



**Westinghouse
Electric Corporation**

**Energy Systems
Business Unit**

Charles W. Pryor, Jr.
President

PO Box 355
Pittsburgh Pennsylvania 15230-0355

August 18, 1997

040-08976
SMB-1527

Mr. Hubert J. Miller
Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406-1415

Noted Copy: Dr. Carl J. Paperiello, Director
Office of Nuclear Material Safety and Safeguards

Re: Application For Transfer and Amendments of
Westinghouse Materials Licenses

Dear Mr. Miller:

Westinghouse Electric Corporation, a corporation founded in 1886 under the laws of the Commonwealth of Pennsylvania ("Westinghouse" or "Westinghouse (1886)") hereby requests the transfer and amendment of the 10 CFR Part 30, 40 and 70 materials licenses listed as Region I Materials Licenses on Exhibit A to the enclosed "Application to Transfer and Amend Westinghouse Materials Licenses, Quality Assurance Program Approvals, and Certificates of Compliance," dated August 15, 1997. Following the transfers and amendments, the name of the holder of the materials licenses will be Westinghouse Electric Corporation, a corporation incorporated in 1997 under the laws of the Commonwealth of Pennsylvania ("WELCO" or "Westinghouse (1997)").

The proposed materials license transfers and amendments are requested as part of a pending series of transactions in which Westinghouse (1886) will transfer all assets and operations relating to certain of its industrial businesses to WELCO. The proposed transfers and amendments would change the licenses to reflect these transactions by substituting Westinghouse (1997) in place of Westinghouse (1886) as the holder of the licenses. The proposed transfers will not involve any change in the organization, location, facilities, equipment or procedures related to or personnel responsible for the licensed operations. WELCO will be technically and financially qualified to be the holder of the licenses, and agrees to abide by all commitments and representations made to the NRC prior to the transfer by Westinghouse (1886), as well as all of the terms and conditions of the licenses

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Mr. Hubert J. Miller

August 18, 1997

Page -2-

and certifications. On the closing date of the transactions, Westinghouse (1886) will change its name to CBS Corporation.

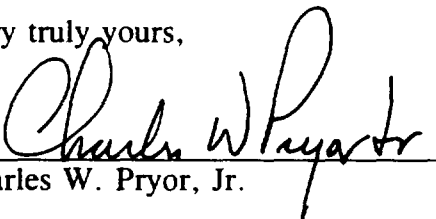
The proposed transactions involve the approval of other regulatory agencies in addition to the NRC. Closing of the transactions will require various regulatory approvals. Therefore, Westinghouse (1886) requests the NRC to make the transfers and amendments effective on the closing date of the transactions. While the closing date has not yet been determined, we currently expect the closing to take place in the fourth quarter of 1997. Westinghouse (1886) will keep the NRC informed of progress in obtaining other regulatory approvals, the closing date established for the transactions, and the closing of the transactions.

Westinghouse (1886) further requests that all of its applications for materials licenses or other approvals pursuant to 10 CFR Parts 30, 40 and 70 be deemed to be the applications of WELCO and that the name of the applicant be changed to Westinghouse Electric Corporation (the 1997 company) in such applications as of the closing date of the transactions.

Enclosed is a check in the amount of \$3,620.00 in payment of fees for processing the required amendments to the affected licenses which are not subject to full cost review (see Exhibit A), as set forth in 10 CFR Part 170. For amendments which are subject to full cost of the review, Westinghouse will pay the fees upon billing by the NRC in accordance with the provisions of 10 CFR Section 170.12.

Should you have any questions regarding this matter, please contact Mr. A. Joseph Nardi, License Administrator, Regulatory Affairs, Energy Systems Business Unit, Telephone: (412) 374-4652, Fax: (412) 374-3357, E-Mail: nardij@westinghouse.com.

Very truly yours,


Charles W. Pryor, Jr.

Enclosure

APPLICATION TO TRANSFER AND AMEND
WESTINGHOUSE MATERIALS LICENSES, QUALITY ASSURANCE
PROGRAM APPROVALS, AND CERTIFICATES OF COMPLIANCE

August 18, 1997

INTRODUCTION

Westinghouse Electric Corporation, a corporation founded in 1886 under the laws of the Commonwealth of Pennsylvania ("Westinghouse" or "Westinghouse (1886)") is the holder of the 10 CFR Parts 30, 40, 70, 71 and 72 licenses, quality assurance program approvals, and certificates of compliance (the "licenses, approvals and certificates") set forth in Exhibit A hereto. Westinghouse (1886) requests that the Nuclear Regulatory Commission ("NRC") approve the transfer from Westinghouse (1886) to Westinghouse Electric Corporation, a corporation incorporated in 1997 as Westinghouse Power Company under the laws of the Commonwealth of Pennsylvania ("WELCO" or "Westinghouse (1997)") of the licenses, approvals, and certificates listed in Exhibit A; and that the NRC approve the corresponding amendments to those licenses, approvals, and certificates necessary to effectuate such transfer.

WELCO was incorporated on July 17, 1997 as Westinghouse Power Company, was renamed Westinghouse Electric Company on August 13, 1997 and will be renamed Westinghouse Electric Corporation (the 1997 company) on the closing date of the transactions, described below, that give rise to this application for transfer and amendment of licenses, approvals and certificates. Following the transfers and amendments, the name of the holder of the licenses, approvals and certificates will be Westinghouse Electric Corporation (the 1997 company).

Westinghouse (1886) further requests that all of its applications for materials licenses, certificates or other approvals pursuant to 10 CFR Parts 30, 40, 70, 71 and 72 be deemed to be the applications of WELCO and that the name of the applicant be changed to Westinghouse Electric Corporation (the 1997 company) in such applications as of the closing date.

The requested transfers and amendments are part of an overall series of pending transactions in which Westinghouse (1886) will transfer all assets and operations relating to the Westinghouse industrial businesses, with the exception of its mobile transport refrigeration equipment business and certain other designated businesses, to WELCO. Westinghouse (the 1997 company) will be a separate publicly traded company from and after the closing date of the transactions. Included in the industrial businesses and assets to be transferred are all of the Westinghouse nuclear related businesses for which NRC or Agreement State licenses, approvals or certificates are required, with the exception of a Westinghouse subsidiary, Bay County Energy Systems, Inc., which manages the operation of the Bay County Resource Recovery Facility and which holds an Agreement State radioactive materials license (sealed source) issued by the State of Florida. Westinghouse (1886) will continue to own its media operations (including the production, distribution and transmission of radio and television programming) and those industrial businesses which are not being transferred to WELCO. On the closing date of the transactions, Westinghouse Electric Corporation (the 1886 company) will change its name to CBS Corporation.

The proposed transactions involve the approval of other regulatory agencies in addition to the NRC. Closing of the transactions will require various regulatory approvals. Therefore,

Westinghouse (1886) requests the NRC to make the transfers and amendments effective on the closing date of the transactions. Westinghouse (1886) will keep the NRC informed of progress in obtaining other regulatory approvals, the closing date established for the transactions, and the closing of the transactions.

WELCO will be financially and technically qualified to hold the licenses, approvals, and certificates which are the subject of this application for transfers and amendments. In connection with the pending transactions, current Westinghouse employees responsible for the licensed activities to be transferred will become WELCO employees and will continue to be responsible after the transfers to WELCO. Transfer of these licensed activities will not affect the organizational structure described in the licenses. There will be no changes in organizations, locations, facilities, equipment or procedures and there will be no changes in the use, possession, locations or storage of licensed materials. Licensed activities will continue in their current form without interruption of any kind resulting from the transfers.

Set forth below is information in response to NRC regulations and Information Notice 89-25, Rev.1, dated December 7, 1994, to support the transfers and amendments of the licenses, approvals and certificates.

INFORMATION FOR TRANSFER OF LICENSES, APPROVALS AND CERTIFICATES

A. Name of Transferee:

Westinghouse Electric Corporation (the 1997 company)

B. The Address Will Be:

Westinghouse Electric Corporation
11 Stanwix Street
Pittsburgh, PA 15222-1384

C. Organization and Management

Westinghouse (1997) will be a separate publicly traded corporation, organized and incorporated on July 17, 1997 as Westinghouse Power Company under the laws of the Commonwealth of Pennsylvania. The name of Westinghouse Power Company was changed to Westinghouse Electric Company on August 13, 1997. Westinghouse Electric Company will be renamed Westinghouse Electric Corporation (the 1997 company) on the closing date. All of the current directors and principal officers are citizens of the United States. Their names and addresses are as follows:

Directors

<u>Name</u>	<u>Address</u>
Michael H. Jordan Non-Executive Chairman	160 W. 66th St., #47B New York, NY 10023
Dr. Ernest H. Drew	2029 Las Tunas Road Santa Barbara, CA 93103
Gary M. Clark	2126 Blairmont Drive Pittsburgh, PA 15241
Joseph T. Doyle	108 Riding Trail Lane Pittsburgh, PA 15215

Principal Officers

<u>Name</u>	<u>Address</u>
Dr. Ernest H. Drew President and Chief Executive Officer	2029 Las Tunas Road Santa Barbara, CA 93103
Gary M. Clark Vice President and Secretary	2126 Blairmont Drive Pittsburgh, PA 15241
Joseph T. Doyle Senior Vice President and Chief Financial Officer	108 Riding Trail Lane Pittsburgh, PA 15215

The names and addresses of the directors and principal officers of WELCO on the closing date will be as follows:

Directors

<u>Name</u>	<u>Address</u>
Michael H. Jordan Non-Executive Chairman	160 W. 66th St., #47B New York, NY 10023
Dr. Ernest H. Drew	2029 Las Tunas Road Santa Barbara, CA 93103
Gary M. Clark	2126 Blairmont Drive Pittsburgh, PA 15241
Robert D. Cawthorn	50 Crosby Brown Road Gladwyne, PA 19035
David K. P. Li	Penthouse, Flat A, Tower 2 Dynasty Court, 23 Old Peak Road Hong Kong
Frank C. Carlucci	1207 Crest Lane McLane, VA 22101
David T. McLaughlin	442 Ferry Point Road Annapolis, MD 21403
Richard R. Pivrotto	111 Clapboard Ridge Road Greenwich, CT 06830

Principal Officers

<u>Name</u>	<u>Address</u>
Dr. Ernest H. Drew President and Chief Executive Officer	2029 Las Tunas Road Santa Barbara, CA 93103
Joseph T. Doyle Senior Vice President and Chief Financial Officer	108 Riding Trail Lane Pittsburgh, PA 15215

James L. Gallagher
President, Westinghouse Government
and Environmental Services Company

8 Twin Stream Drive
Pittsburgh, PA 15238

Charles W. Pryor, Jr.
President, Energy Systems

413 Landon Knoll
Pittsburgh, PA 15238

Randy H. Zwirn
President, Power Generation

1905 Wingfield Drive
Longwood, FL 32779

With the exception of Messrs. Cawthorn and Li, who are citizens of the United Kingdom, all of the directors and principal officers of WELCO are citizens of the United States. WELCO will not be owned, controlled or dominated by an alien, foreign corporation or foreign government and will not be acting as an agent or representative of any other person.

