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island, and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 30th day of November, 1990

Corporate Seal



S. Mabley
Assistant Secretary

Financial Statement of Federal Insurance Company as of December 31, 1989
IN THOUSANDS OF DOLLARS
STATUTORY BASIS

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
United States Treasury Bonds	\$ 369,271	Outstanding Losses and Loss Expenses	\$ 2,668,438
United States Government and Federal Agency Guaranteed Bonds	322,546	Unearned Premiums	833,581
State and Municipal Bonds	1,876,348	Accrued Expenses	74,351
Other Bonds	451,754	Non-Admitted Reinsurance	42,658
Common Stocks	268,469	Dividends to Policyholders	23,840
Preferred Stocks	240	Loss Portfolio Transfer	(141,624)
Other Invested Assets	57,838	Other Liabilities	<u>180,214</u>
Short Term Investments	33,333		
Real Estate	<u>5,429</u>		
TOTAL INVESTMENTS	3,385,228	TOTAL LIABILITIES	<u>3,681,458</u>
Investments in Affiliates:		Capital Stock	13,987
Vigilant Insurance Company	173,621	Paid-in Surplus	472,986
Great Northern Insurance Company	55,990	Unassigned Funds	457,187
Pacific Indemnity Company	288,784	Unrealized Appreciation of Investments	<u>348,463</u>
Bellemead Development Corporation	336,518	SURPLUS TO POLICYHOLDERS	<u>1,292,623</u>
C.C. Canada Holdings Ltd	62,616		
Other	46,140	TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS	<u>\$ 4,974,081</u>
Cash	13,121		
Net Premiums Receivable	428,505		
Reinsurance Recoverable on Paid Losses	45,982		
Other Assets	<u>137,576</u>		
TOTAL ADMITTED ASSETS	<u>\$ 4,974,081</u>		

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.
Investments valued at \$8,014 are deposited with government authorities as required by law.