D. Description of Businesses to be Transferred to WELCO

The Westinghouse industrial businesses to be transferred to WELCO supply services, fuel and equipment for the nuclear energy market, services and equipment for the power generation market and management and related operating services at government-owned facilities.

Energy Systems. Westinghouse's Energy Systems Business Unit ("Energy Systems"), with 6,849 full time employees as of January 1, 1997, provides support products and services to the nuclear utility industry, including nuclear fuel, operating, maintenance and engineering services, and repair and replacement equipment, parts and components. Energy Systems also designs, builds, upgrades, modernizes and decommissions nuclear power plants. It is currently designing and engineering a next generation passive light water reactor known as the AP600. Through its Process Control Division, Energy Systems designs and sells distributed control, communication, data acquisition and information systems to power

generation facilities (fossil and nuclear fueled). In addition, through its Electromechanical Division, Energy Systems designs and manufactures naval propulsion equipment, motors and pumps for the U.S. Navy. In 1996, Energy Systems had sales of approximately \$1.234 billion and approximately \$2.626 billion in backlog of unfilled orders at the end of the year.

Power Generation. Westinghouse's Power Generation Business Unit ("Power Generation"), with 8,343 full time employees as of January 1, 1997, designs, manufactures, installs and services steam turbine-generators for nuclear and fossil-fueled power plants and combustion turbine-generators for natural gas and oil-fired power plants. Power Generation also constructs turnkey power plants worldwide. In addition to serving the electric utility industry, Power Generation supplies power generation equipment to independent power producers and supplies power generation equipment and services to other non-utility customers. Power Generation also provides extensive support in the areas of power plant operation, maintenance and services, including modernization and upgrade, installation services, electrical systems services and equipment repair. In 1996, Power Generation had sales of approximately \$2.172 billion and approximately \$2.788 billion in backlog of unfilled orders at the end of the year.

Government Operations. Westinghouse, through various divisions and subsidiaries (collectively, "Government Operations"), manages government sites where approximately 16,825 people were employed as of January 1, 1997. Government Operations supports the U.S. Navy's nuclear propulsion program and manages the operation of nuclear-related facilities for the U.S. Department of Energy ("DOE") and the U.S. Department of Defense ("DOD"), including, among others, (i) the Savannah River Site in South Carolina

(since 1989), (ii) the West Valley Demonstration Project in West Valley, New York (since 1971) and (iii) the Waste Isolation Pilot Plant near Carlsbad, New Mexico (since 1985). In addition, Safe Sites of Colorado, LLC, an entity in which Government Operations owns a 65% interest, performs environmental cleanup and nuclear waste management services under a subcontract at the DOE Rocky Flats facility. The principal mission of these facilities is the remediation, waste management and safe management of the U.S. nuclear materials inventory. Government Operations' work for the U.S. Navy includes new ship reactor plants and advanced designs, training and fleet support. Government Operations provides nuclear and technical support services to the government-funded U.S. naval nuclear reactors programs through the Bettis Atomic Power Laboratory, the Plant Apparatus Division and the Machinery Apparatus Operation Division. Government Operations also provides canisters to store fissile material, chemical agents and spent nuclear fuel and the transportation and storage of Russian nuclear weapons components. Government Operations is a principal DOE subcontractor to design multi-purpose canisters for the transportation, storage and repository emplacement of spent commercial nuclear fuel.

Corporate Functions.

Certain functions primarily related to Westinghouse corporate operations also will be transferred to WELCO. Included in these functions are administrative functions at the Corporate Headquarters in Pittsburgh, Pennsylvania; research, development, and testing functions at the Science and Technology Center in Churchill, Pennsylvania; and business computing and tele-communications functions at the Corporate Tele-Computer Center in Forest Hills, Pennsylvania.

E. Information needed per NRC Information Notice 89-25, Revision 1, Attachment 1¹

1. *The new name of the licensed organization.*

Westinghouse Electric Corporation (the 1997 company) (as of the closing date).

2. *The new licensee contact and telephone number(s) to facilitate communications.*

The continuing contact for the licenses is:

Mr. A. Joseph Nardi, License Administrator
Regulatory Affairs
Energy Systems Business Unit
Telephone: (412) 374-4652
Fax: (412) 374-3357
E-Mail: nardiaj@westinghouse.com

3. *Any changes in personnel having control of licensed activities (e.g., officers of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.*

There will be no changes in personnel having control of licensed activities, except that the principal officers of WELCO noted in Section "C" above will take the place of the current principal officers of Westinghouse. There will be no changes in personnel named in the licenses as responsible for radiation safety or use of licensed material as a result of the transfers.

¹Information requested in the Information Notice is quoted in italics.

4. *An indication of whether the transferor will remain in non-licensed business without the license.*

The transferor, Westinghouse Electric Corporation (the 1886 company) will be renamed CBS Corporation and will remain in businesses that are not related to NRC licensed activities after the closing date, with one exception. A Westinghouse subsidiary, Bay County Energy Systems, Inc., will not be transferred to WELCO and will continue to hold an Agreement State radioactive materials license (sealed source) issued by the State of Florida. Bay County Energy Systems, Inc. manages the operations of the Bay County, Florida Resource Recovery Facility.

5. *A complete, clear description of the transaction, including any transfer of stock or assets, mergers, etc., so that legal counsel is able, when necessary to differentiate between name changes and changes of ownership.*

On the closing date, Westinghouse (1886) will be transferring all of the assets and operations of its industrial businesses, other than its mobile transport refrigeration equipment business and certain other designated businesses, to WELCO. WELCO is currently a wholly-owned subsidiary of Westinghouse (1886). Immediately upon the transfer, Westinghouse (1886) will make a pro rata dividend distribution of all of the outstanding common stock of WELCO to Westinghouse (1886) shareholders of record as of a record date to be determined. Concurrently with the distribution, Westinghouse (1886) will change its name to CBS Corporation and WELCO will change its name to Westinghouse (the 1997 company). (See pro forma financial statements of WELCO attached as Exhibit B).

6. *A complete description of any planned changes in organization, location facility, equipment, or procedures (i.e. changes in operating or emergency procedures).*

Transfer of the licensed activities will not affect the structure of the organization as described in the licenses. There will be no changes in organization, location, facilities, equipment or procedures as a result of the transfer.

7. *A detailed description of any changes in the use, possession, location or storage of the licensed material.*

There will be no changes in the use, possession, location or storage of the licensed material as a result of the transfer.

8. *Any changes in organization, location, facilities, equipment, procedures or personnel that would require a license amendment even without the change of ownership.*

See response to numbers 3 and 6 above.

9. *An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.*

All licensed activities will continue on an ongoing basis without interruption. All surveillance items and records will continue to be maintained in accordance with applicable regulations and license requirements.

10. *Confirmation that all records concerning the safe and effective decommissioning of the facility pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g) and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills,*

and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to the NRC for license termination.

As part of the transfer of assets from Westinghouse (1886) to WELCO, all such records will be transferred to WELCO on the closing date. Such transfer will not involve any physical relocation of any records.

11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for [decommissioning and the costs of decommissioning?]

On the closing date, the status of the licensed facilities, including but not limited to the status of decommissioning activities, will be identical to their status prior to the closing date. From and after the closing date, WELCO will assume full liability for decommissioning and the costs of decommissioning of the facilities being transferred to WELCO.

12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36 and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.

From and after the closing date, WELCO will assume full responsibility for the current status and future cleanup of all licensed facilities and will have in place the financial assurance mechanism necessary to comply with the regulations specified in 10 CFR 30.35, 40.36 and 70.25. Currently, Westinghouse (1886) has established a single form of financial assurance mechanism that encompasses all Westinghouse facilities that hold NRC

licenses and are required to provide such financial assurance. That mechanism consists of a Standby Trust Agreement and associated Standby Letters of Credit. Westinghouse (1886) recently updated its certification of decommissioning financial assurance: (1) by a filing dated March 22, 1996, Ref. RA 96-025 AJN, which was accepted by the NRC by letter dated March 29 1996; and (2) by a filing dated March 6, 1997, Ref. RA-97-031, which was accepted by the NRC by letter dated April 23, 1997. These current decommissioning financial assurance documents and NRC approval letters are attached as Exhibit C hereto.

By no later than the closing date, WELCO will have in place financial assurance arrangements for decommissioning through a Standby Trust Agreement and associated Standby Letters of Credit, in the form attached as Exhibit D hereto, and in the amount necessary to maintain compliance with all regulatory requirements. The documents contained in Exhibit D are in the form currently approved by the NRC. Westinghouse (1886) understands that to obtain NRC approval of the transfers as of the closing date, the Standby Trust Agreement and associated Letters of Credit must be in place and effective as of that date. Copies of executed financial instruments will be transmitted by Westinghouse (1886) to the NRC for acceptance as soon as they have been executed.

13. *Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.*

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

Exhibit E is a letter confirming that WELCO agrees to abide by all commitments and representations previously made to the NRC by Westinghouse (1886) for all facilities being transferred. The letter also confirms that WELCO agrees to accept full liability for decommissioning and decontamination of such facilities and sites and full responsibility for open inspection items and/or resulting enforcement actions upon the transfers of the licenses. This commitment includes acceptance of commitments, responsibilities and liabilities for the Westinghouse Specialty Metals Plant site located near Blairsville, Pennsylvania.

14. *Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.*

Exhibit F is a Memorandum of Understanding ("MOU") between Westinghouse (1886) and WELCO documenting agreement to the change in ownership and control of the licensed material and activities and the conditions of transfer associated with the facilities being transferred. The MOU also documents that WELCO has been made aware of open inspection items related to the licensed material and activities as of the date of the MOU and the responsibility of WELCO for possible resulting enforcement actions upon the transfers of the licenses. Pursuant to the MOU, WELCO will be made aware of all open inspection

items as of the closing date of the transactions and its responsibility for possible resulting enforcement actions.

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations and commitments identified in the existing license. If not the transferee must provide a description of its program, to ensure compliance with the license and regulations.

Exhibit E is a letter confirming that WELCO agrees to abide by all constraints, conditions, requirements, representations and commitments identified in the existing licenses, approvals and certificates.

CONCLUSION

For the reasons stated above, Westinghouse Electric Corporation (the 1886 company) requests that the NRC approve the transfer of the licenses, approvals and certificates listed in Exhibit A and that the NRC approve the corresponding amendments to those licenses, approvals and certificates to change the name of the holder of such licenses, approvals and certificates to Westinghouse Electric Corporation (the 1997 company), effective as of the date of closing of the transactions referenced above.

WESTINGHOUSE ELECTRIC CORPORATION

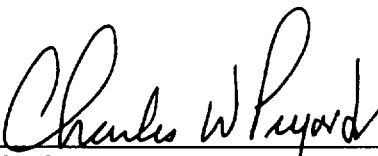
By: 

Charles W. Pryor, Jr.

President, Energy Systems Business Unit

AFFIRMATION

I, Charles W. Pryor, Jr., do hereby affirm that: (1) I am President of the Energy Systems Business Unit of Westinghouse Electric Corporation, (2) I am duly authorized to execute and file this certification on behalf of Westinghouse Electric Corporation, and (3) the statements set forth in the attached application are true and correct to the best of my information, knowledge and belief.




Charles W. Pryor, Jr.

COMMONWEALTH OF PENNSYLVANIA :
: TO WIT:
COUNTY OF ALLEGHENY :

I hereby certify that on the 18th day of August, 1997, before me, the subscriber, a Notary Public of the Commonwealth of Pennsylvania, personally appeared Charles W. Pryor, Jr., being duly sworn, and states that he is President of the Energy Systems Business Unit of the Westinghouse Electric Corporation; that he provides the foregoing application for the purposes therein set forth; that the statements made are true and correct to the best of his knowledge, information, and belief; and that he was authorized to provide the application on behalf of said Corporation.

WITNESS my Hand and Notarial Seal:



Notary Public

My Commission Expires:

August 2, 1999

Notarial Seal Yvonne N. Thompson, Notary Public Monroeville Boro, Allegheny County My Commission Expires Aug. 2, 1999
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Member, Pennsylvania Association of Notaries

APPLICATION TO TRANSFER AND AMEND
WESTINGHOUSE MATERIALS LICENSE, QUALITY ASSURANCE
PROGRAM APPROVALS, AND CERTIFICATES OF COMPLIANCE

INDEX TO EXHIBITS

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
A	Westinghouse Materials Licenses, Quality Assurance Approvals and Certifications of Compliance
B	Pro Forma Financial Statements of WELCO
C	Existing Westinghouse Financial Assurance Documents for Decommissioning
D	Form of WELCO Financial Assurance Documents for Decommissioning
E	Letter of Westinghouse Electric Company Confirming Agreement to Assume Commitments Responsibilities and Liabilities
F	Westinghouse Electric Corporation and Westinghouse Electric Company Memorandum of Understanding Regarding Transfers and Amendments, Responsibilities and Liabilities

**WESTINGHOUSE MATERIALS LICENSES, QUALITY ASSURANCE
APPROVALS AND CERTIFICATIONS OF COMPLIANCE**

EXHIBIT A

EXHIBIT A

WESTINGHOUSE

MATERIALS LICENSES, QUALITY ASSURANCE

APPROVALS AND CERTIFICATES OF COMPLIANCE

TABLE OF CONTENTS

FACILITY	DOCKET NUMBER	LICENSE NUMBER	TYPE OF LICENSE	FEE DOLLARS
Region I Materials Licenses				
Pump Repair Facility	030-06134	37-05809-01	Byproduct Material	580.00
Industrial Radiography Facility	030-06135	37-05809-02	Industrial Radiography	700.00
Forest Hills Site	030-32414	37-00497-15	Combined Materials	780.00
Former Lamp Manufacturing Facility	040-08976	SMB-1527	Source Material	Full Cost
Science and Technology Center	070-00048	SNM-47	Broad Scope Combined Materials	780.00
Waltz Mill Site	070-00698	SNM-770	Broad Scope Combined Materials	Full Cost
Former Plutonium Operations	070-01143	SNM-1120	Special Nuclear Material	Full Cost
Science and Technology Center	070-01503	SNM-1460	Hot Cell Operation	780.00
Region I Fixed Fees				\$3,620.00
Columbia Commercial Fuel Fabrication Facility				
Commercial Fuel Fabrication Facility	070-01151	SNM-1107	Special Nuclear Material	Full Cost
Quality Assurance Program Approvals and Certificates of Compliance				
Transportation Quality Assurance Approval	71-0638	QAA-0638	Transportation Quality Assurance Program Approval - Use Only	640.00

EXHIBIT A

WESTINGHOUSE

MATERIALS LICENSES, QUALITY ASSURANCE

APPROVALS AND CERTIFICATES OF COMPLIANCE

TABLE OF CONTENTS

FACILITY	DOCKET NUMBER	LICENSE NUMBER	TYPE OF LICENSE	FEE DOLLARS
Quality Assurance Program Approvals and Certificates of Compliance (Cont'd)				
Transportation Quality Assurance Approval	71-0708	QAA-0708	Transportation Quality Assurance Program Approval - Use and Fabrication	640.00
Super Tiger, Model No. 6400	71-6400	COC-6400	Transportation Package	Full Cost
New Fuel Shipping Container, MCC Series	71-9239	COC-9239	Transportation Package	Full Cost
Irradiated Fuel Storage Cask - MC-10	72-01001	COC-1001	Irradiated Fuel Storage Cask	Full Cost
			Fixed QA & COC Fees	\$1,280.00

**WESTINGHOUSE MATERIALS LICENSES, QUALITY ASSURANCE
APPROVALS AND CERTIFICATIONS OF COMPLIANCE**

Region I Materials Licenses

Summary of Westinghouse License Information

Facility Name **Westinghouse Pump Repair Facility**

License Number: 37-05809-01

Docket Number: 030-06134

Type of License: Byproduct Material

Facility Address: Cheswick Ave.

Cheswick, PA 15024

Current Operating Status:

This facility is currently licensed to handle contaminated components from both the Naval and commercial nuclear programs. This is an active facility and there is no current facility decommissioning activity associated with the license. Plans are underway to decommissioning the separate building associated with the Navy program.

Current Decommissioning Funding Cost Estimate: \$7,000,000

Basis for Funding Estimate: Prepared Engineering Cost Estimate

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name **Westinghouse Industrial Radiography Facility**

License Number: 37-05809-02

Docket Number: 030-06135

Type of License: Industrial Radiography

Facility Address: Cheswick Ave.

Cheswick, PA 15024

Current Operating Status:

This facility is currently licensed to conduct Industrial Radiography Operations associated with the manufacturing operations conducted at the site. This is an active facility and there is no current facility decommissioning activity associated with the license.

Current Decommissioning Funding Cost Estimate: \$18,000

Basis for Funding Estimate:

Prepared Engineering Cost Estimate

Reference for Funding Approval Letter:

Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name **Westinghouse Forest Hills Site**

License Number: 37-00497-15

Docket Number: 030-32414

Type of License: Combined Materials

Facility Address: Avenue A and West Street
Forest Hills, PA

Current Operating Status:

Westinghouse has notified the NRC that it has discontinued all licensed activities at the site. Beginning in late 1993, Westinghouse began active decommissioning of the site under the provisions of the license. The work completed by late 1994 includes essentially the interior surfaces of the buildings. A Decommissioning Plan has been submitted for NRC review and approval to complete the remaining work involving some subsurface contamination. The site is currently vacant with the transfer last December of the site personnel and associated operations to the Cheswick site. The additional work required to complete the decommissioning of this site will require at least one year of effort after receipt of USNRC approval of the Decommissioning plan.

In addition to the remediation effort at the Forest Hills site and in accordance with an agreement

Facility Name **Westinghouse Forest Hills Site (Continued)**

License Number: 37-00497-15

Docket Number: 030-32414

with the USNRC-Region I, remediation work is underway at the Westinghouse Blairsville site under the provisions of the license for the Forest Hills site. This work is nearing completion with the remaining effort being the completion of the documentation and the preparation of a Risk Analysis of certain areas on the site to demonstrate the adequacy of the completed effort.

Current Decommissioning Funding Cost Estimate: \$750,000

Basis for Funding Estimate: Formula Quantity specified in regulations

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name **Former Westinghouse Lamp Manufacturing Facility**

License Number: SMB-1527

Docket Number: 040-08976

Type of License: Source Material

Facility Address: 1 Westinghouse Plaza
Bloomfield, NJ

Current Operating Status:

This former Westinghouse facility was licensed to possess natural Uranium and Thorium in the process of manufacturing lamps. The facility was last operated by North American Phillips under lease from Westinghouse. Upon termination of the North American Phillips operations, Westinghouse undertook the decommissioning of the facility. Currently that effort by Westinghouse is considered complete and Westinghouse is awaiting final approval of the Risk Analysis report and the confirmatory survey by the NRC. Most of the buildings have already been demolished and the site is currently vacant .

Current Decommissioning Funding Cost Estimate: \$150,000

Basis for Funding Estimate:	Formula Quantity specified in regulations
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Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name Westinghouse Science and Technology Center

License Number: SNM-47

Docket Number: 070-00048

Type of License: Broad Scope, Combined Materials

Facility Address: Beulah Road
Pittsburgh, PA 15235

Current Operating Status:

This facility is currently licensed for research and development activity that includes both general laboratory work (SNM-47) and a Hot Cell operation (SNM-1460). This is an major active facility and there is no current facility decommissioning activity associated with the license. Early in 1995 Westinghouse notified the NRC of its intention to release for unrestricted use certain buildings covered by the SNM-47 license. The necessary decommissioning work and final radiological surveys were completed. The NRC has approved this effort and the buildings were removed from the license as part of the last license renewal action.

Current Decommissioning Funding Cost Estimate: \$1,542,000

Basis for Funding Estimate: Prepared Engineering Cost Estimate

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name Westinghouse Waltz Mill Site

License Number: SNM-770

Docket Number: 070-00698

Type of License: Broad Scope, Combined Materials

Facility Address: P.O. Box 158

Madison, PA

Current Operating Status:

The Waltz Mill Site is currently an active operation licensed for a broad scope of activities primarily associated with servicing the commercial nuclear power industry. Westinghouse does not intend to cease these activities and terminate License SNM-770. The site is included on the SDMP list primarily due to some groundwater contamination issues on the site. Over the past several years Westinghouse has had underway an extensive site characterization survey and those results have been submitted to the NRC. Westinghouse has also submitted for NRC review and approval a Remediation Plan that provides a plan and schedule for the remediation of certain retired facilities under license SNM-770 along with plans to complete the actions necessary to remove the site from the SDMP list. Site preparation work on the site has begun. Major remediation will begin upon approval by the NRC of the submitted documents.

Current Decommissioning Funding Cost Estimate: \$24,051,000

Basis for Funding Estimate: Prepared Engineering Cost Estimate

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name **Former Westinghouse Plutonium Operations**

License Number: SNM-1120

Docket Number: 70-01143

Type of License: Special Nuclear Material

Facility Address: Cheswick Ave.

Cheswick, PA 15024

Current Operating Status:

License SNM-1120 covered the former Plutonium Fuel operations conducted on the Cheswick site. All Plutonium operations and the associated facilities have been decommissioned and the final radiological survey reports, associated with those facilities, submitted to the USNRC. License Number 338 covered former Uranium Fuel Fabrication activities conducted at the Cheswick site. In addition other fuel fabrication operations were conducted under USAEC contract for the Naval and NERVA programs. These operations were ceased in the early 1970's, the facilities were decommissioned, and the license or contract were terminated. Recent radiological surveys have identified formerly utilized areas of the facility that would not meet current unrestricted release criteria. Currently some remediation activity is underway, including characterization surveys, to establish an overall plan for these facilities. License SNM-1120 remains active pending completion of this effort for the site.

Current Decommissioning Funding Cost Estimate: \$25,000

Basis for Funding Estimate:	Estimate
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Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

Summary of Westinghouse License Information

Facility Name Westinghouse Science and Technology Center

License Number: SNM-1460

Docket Number: 070-01503

Type of License: Hot Cell Operation

Facility Address: Beulah Road
Pittsburgh, PA 15235

Current Operating Status:

This facility is currently licensed to operate Hot Cells to conduct Research and Development activities. This is an major active facility and there is no current facility decommissioning activity associated with the license.

Current Decommissioning Funding Cost Estimate: \$2,900,000

Basis for Funding Estimate: Prepared Engineering Cost Estimate

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

**WESTINGHOUSE MATERIALS LICENSES, QUALITY ASSURANCE
APPROVALS AND CERTIFICATIONS OF COMPLIANCE**

Columbia Commercial Fuel Fabrication Facility

Summary of Westinghouse License Information

Facility Name **Westinghouse Commercial Fuel Fabrication Facility**

License Number: SNM-1107

Docket Number: 070-01151

Type of License: Special Nuclear Material

Facility Address: Bluff Road
Columbia, SC

Current Operating Status:

This facility is currently licensed to fabricate low enriched Uranium Fuel for the commercial nuclear power plants. This is an major active facility and there is no current facility decommissioning activity associated with the license.

Current Decommissioning Funding Cost Estimate: \$31,984,000

Basis for Funding Estimate: Prepared Engineering Cost Estimate

Reference for Funding Approval Letter: Westinghouse Ltr. dtd. 3/6/97; NRC ltr. dtd. 4/23/97

**WESTINGHOUSE MATERIALS LICENSES, QUALITY ASSURANCE
APPROVALS AND CERTIFICATIONS OF COMPLIANCE**

**Quality Assurance Program Approvals and
Certificates of Compliance**

Summary of Westinghouse License Information

Licensee Name Westinghouse Electric Corporation

License Number: Quality Assurance Approval Number 0638

Docket Number: 71-0638

Type of License: Transportation Quality Assurance Program, "use only" program.

Facility Address: Not applicable

Current Operating Status:

Currently Active QA program.

Current Decommissioning Funding Cost Estimate: Not required.

Basis for Funding Estimate: Not required.

Reference for Funding Approval Letter: Not required.

Summary of Westinghouse License Information

Licensee Name Westinghouse Electric Corporation

License Number: Quality Assurance Approval Number 0708

Docket Number: 71-0708

Type of License: Transportation Quality Assurance Program, full scope program.

Facility Address: Not applicable

Current Operating Status:

Currently Active QA program.

Current Decommissioning Funding Cost Estimate: Not required.

Basis for Funding Estimate: Not required.

Reference for Funding Approval Letter: Not required.

Summary of Westinghouse License Information

Package Name **Super Tiger, Model No. 6400 Package**

License Number: **Certificate of Compliance Number 6400**

Docket Number: **71-6400**

Type of License: **Transportation Package**

Facility Address: **Not applicable**

Current Operating Status:

Currently licensed package.

Current Decommissioning Funding Cost Estimate: **Not required.**

Basis for Funding Estimate: **Not required.**

Reference for Funding Approval Letter: **Not required.**

Summary of Westinghouse License Information

Package Name New Fuel Shipping Container, MCC series

License Number: Certificate of Compliance Number 9239

Docket Number: 71-9239

Type of License: Transportation Package

Facility Address: Not applicable

Current Operating Status:

Currently licensed package.

Current Decommissioning Funding Cost Estimate: Not required.

Basis for Funding Estimate: Not required.

Reference for Funding Approval Letter: Not required.

Summary of Westinghouse License Information

Cask Name **Irradiated Fuel Storage Cask - MC-10**

License Number: **Certificate of Compliance Number 1001**

Docket Number: **72-01001**

Type of License: **Irradiated Fuel Storage Cask**

Facility Address: **Not applicable**

Current Operating Status:

Currently an active cask design.

Current Decommissioning Funding Cost Estimate: **Not required.**

Basis for Funding Estimate: **Not required.**

Reference for Funding Approval Letter: **Not required.**

PRO FORMA FINANCIAL STATEMENTS OF WELCO

(Excerpted from Form 10, "General Form of Registration
of Securities", filed by Westinghouse Electric
Company with the U.S. Securities and Exchange
Commission on May 13, 1997)

EXHIBIT B

Summary Historical Combined Financial Data

The summary historical combined financial data at March 31, 1997 and for the three months ended March 31, 1997 and March 31, 1996 presented below have been derived from and should be read in conjunction with the unaudited condensed combined financial statements included elsewhere in this Information Statement. The unaudited interim data reflects in the opinion of the Company's management all adjustments considered necessary for a fair presentation of results of such interim period. Results for unaudited interim periods are not necessarily indicative of results which may be expected for any other interim or annual period. The summary historical combined financial data at December 31, 1996 and 1995 and for each of the years in the three-year period ended December 31, 1996 presented below have been derived from and should be read in conjunction with the audited combined financial statements and notes thereto of the Company included elsewhere in this Information Statement. The summary historical combined financial data at December 31, 1994, 1993 and 1992, and for each of the years in the two-year period ended December 31, 1993, have been derived from unaudited combined financial statements of the Company.

	Three Months Ended March 31		Year Ended December 31				
	1997	1996	1996	1995	1994	1993	1992
	(unaudited)		(in millions)				
Statement of Income Data:							
Sales of products and services	\$ 650	\$ 670	\$ 3,467	\$3,434	\$3,530	\$3,775	\$3,832
Restructuring, litigation and other matters	—	(578)	(888)	(294)	(21)	(378)	—
Operating profit (loss)	(123)	(679)	(890)	(280)	71	(159)	284
Other income and expenses, net	(6)	(151)	(140)	(13)	(155)	(116)	(23)
Income (loss) before income taxes and minority interest	(129)	(831)	(1,031)	(295)	(92)	(284)	249
Income tax benefit (expense)	49	299	370	97	19	16	(108)
Cumulative effect of changes in accounting principles	—	—	—	—	—	(52)	—
Net income (loss)	(80)	(533)	(665)	(202)	(77)	(324)	136
	At March 31, 1997		At December 31				
	(unaudited)		1996	1995	1994	1993	1992
			(in millions)				
Balance Sheet Data:							
Total assets	\$4,535		\$4,541	\$3,843	\$3,801	\$3,574	\$3,157
Total debt	5		6	9	12	21	7
Shareholder's equity	1,417		1,109	1,541	1,722	1,343	1,460

Summary Unaudited Pro Forma Combined Financial Data

The following summary unaudited pro forma combined financial data are derived from the unaudited pro forma combined financial statements included elsewhere in this Information Statement and should be read in conjunction therewith and with the related notes thereto. These summary unaudited pro forma combined financial data were prepared by the Company to illustrate the estimated effects of the Distribution described in the notes to the pro forma combined financial statements as if they had occurred as of January 1, 1996 with respect to the statement of income data and at March 31, 1997 with respect to the balance sheet data.

These summary unaudited pro forma combined financial data are presented for illustrative purposes only and are not necessarily indicative of the operating results or financial position of the Company had the Distribution occurred as of the dates indicated or of the results that may be obtained in the future. See "Unaudited Pro Forma Combined Financial Statements."

	<u>Three Months Ended March 31, 1997</u>	<u>Year Ended December 31, 1996</u>
	(in millions, except per share data)	
Pro Forma Combined Statement of Income Data:		
Sales of products and services	\$650	\$3,467
Restructuring, litigation and other matters	—	(888)
Operating loss	(98)	(790)
Other income and expenses, net	(6)	(140)
Interest expense	(5)	(21)
Loss before income taxes and minority interests	(109)	(951)
Income tax expense	(9)	(40)
Net loss	(118)	(995)
Loss per common share(1)	<u>\$</u>	<u>\$</u>
		<u>At March 31, 1997</u>
		(in millions)
Pro Forma Combined Balance Sheet Data:		
Total assets		\$3,800
Total debt		5
Shareholder's equity		682

(1) Pro forma loss per share has been calculated assuming _____ shares of Company Common Stock were outstanding. This is based on the number of outstanding shares of Westinghouse Common Stock at the close of business on the Distribution Record Date and the Distribution Ratio.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following pro forma combined financial statements of the Company for the year ended December 31, 1996 and as of and for the three months ended March 31, 1997 were prepared by the Company to illustrate the estimated effects of the Distribution as described in the notes to pro forma combined financial statements as if they had occurred as of January 1, 1996 for purposes of the pro forma combined statements of income and at March 31, 1997 for purposes of the pro forma combined balance sheet. The Pro Forma Combined Financial Statements do not purport to represent what the results of operations or financial position of the Company would actually have been if the Distribution had in fact occurred on such dates or to project the results of operations or financial position of the Company for any future period or date. The Pro Forma Combined Financial Statements should be read together with the Combined Financial Statements of the Company and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Information Statement.

EXHIBIT B

WESTINGHOUSE ELECTRIC COMPANY
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
At March 31, 1997

	<u>Historical</u>	<u>Pro Forma Adjustments</u> (in millions)	<u>Pro Forma</u>
ASSETS:			
Cash and cash equivalents	\$ 47	\$	\$ 47
Customer receivables	611		611
Inventories	691		691
Uncompleted contracts costs over related billings	661		661
Deferred income taxes	362	(35) (1)	127
		(200) (2)	
Prepaid and other current assets	90	82 (1)	172
Total current assets	2,462	(153)	2,309
Plant and equipment, net	733		733
Deferred income taxes, noncurrent	791	(600) (2)	191
Intangible and noncurrent assets	549	18 (1)	567
Total assets	<u>\$4,535</u>	<u>\$ (735)</u>	<u>\$3,800</u>
LIABILITIES AND SHAREHOLDER'S EQUITY:			
Accounts payable	363		363
Uncompleted contracts billings over related costs	407		407
Other current liabilities	876		876
Total current liabilities	1,646		1,646
Settlements and accrued liabilities	940		940
Environmental liabilities	298		298
Other noncurrent liabilities	227		227
Total liabilities	3,111		3,111
Minority interest in equity of subsidiaries	7		7
Shareholder's equity:			
Cumulative foreign currency translation adjustments	(7)		(7)
Invested equity	1,424	65 (1)	689
		(800) (2)	
Total shareholder's equity	1,417	(735)	682
Total liabilities and shareholder's equity	<u>\$4,535</u>	<u>\$ (735)</u>	<u>\$3,800</u>

See Notes to Unaudited Pro Forma Combined Financial Statements.

EXHIBIT B

WESTINGHOUSE ELECTRIC COMPANY
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
For the Three Months Ended March 31, 1997

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
	(in millions, except per share data)		
Sales of services and products	\$ 650	\$	\$ 650
Costs of services and products	(619)	21 (3)	(598)
Restructuring, litigation and other matters	—		—
Marketing, administrative and general expenses	(154)	4 (3)	(150)
Operating loss	(123)	25	(98)
Other income and expenses, net	(6)		(6)
Interest expense	—	(5) (4)	(5)
(Loss) income before income taxes and minority interest in income of subsidiaries	(129)	20	(109)
Income tax benefit (expense)	49	(51) (5)	(9)
		(7) (6)	
Minority interest in income of subsidiaries	—		—
Net loss	<u>\$ (80)</u>	<u>\$ (38)</u>	<u>\$ (118)</u>
Loss per common share (7)	<u> </u>		<u> </u>

WESTINGHOUSE ELECTRIC COMPANY
UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
For the Year Ended December 31, 1996

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
	(in millions, except per share data)		
Sales of services and products	\$3,467	\$	\$3,467
Costs of services and products	(2,855)	85 (3)	(2,770)
Restructuring, litigation and other matters	(888)		(888)
Marketing, administrative and general expenses	(614)	15 (3)	(599)
Operating loss	(890)	100	(790)
Other income and expenses, net	(140)		(140)
Interest expense	(1)	(20) (4)	(21)
(Loss) income before income taxes and minority interest in income of subsidiaries	(1,031)	80	(951)
Income tax benefit (expense)	370	(382) (5)	(40)
		(28) (6)	
Minority interest in income of subsidiaries	(4)		(4)
Net loss	<u>\$ (665)</u>	<u>\$ (330)</u>	<u>\$ (995)</u>
Loss per common share (7)	<u> </u>		<u> </u>

See Notes to Unaudited Pro Forma Combined Financial Statements.

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

Balance Sheet

(1) **Accrued Restructuring.** Pursuant to the terms of the Distribution Agreement, the Company will be reimbursed by Westinghouse for accrued liabilities associated with restructuring programs initiated prior to the Distribution Date that are unpaid at the Distribution Date. This entry recognizes an asset for the reimbursement of these accrued liabilities.

(2) **Valuation Allowance.** Income taxes in the Combined Financial Statements were prepared as if the Company continued to file a consolidated tax return with Westinghouse. However, subsequent to the Distribution, the Company will not be permitted to file a consolidated tax return with Westinghouse and Westinghouse will retain the U.S. federal net operating loss carryforwards generated by the Company. Therefore, the deferred tax assets associated with these net operating loss carryforwards will not be retained by the Company. Management has evaluated the potential for the Company to realize the remaining net deferred tax assets as a stand-alone entity on the basis of the criteria of SFAS No. 109, "Accounting for Income Taxes." Without relying on future taxable income, other than that which could be generated through tax planning strategies, management has determined that a valuation allowance may be required.

Income Statement

(3) **Pension and Postretirement Plans.** As discussed in notes 1 and 3 to the December 31, 1996 Combined Financial Statements, Westinghouse will retain most of the pension and postretirement benefit obligations accrued through the Distribution Date. The Company's cost associated with these plans subsequent to the Distribution is expected to be substantially less, approximating the current service cost.

(4) **Interest Costs.** Although the Company would be essentially debt-free at the Distribution Date, the Company would have needed to borrow funds under its revolving credit facility to meet the cash flow needs during its business cycles and other credit needs. Interest cost has been calculated by multiplying the estimated average borrowing requirements times a rate of 6.6% which is based on LIBOR plus 1%.

(5) **Valuation Allowance.** This entry eliminates the deferred tax benefit associated with the net operating loss carryforwards generated during the period and adjusts the valuation allowance on the Company's remaining net deferred tax assets. See note 2 above.

(6) **Income Taxes.** Pro forma adjustments reflect the current tax impact of the pro forma adjustments at a rate of 35%.

(7) **Pro Forma Earnings (Loss) per Share.** Pro forma loss per share has been calculated assuming shares of Company common stock were outstanding. This is based on the number of outstanding shares of Westinghouse common stock at the close of business on the record date of the Distribution and the distribution ratio to be determined.

**EXISTING WESTINGHOUSE FINANCIAL ASSURANCE DOCUMENTS
FOR DECOMMISSIONING**

1. Westinghouse Continuing Certification of Financial Assurance for Decommissioning dated 3/22/96, Including Executed Copy of Standby Trust Agreement and Executed Copy of Letter of Credit
2. NRC Letter to Westinghouse dated 3/29/96 - Finding of Compliance
3. Westinghouse Continuing Certification of Financial Assurance For Decommissioning dated 3/6/97, Including Executed Amendment No. 1 to Standby Trust Agreement and Revised Standby Letter of Credit
4. NRC Letter to Westinghouse dated 4/23/97 - Finding of Compliance

EXHIBIT C



RA 96-025 AJN

**Westinghouse
Electric Corporation**

Energy Systems

Box 355
Pittsburgh Pennsylvania 15230-0355

March 22, 1996

U. S. Nuclear Regulatory Commission
Office of Nuclear Material Safety and Safeguards
Washington, DC 20555-0001

Attention: Mr. Michael F. Weber, Chief
Low Level Waste and Decommissioning Projects Branch

Subject: Revised Financial Assurance Mechanism for Decommissioning

References: 1) Westinghouse letter dated January 11, 1996 from A. J. Nardi to USNRC.
(Letter Number RA 96-002 AJN).
2) USNRC letter dated March 11, 1996 from Michael F. Weber to A. J. Nardi.

The Westinghouse Electric Corporation hereby submits this revision to the financial assurance mechanism for it's NRC licensed facilities. The current financial assurance mechanism was established in a Westinghouse submittal dated January 31, 1995 and amended by letter dated July 27, 1995. In response to the revised regulations, Westinghouse submitted a proposed revision to the financial assurance mechanism by letter dated January 11, 1996 (Reference 1) and the USNRC responded with comments by letter dated March 11, 1996 (Reference 2).

The financial instrument being utilized by Westinghouse is four standby letters of credit with an associated standby trust. This submittal is to maintain compliance with the Commission's decommissioning financial assurance regulations contained in 10CFR 30, 40, 50, and 70, " Financial assurance and recordkeeping for decommissioning". All of the comments provided in Reference 2 have been incorporated into this submittal.

This submittal includes the following changes to the financial assurance mechanism:

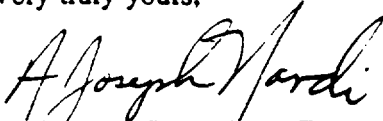
- 1) Attachment 1 provides an updated "Continuing Certification of Financial Assurance"
- 2) A new Standby Trust Agreement (Attachment 2) has been established with Dai-Ichi Kangyo Trust Company of New York effective April 7, 1996 to replace the prior trustee, Morgan Guaranty. Attachment 3 provides the necessary evidence that the person signing the trust for Westinghouse is authorized to do so.
- 3) A fourth letter of Credit (Attachment 4) has been established, effective April 7, 1996, in the amount of \$20,264,000.00. This amount is sufficient to replace the expiring Bank of America letter of credit and to increase the required amount of financial assurance as described in Attachment 2, Schedule A.

March 26, 1996

- 4) The summary tables for the revised decommissioning cost estimate for the Westinghouse Waltz Mill Site (License Numbers SNM-770 and TR-2) were included with Reference 1 and are not repeated with this submittal. Those cost estimates are the basis for the changes in the values presented in Attachment 2, Schedule A. All other decommissioning cost estimates are unchanged.

This submittal completes the Westinghouse actions required under the provisions of the "Clarification of Decommissioning Funding Requirements" (60FR38235, 7/26/95). If you have any questions concerning the information provided in this submittal, please contact me on (412) 374-4652.

Very truly yours,



A. J. Nardi, Supervisory Engineer
Regulatory Affairs
Energy Systems Business Unit

Attachments

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
Pittsburgh PA 15222

Mailing address for correspondence regarding this matter:

Westinghouse Electric Corporation
Energy Systems
PO Box 355
Pittsburgh PA 15230

NRC license numbers, name and address of each facility:

See page 2 of this attachment
(Listing of Westinghouse licenses covered by this certification)

Issued to: US Nuclear Regulatory Commission
Washington DC 20555

This is to certify that Westinghouse Electric Corporation is licensed to possess a Production and Utilization Facility and By-product, Source Material and Special Nuclear Material licenses; and that financial assurance in the amounts prescribed by 10CFR Parts 30, 40, 50 and 70 has been obtained for the purpose of decommissioning. The list of licenses on page 2 of this attachment identifies the specific licenses covered and the amounts of financial assurance provided for each. The total financial assurance amounts to \$81,591,000 which is an increase of \$11,249,000 over the previous financial assurance amounts.

Sincerely,



N. D. Woodson, Vice President
Energy Systems Business Unit

SCHEDULE A TO STANDBY TRUST AGREEMENT
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION
TRUST AGREEMENT SCHEDULE

NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	LICENSE STATUS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107 Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	Active. Expires 10/05	SNM	31,984 ⁴
2	37-5809-01 Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Active. Expires 12/31/97	Combined Materials	7,000 ⁴
3	37-5809-02 Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Active. Expires 9/30/00	Byproduct	18 ⁴
4	SNM-1120 Plutonium Fuels Development Lab ³ Cheswick Ave. Cheswick, PA 15024	Possession only. Expires 6/30/97	SNM	25
5	SNM-770 Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Active, under timely renewal. Expired 10/31/87	Combined Materials	24,051 ⁴
6	TR-2 Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Possession only, under timely renewal. Expired 11/30/93	Part 50	13,948 ⁴
7	SNM-1460 Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Active. Expires 9/30/97	Combined Materials	2,900 ⁴
8	SNM-47 Science and Technology Center Beulah Road Pittsburgh, PA 15235	Active. Expires 11/30/96	Combined Materials	750
9	37-00497-15 Forest Hills Site ³ P.O. Box 855 Pittsburgh, PA 15230-0855	Active. Expires 11/30/96	Combined Materials	750
10	SMB-1527 Bloomfield, New Jersey ³ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Active. License extended until terminated.	Source Material	150
11	52-19336-01 Westinghouse de Puerto Rico Washington and Lincoln Streets Building #S-238-54 Cayey, Puerto Rico 00633	Active Expires 2/28/97	Byproduct	15 ⁴
Totals				81,591

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning.

ATTACHMENT 2

EXECUTED COPY OF STANDBY TRUST AGREEMENT

STANDBY TRUST AGREEMENT

THIS STANDBY TRUST AGREEMENT (the "Agreement") is made and entered into as of the 7th day of April, 1996, by and between **Westinghouse Electric Corporation**, a Pennsylvania corporation, herein referred to as the "Grantor", and **Dai-Ichi Kangyo Trust Company of New York**, incorporated in the State of New York, the "Trustee".

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954 as amended (AEA), has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 30, 40, 50, or 70. These regulations, applicable to the Grantor, require that a holder of, or an applicant for, a Part 30, 40, 50, or 70 license provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, the Grantor has elected to use letters of credit to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under the letters of credit, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the NRC licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in the attached Schedule A issued pursuant to 10 CFR Part 30, 40, 50, or 70.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of the NRC. The Grantor and the Trustee intend that no third party has access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash and Eligible Securities. The Fund is initially unfunded. Payments made to the Trustee for the Fund shall consist of payments made by the issuer of the Irrevocable Letters of Credit pursuant to its terms, which are described in Schedule B attached hereto. Such property and any other property subsequently

transferred to the Trustee are referred to as the "Fund", together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the Specimen Certificate attached hereto as Schedule C, and
- b. A certificate executed by the Grantor attesting to the following conditions:
 - (1) that decommissioning is proceeding pursuant to an NRC-approved plan.
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan, and
 - (3) that the NRC has been given 30 days' prior notice of the Grantor's intent to withdraw funds from the Fund.

No withdrawal from the Fund can exceed 10% of the outstanding balance of the Funds applicable to a particular license, without written approval from the NRC.

In the event of the Grantor's default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management.

The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single Fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and

familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the Fund in Eligible Securities as hereinafter defined. Eligible Securities shall be securities or other obligations of the Federal Government, i.e., GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services.

Section 7. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals or to reinvest in Eligible Securities at the direction of the Grantor.
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in the name of the Grantor, and to hold any security in bearer form or in book entry, to reinvest interest payments and funds from matured and redeemed instruments in Eligible Securities, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank in book entry form, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund.
- (d) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 8. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this standby trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 9. Annual Valuation. After payment has been made into the Fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the Fund, furnish to the Grantor and to the NRC a statement confirming the value of the Fund. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the NRC, or State agency, shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 10. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 11. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 12. Successor Trustee. Upon 90 days notice to the NRC, or State agency, the Trustee may resign; upon 90 days notice to NRC, or State agency, and the Trustee, the Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC or State agency, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 8.

Section 13. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting in accordance with such orders, requests and instructions. If the NRC or State agency issues orders, requests or instructions to the Trustee, these shall be in writing, signed by the NRC, or State agency, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 14. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist.

Section 15. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 14, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 16. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 17. This Agreement shall be administered, construed, and enforced according to the laws of the State of New York.

Section 18. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. 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 parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the date first written above.

ATTEST:

WESTINGHOUSE ELECTRIC CORPORATION

By: _____

Title: Vice President

ATTEST:

DAI-ICHI KANGYO TRUST COMPANY OF NEW YORK

By: _____

Title: Vice President

SCHEDULE A TO STANDBY TRUST AGREEMENT
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION
TRUST AGREEMENT SCHEDULE

NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	LICENSE STATUS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107 Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	Active. Expires 10/05	SNM	31,984 ⁴
2	37-5809-01 Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Active. Expires 12/31/97	Combined Materials	7,000 ⁴
3	37-5809-02 Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Active. Expires 9/30/00	Byproduct	18 ⁴
4	SNM-1120 Plutonium Fuels Development Lab ³ Cheswick Ave. Cheswick, PA 15024	Possession only. Expires 6/30/97	SNM	25
5	SNM-770 Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Active, under timely renewal. Expired 10/31/87	Combined Materials	24,051 ⁴
6	TR-2 Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Possession only, under timely renewal. Expired 11/30/93	Part 50	13,948 ⁴
7	SNM-1460 Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Active. Expires 9/30/97	Combined Materials	2,900 ⁴
8	SNM-47 Science and Technology Center Beulah Road Pittsburgh, PA 15235	Active. Expires 11/30/96	Combined Materials	750
9	37-00497-15 Forest Hills Site ³ P.O. Box 855 Pittsburgh, PA 15230-0855	Active. Expires 11/30/96	Combined Materials	750
10	SMB-1527 Bloomfield, New Jersey ³ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Active. License extended until terminated.	Source Material	150
11	52-19336-01 Westinghouse de Puerto Rico Washington and Lincoln Streets Building #S-238-54 Cayey, Puerto Rico 00633	Active Expires 2/28/97	Byproduct	15 ⁴
Totals				81,591

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning.

SCHEDULE B TO STANDBY TRUST AGREEMENT

LISTING OF LETTERS OF CREDIT

<u>Date Entered</u> (1)	<u>Issuing Institution of Irrevocable Letter of Credit*</u>	<u>Amount</u>
April 9, 1993	Chemical Bank Delaware P.O. Box 8840 Wilmington, DE 19899	\$ 4,380,000.00
April 9, 1993	ABN AMRO Bank N.V. Pittsburgh Branch One PPG Place Suite 2950 Pittsburgh, PA 15222-5400	\$18,845,000.00
January 24, 1995	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$38,102,000.00
April 7, 1996	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$20, 264,000.00
TOTAL		\$81,591,000.00

*Beneficiary of Letter of Credit is NRC

(1) Automatically renew after 12 months unless prior notice is given.

SCHEDULE C TO STANDBY TRUST AGREEMENT

SPECIMEN CERTIFICATE OF EVENTS

Dai-Ichi Kangyo Trust Company of New York
One World Trade Center, Suite 5031
New York, New York 10048

Attention: Corporate Trust Department

Gentlemen:

In accordance with the terms of the Agreement with you dated April 7, 1996, I,

General Manager of [insert name of licensee], hereby
certify that the following events have occurred:

1. Westinghouse Electric Corporation is required to commence the decommissioning of its facility located at [insert location of facility] (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of Westinghouse Electric Corporation has adopted the attached resolution authorizing the commencement of the decommissioning.

General Manager
Westinghouse Electric Corporation

Date

Secretary
Westinghouse Electric Corporation

[SEAL]

SCHEDULE C (CONT.) TO STANDBY TRUST AGREEMENT

CERTIFICATE OF RESOLUTION

I, _____, do hereby certify that I am Secretary of Westinghouse Electric Corporation, a Pennsylvania Corporation, and that the resolution listed below was duly adopted at a meeting of this Corporations' Board of Directors on _____, 19____.

In WITNESS WHEREOF, I have hereunto signed by name and affixed the seal of this Corporation this _____ day of _____, 19____.

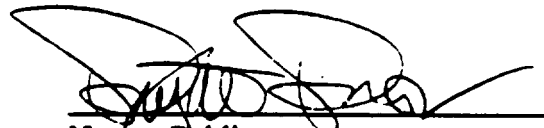
Secretary

RESOLVED, that this Board of Directors hereby authorizes the Chairman, or such other employee of the Company as he may designate, or such other employee of the Company as he may designate, to commence decommissioning activities at [insert name of facility] in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the Chairman shall approve with and upon the advice of Counsel.

ACKNOWLEDGEMENT

STATE OF New York)
To Wit:) ss:
CITY OF New York)

On this 21st day of March , 19 96 , before me, a notary public in and for the City and State aforesaid, personally appeared Ruth H. Fussell , and she did depose and say that she is the Vice President of Dai-Ichi Kangyo Trust Company of New York , a trust company, Trustee, which executed the above instrument, that she knows the seal of the said association; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the association, and that she signed her name thereto by like order.



Notary Public
DWIGHT DROS
Notary Public, State of New York
No. 01DR5041423
Qualified in Bronx County
Commission Expires April 3, 1997
My commission expires:

ATTACHMENT 3

**WESTINGHOUSE CERTIFICATION OF
AUTHORIZED SIGNATURE**

EXTRACT FROM MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
WESTINGHOUSE ELECTRIC CORPORATION
HELD ON APRIL 26, 1995

RESOLVED, that, effective May 1, 1995, the Chairman, the Chief Executive Officer, the President, each Vice President, the Treasurer, the Controller and the Secretary of the Corporation, and each of them individually, are hereby authorized, in the name and on behalf of the Corporation, in the ordinary conduct of the Corporation's business, (A) to sign, execute, deliver and bind the Corporation with respect to: (i) all contracts, agreements, deeds, leases, conveyances, transfers of real or personal property, grants of public utility easements, powers of attorney (with full and general or limited authority with power of substitution), releases, waivers, assignments, claims documents and other documents of a contractual nature, (ii) all bonds, obligations, and letter of credit applications or reimbursement agreements, (iii) all applications for regulatory permits and licenses and other governmental forms, including but not limited to tax returns, tax elections, and any documents required in connection with patent, trademark and copyright matters, (iv) any other instrument similar to the preceding, and (v) with respect to the ordinary course of business of majority-owned or wholly-owned subsidiaries of the Corporation, guaranty or similar arrangements or letter of credit applications or reimbursement agreements, and (B) to vote, in person or by proxy, any interest that the Corporation may have in any corporation, partnership, joint venture or other entity or association;

RESOLVED, that the Secretary (if he or she shall not sign the document) or any Assistant Secretary is hereby authorized to affix the corporate seal thereto and to attest as to the items set forth in the preceding resolution;

RESOLVED, that each of the officers specified in the preceding two resolutions is also authorized to delegate his or her respective signature or voting authority granted in said resolutions by a writing (x) specifying the scope of the authority being delegated by the writing, (y) identifying the delegate either by name or as the incumbent of a position, and (z) advising the delegate that he or she shall have no authority to redelegate the signature authority being delegated; and provided, further, that none of the above-specified officers shall have any authority to bind the Corporation during such period that his or her then current assignment may require his or her residence in any country other than the United States of America, its territories and possessions;

RESOLVED, that, in addition to the authorization set forth in A(iii) of the first of the preceding three resolutions, any assistant secretary, assistant treasurer, or assistant controller, and each of them individually, is hereby authorized, in the name and on behalf of the Corporation, to sign, execute, deliver and bind the Corporation with respect to any tax return or tax election;

RESOLVED, that any signature or voting authority pursuant to the preceding four resolutions, and any delegation of such signature or voting authority pursuant to the third of such preceding four resolutions, shall not constitute a delegation of, or change in, the limits of authority otherwise imposed on the specified officers or their delegates or on the specified assistant officers or in any manner be permitted to operate in derogation of such limits of authority;

RESOLVED, that a copy of every delegation or change in a previous delegation made pursuant to the third of the preceding five resolutions shall be submitted to the General Counsel of the Corporation promptly after the delegation or change has occurred; and

RESOLVED, that the signature and voting authority granted by the above resolutions shall be in addition to, and not by way of substitution or replacement for or revocation of, any prior grant or grants of signature or voting authority by the Board of Directors.

I, R. S. HICKMAN, Assistant Secretary of Westinghouse Electric Corporation, DO HEREBY CERTIFY that the foregoing is a true and correct copy of resolutions adopted at a meeting of the Board of Directors of said Corporation held on April 26, 1995, at which meeting a quorum was present.

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

Dated: March 18, 1996


Assistant Secretary

WESTINGHOUSE ELECTRIC CORPORATION

Certification as to Officers

I, R. S. HICKMAN, Assistant Secretary of Westinghouse Electric Corporation, DO HEREBY CERTIFY that the persons listed below are officers of said Corporation as of this date:

M. H. Jordan	Chairman and Chief Executive Officer
G. M. Clark	President
F. R. Bakos	Vice President
J. D. Bergen	Vice President
L. D. Bridge	Vice President
L. J. Briskman	Vice President
J. A. DePalma	Vice President
J. L. Gallagher	Vice President
R. J. Hadala	Vice President
F. J. Harvey	Vice President
J. F. Hay	Vice President
W. C. Korn	Vice President
R. A. Linder	Vice President
A. Melissaratos	Vice President
J. S. Moore	Vice President
C. E. Morf	Vice President and Treasurer
S. R. Pitts	Vice President
F. G. Reynolds	Vice President
W. F. Stoll	Vice President
A. C. Straka	Vice President and Secretary
J. F. Watson, Jr.	Vice President
N. D. Woodson	Vice President
D. Zemelman	Vice President
R. H. Zwirn	Vice President

R. P. Daigle	Assistant Controller
D. E. Dunn	Assistant Controller
F. G. Reynolds	Assistant Controller

M. W. A. Alan	Assistant Secretary
C. J. Birt	Assistant Secretary
D. A. Brakoniecki	Assistant Secretary
L. J. Briskman	Assistant Secretary
V. J. Carpenter	Assistant Secretary
P. W. Cavanaugh	Assistant Secretary
M. H. Charles	Assistant Secretary
C. Chulay	Assistant Secretary
J. R. Cottrell	Assistant Secretary
C. L. Davis	Assistant Secretary
B. M. Gorman	Assistant Secretary
R. S. Hickman	Assistant Secretary
S. A. Hildebrandt	Assistant Secretary
M. W. Huber	Assistant Secretary
D. L. Klausman	Assistant Secretary
C. L. McAdams	Assistant Secretary
M. P. Messinger	Assistant Secretary
L. W. Patross	Assistant Secretary
R. D. Pietrala	Assistant Secretary
J. M. Plasynski	Assistant Secretary
D. H. Posy	Assistant Secretary
C. J. Ranck	Assistant Secretary
W. F. Stoll	Assistant Secretary
M. T. Sweeney	Assistant Secretary
D. D. Vickovic	Assistant Secretary

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

Dated: March 18, 1996


Assistant Secretary

ATTACHMENT 4

**EXECUTED COPY OF LETTER OF CREDIT,
TORONTO DOMINION BANK**

**The Toronto-Dominion Bank
909 Fannin, Suite 1700
Houston, Texas 77010
(713) 653-8200**

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 1339

\$20,264,000.00

Expiry: April 7, 1997

**U.S. Nuclear Regulatory Commission ("NRC")
Decommissioning and Regulatory Branch
Washington, D.C. 20555
Attention: Group Chief**

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. 1339 in your favor, at the request and for the account of Westinghouse Electric Corporation, 11 Stanwix Street, Pittsburgh, PA 15222, up to the aggregate amount of U.S. Dollars Twenty Million Two Hundred Sixty-four Thousand and 00/100 available upon presentation of:

- 1) your sight draft, bearing reference to the Letter of Credit No. 1339, and**
- 2) your signed statement reading as follows: I certify that the amount of the draft is payable pursuant to regulations issued under the authority of the U.S. Nuclear Regulatory Commission.**

This Letter of Credit is issued in accordance with regulations issued under the authority of the NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter 1 of the Code of Federal Regulations, Parts 30, 40, 50 or 70, (the "Applicable Regulations") which require that a holder of, or an applicant for, a license issued under the Applicable Regulations, provide assurance that funds will be available when needed for decommissioning.

This Letter of Credit is effective as of April 7, 1996 and shall expire on April 7, 1997, but such expiration date shall be automatically extended for a period of at least 1 year on April 7, 1997 and on each successive expiration date, unless, at least 90 days before the current expiration date, we notify both you and Westinghouse Electric Corporation, by certified mail, as shown on the signed return receipts.

If Westinghouse Electric Corporation is unable to secure alternative financial assurance to replace this Letter of Credit within 30 days of notification of cancellation, the NRC may draw upon the full value of this Letter of Credit prior to cancellation.

The Toronto-Dominion Bank shall give immediate notice to "WEC" and the "NRC" of any notice received or action filed alleging (1) the insolvency or bankruptcy of The Toronto-Dominion Bank, or (2) any violations of regulatory requirements that could result in suspension or revocation of The Toronto-Dominion Bank's charter.

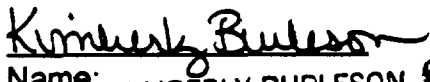
The Toronto-Dominion Bank also shall give immediate notice if, for any reason, it becomes unable to fulfill its obligations under the Letter of Credit No. 1339.

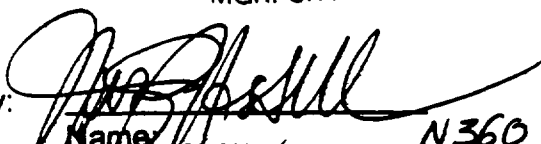
Whenever this Letter of Credit is drawn on under and in compliance with the terms of this Letter of Credit, The Toronto-Dominion Bank shall duly honor such draft upon its presentation to us within 30 days, and we shall deposit the amount of the draft directly into the Standby Trust Fund of Westinghouse Electric Corporation in accordance with the NRC's instructions.

Each draft must bear on its face the clause: "Drawn under Letter of Credit No. 1339 dated April 7, 1996 and the total of this draft and all other drafts previously drawn under this Letter of Credit does not exceed \$20,264,000.00."

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision, International Chamber of Commerce, Paris, France, Publication No. 500).

THE TORONTO-DOMINION BANK

By: 
Name: KIMBERLY BURLESON B1388
Title: MGR. CR ADMIN.

By: 
Name: NEVA NESBITT N360
Title: MGR. CR ADMIN.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 29, 1996

RECEIVED
10R 2 1995

ESBU
REGULATORY AFFAIRS

Mr. A. Joseph Nardi
Westinghouse Electric Corporation
Regulatory Affairs
Energy Systems Business Unit
P.O. Box 355
Pittsburgh, PA 15230

SUBJECT: RESPONSE TO REVISED FINANCIAL ASSURANCE MECHANISM FOR
DECOMMISSIONING, DATED MARCH 22, 1996

Dear Mr. Nardi:

We reviewed the March 22, 1996, Westinghouse Electric Corporation revised financial assurance documents for decommissioning increasing the dollar amount to \$81,591,000. Your submittal responded to our earlier comments provided in our letter dated March 11, 1996. We received your executed revised new letter of credit and executed revised new standby trust agreement and continuing certification of financial assurance statement. My staff has reviewed your submittals and find them in compliance with our decommissioning financial assurance regulations.

Should you have any questions, please contact Mr. Louis Bykoski at (301) 415-6754.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. A. Nelson", followed by a horizontal line.

Robert A. Nelson, Acting Chief
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards



**Westinghouse
Electric Corporation**

Energy Systems

Box 355
Pittsburgh Pennsylvania 15230-0355

March 6, 1997

RA-97-031

U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Attention: Director, Office of Nuclear Material Safety and Safeguards

Dear Sir:

Subject: Revised Financial Assurance Mechanism for Decommissioning

The Westinghouse Electric Corporation hereby submits a revision increasing the total dollar amount of decommissioning financial assurance funds for its NRC licensed facilities from the amount identified in Westinghouse's last updated submittal to the Commission dated March 22, 1996. The financial instrument being used by Westinghouse to reflect the increase in the Financial Assurance Mechanism is a standby letter of credit with an associated amendment to the existing standby trust. This submittal is to maintain compliance with the Commission's decommissioning financial assurance regulations contained in "General Requirements for Decommissioning Nuclear Facilities," 10 CFR Parts 30, 40, 50, and 70.

The revised amount, as reflected in the newly issued letter of credit, is the net effect associated with two (2) changes that are being made in the Westinghouse decommissioning financial assurance amount. The first change is to increase the Financial Assurance amount applicable to License Number SNM-47 to reflect the preparation of a cost estimate for decommissioning. This action is being taken as part of the application for renewal of this license. The second change is to eliminate the financial assurance amount associated with License Number 52-19336-01 which has been removed from the list of Westinghouse licensed facilities because this license has been transferred to the new owners of the facility. The cumulative effect of these two changes is to increase the overall amount of financial assurance required by an amount of \$777,000.

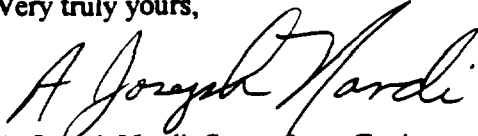
This revised submittal includes the following attachments: Continuing Certification of Financial Assurance (Attachment 1); Amendment No. 1 to Standby Trust Agreement (Attachment 2); a revised Standby Letter of Credit in the amount of \$21,041,000 which is an increase of \$777,000 over the original value (Attachment 3); and the Decommissioning cost estimate for License Number SNM-47 (Attachment 4). Included in Attachment 1 is a revised identification of the specific NRC licenses held by Westinghouse.

Also enclosed are two additional originals of Amendment Number 1 to the Standby Trust Agreement. Please have an appropriate agency official execute these documents, as well as the

copy of the amendment to the Standby Trust (Attachment 2) which forms a part of this submittal, and return the two additional originals to me for our files and the files of the Trustee bank.

The actions taken by this transmittal complete the requirements of License Condition #12 in Amendment #19 to License SNM-47 (Docket 70-00048) as renewed on February 20, 1997. If you have any questions concerning this transmittal, please contact me at (412) 374-4652.

Very truly yours,

A handwritten signature in black ink, reading "A. Joseph Nardi". The signature is fluid and cursive, with the first name "A." and last name "Nardi" clearly legible.

A. Joseph Nardi, Supervisory Engineer
ESBU Regulatory Affairs

cc: U.S. Nuclear Regulatory Commission, Region I
475 Allendale Road
King of Prussia, PA 19406
Attention: John D. Kinneman

ATTACHMENT 1

**CONTINUING CERTIFICATION
OF FINANCIAL ASSURANCE**

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
Pittsburgh PA 15222

Mailing address for correspondence regarding this matter:

Westinghouse Electric Corporation
Energy Systems
PO Box 355
Pittsburgh PA 15230

NRC license numbers, name and address of each facility:

See Attachment 1, p. 2
(List of Westinghouse licenses covered by this certification)

Issued to: US Nuclear Regulatory Commission
Washington DC 20555

This is to certify that Westinghouse Electric Corporation is licensed to possess a Production and Utilization Facility, and By-product, Special Nuclear and Source Materials licenses; and that financial assurance in the amounts prescribed by 10 CFR Parts 30, 40, 50, and 70 has been obtained for the purpose of decommissioning. The list of licenses in Attachment 1, page 2, identifies the specific licenses currently covered and the amounts of financial assurance provided for each. The total financial assurance amounts to \$82,368,000, an increase of \$777,000 over previous financial assurance amounts.

Sincerely,



T. E. Mistler
Energy Systems Business Unit

ATTACHMENT 1, PAGE 2
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION
TRUST AGREEMENT SCHEDULE

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM	31,984 ⁴
2	37-5809-01	Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Combined Materials	7,000 ⁴
3	37-5809-02	Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Byproduct	18 ⁴
4	SNM-1120	Plutonium Fuels Development Lab ² Cheswick Ave. Cheswick, PA 15024	SNM	25
5	SNM-770	Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials	24,051 ⁴
6	TR-2	Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Part 50	13,948 ⁴
7	SNM-1460	Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials	2,900 ⁴
8	SNM-47	Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,542 ⁴
9	37-00497-15	Forest Hills Site ⁵ P.O. Box 855 Pittsburgh, PA 15230-0855	Combined Materials	750
10	SMB-1527	Bloomfield, New Jersey ⁵ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Source Material	150
Totals				82,368

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning.

ATTACHMENT 2

**EXECUTED COPY OF AMENDMENT NO. 1
TO STANDBY TRUST AGREEMENT**

**AMENDMENT NO. 1 TO
STANDBY TRUST AGREEMENT**

The Standby Trust Agreement entered into as of April 7, 1996 by and between Westinghouse Electric Corporation, a Pennsylvania corporation ("Grantor") and Dai-Ichi Kangyo Trust Company of New York, incorporated in the State of New York, the "Trustee" is hereby amended as follows:

- 1) The Schedule A submitted with the Agreement is replaced with the Schedule A attached to this Amendment No. 1.
- 2) The Schedule B submitted with the Agreement is replaced with the Schedule B attached to this Amendment No. 1.

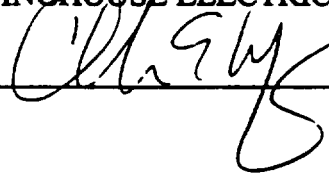
Except as set forth herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Standby Trust Agreement to be executed by their respective duly authorized officers as of this ____ day of January, 1997.


ATTEST:



WESTINGHOUSE ELECTRIC CORPORATION

By: 

ATTEST:



DAI-ICHI KANGYO TRUST COMPANY
OF NEW YORK

By: 

AGREED TO AND ACCEPTED:

ATTEST

U.S. NUCLEAR REGULATORY COMMISSION

By: _____

SCHEDULE A TO STANDBY TRUST AGREEMENT
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION
TRUST AGREEMENT SCHEDULE

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM	31,984 ⁴
2	37-5809-01	Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Combined Materials	7,000 ⁴
3	37-5809-02	Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Byproduct	18 ⁴
4	SNM-1120	Plutonium Fuels Development Lab ² Cheswick Ave. Cheswick, PA 15024	SNM	25
5	SNM-770	Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials	24,051 ⁴
6	TR-2	Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Part 50	13,948 ⁴
7	SNM-1460	Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials	2,900 ⁴
8	SNM-47	Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,542 ⁴
9	37-00497-15	Forest Hills Site ⁵ P.O. Box 855 Pittsburgh, PA 15230-0855	Combined Materials	750
10	SMB-1527	Bloomfield, New Jersey ⁵ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Source Material	150
Totals				82,368

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning.

02/97

SCHEDULE B TO STANDBY TRUST AGREEMENT

LISTING OF LETTERS OF CREDIT

<u>Date Entered</u> (1)	<u>Issuing Institution of Irrevocable Letter of Credit*</u>	<u>Amount</u>
April 9, 1993	Chemical Bank Delaware P.O. Box 8840 Wilmington, DE 19899	\$4,380,000.00
April 9, 1993	ABN AMRO Bank N.V. Pittsburgh Branch One PPG Place Suite 2950 Pittsburgh, PA 15222-5400	\$18,845,000.00
January 24, 1995	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$38,102,000.00
April 7, 1996	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$21,041,000.00
TOTAL		\$82,368,000.00

***Beneficiary of Letter of Credit is NRC**

(1) Automatically renew after 12 months unless prior notice is given.

ATTACHMENT 3

REVISED STANDBY LETTER OF CREDIT

THE TORONTO-DOMINION BANK
909 Fannin Street, Suite 1700
Houston, Texas 77010

Date of Amendment: February 14, 1997

AMENDMENT TO
DOCUMENTARY CREDIT

Number 1339

Place and date of issue

Houston, Texas; April 7, 1996

Applicant

Westinghouse Electric Corporation
11 Stanwix Street
Pittsburgh, PA 15222

Beneficiary

U.S. Nuclear Regulatory Commission ("NRC")
Decommissioning and Regulatory Branch
Washington, D.C. 20555
Attention: Group Chief

Advising Bank

N/A

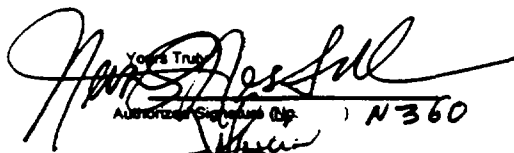
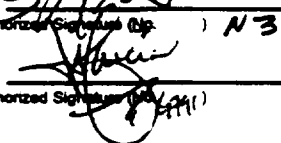
This amendment is to be considered as part of the
above mentioned credit and must be attached thereto.

The above-mentioned credit is amended as follows:

Increase the principal amount by \$777,000.00, from \$20,264,000.00 to \$21,041,000.00 effective February 14, 1997.

All other terms and conditions remain unchanged

The above mentioned Documentary Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision, International Chamber of Commerce, Publication No. 500).


Yours Truly
Authorized Signature (No.) N360
Authorized Signature (No.)


Advising Bank's notification

Place, date, name and signature of the advising bank

ATTACHMENT 4

**DECOMMISSIONING COST ESTIMATE
FOR LICENSE NO. SNM-47**

APPENDIX F
COST ESTIMATING TABLES

1. Planning and Preparation

Table 1

<u>Task</u>	<u>Supervisor</u>	<u>Workdays</u> <u>Foreman</u>	<u>H.P.</u>	<u>Clerical</u>	<u>Total</u>	<u>Total Cost</u>
1. Preparation of Documentation for Regulatory Agencies	60		30		90	\$92,400
2. Submittal of Decommissioning Plan to NRC when required by 10 CFR 30.36(c)(2), 40.42(c)(2), or 70.38(c)(2)*	-	-	-	-	-	-
3. Development of Work Plans	60	60	60		180	\$166,800
4. Procuring of Special Equipment	5	5			10	\$9,500
5. Staff Training	20	20	20		60	\$55,600
6. Characterization of Radiological Condition of the Facility (Including soil and tailings analysis or ground-water analysis, if applicable)	10	10	10		30	\$27,800
7. Other (Sub, SEG)	10	10	10	40**	70	\$36,600
8. Total	165	105	130	40**	440	\$388,700

* For assistance in preparation of cost estimate for 10 CFR Part 72, consult NRC Office of Nuclear Material Safety and Safeguards.

** Contractor HP Technician, @ laborer rate.

**APPENDIX F (Continued)
COST ESTIMATING TABLES**

Table 2

Unit Cost for Workers

Position	Basic Salaries (\$/yr)	Overhead Rate (%)	Worker Cost/manday	Worker Cost/hr
Supervisor			1100	137.50
Foreman			800	100.00
Craftsman			440	55.00
Technician			570	71.25
Health Physicist			880	110.00
Laborer			220	27.50
Clerical				
Other (Contract)			220	27.50

2. Decontamination and/or Dismantling of Radioactive Facility Components*

	No.	Dimensions		No.	Dimensions
Glove Boxes	2	5 (m3)	Amount of Floor Space	7	2075 (m2)
Fume Hood	4	8 (m3)	Ventilation Ductwork	4	110 (m)
Hot Cells	1	8.5 (,3)	Amount of Wall Space	2x flr	4150 (m2)
Lab Benches	17	112 (m)	Other (Ceiling = Floor)	7	2075 (m2)
Sink and Drain	22	132 (m)			

Table 3

Work Days

Task	Super-visor	Fore-man	Tech-nicians	H.P.	Crafts-men	La-borer	Total	Total Cost
1. Decor/Dis-mantle Major Components and/or Proc-essing and Storage Tanks	0.5	10	0.25	3	-	24	37.75	\$16,613
2. Decor/Dis-mantle Laboratories, Fume Hoods, Glove Boxes, Benches, etc.	4.75	9.5	14.25	6.25	14.25	28.5	77.5	\$38,988

*Indicate whether component is to be decontaminated to unrestricted release levels or packages and disposed of at a low-level waste site.

**APPENDIX F (Continued)
COST ESTIMATING TABLES**

Table 3 (Continued)

Work Days

Task		Super- visor	Fore- man	Tech- nicians	H.P.	Crafts - men	La- borer	Total	Total Cost
3.	Decon/Dis-mantle Major Waste Areas - Radwaste Areas - Scrap Recovery Areas - Other	Incl.	in	Item	No.	1			
4.	Decon/Dis- mantle Service Facilities - Maintenance Shop - Decontamination Areas - Ventilation Systems - Other	35.9	71.7	107.5	50	53.5	214.4	534.3	\$273,120
5.	Decon/Dis- mantle Waste Treatment Facilities and Storage Areas on the Site (Including exhumed and package contaminated soil and tail- ings, if any) - Fluoride Lagoons - Nitrate Lagoons - CaF ₂ Waste Recovery - Ground Water Restoration - Other	NA	NA	NA	NA	NA	NA	NA	

**APPENDIX F (Continued)
COST ESTIMATING TABLES**

Table 3 (continued)

Work Days

Task	Super- visor	Fore- man	Tech- nicians	H.P.	Crafts- men	La- borer	Total	Total Cost
6. Monitor for compliance, reclean and remonitor, if necessary	See Item 5, P. F-5							
7. Other (e.g., contractor fees)								

Table 4

Equipment/Supply	Quantity	Cost

3. Packaging, Shipping, and Disposal of Radioactive Wastes

Table 5

Waste Type	Volume (ft ³)	No. of Containers	Type of Container	Unit Cost of Container	Total Cost
Well Aggregate	307.6			x \$500/ft ³	\$153,800
Decon Incidentals		1	B25		\$50,000
Pu soils 1mm tech					\$11,400
Sealed Sources					\$249,257
Total					\$464,457

Table 6

Distance Shipped _____ (miles)
Unit cost for shipment _____ (\$/mile/truckload)
Additional charges _____
 Overweight _____ (\$/mile)
 Surcharges _____ (\$/mile)

Waste Type	No. of Shipments	Unit Cost for Shipping	Distance Shipped	Surcharge	Transportation Cost
Total					Incl in Table 5

**APPENDIX F (Continued)
COST ESTIMATING TABLES**

Table 7

Burial Charges _____ (\$/m3)
 Surcharges _____ (\$)
 Per container _____ (\$/m3)
 Disposal _____ (\$/m3)

Waste Type	Burial Volume	Unit Cost of Burial	Surcharge	Burial Cost
Total				Incl in Table 5

4. Restoration of Contaminated Areas on Facility Ground

Table 8

Work Days

Task	Supervisor	Foreman	H.P.	Clerical	Total	Total Cost
Backfill and Restore Site						

5. Final Radiation Survey

Table 9

Work Days

Task	Supervisor	Foreman	H.P.	Clerical	Total	Total Cost
Total	\$4/ft2 per SEG performance @ STC x 90,000 ft2					\$360,000

APPENDIX F (Continued)
COST ESTIMATING TABLES

6. Site Stabilization, Long-Term Surveillance (if applicable)

Table 10

Work Days

Task	Supervisor	Foreman	H.P.	Clerical	Total	Total Cost
Not Applicable						



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

April 23, 1997

A. Joseph Nardi
Supervisory Engineer
Westinghouse Electronic Corporation
ESBU Regulatory Affair
P.O. Box 355
Pittsburgh, Pennsylvania 15230-0355

Dear Mr. Nardi:

SUBJECT: RESPONSE TO REVISED FINANCIAL ASSURANCE MECHANISM FOR
DECOMMISSIONING

We reviewed the March 6, 1997, and April 2, 1997, Westinghouse Electric Corporation revised financial assurance documents for decommissioning increasing the total dollar amount to \$82,368,000 and intended to assure decommissioning costs for licenses: SNM-1107; 37-5809-01; 37-5809-02; SNM-1120; SNM-770; TR-2; SNM-1460; SNM-47; 37-00497-15; and SMB-1527.

Your submittal included a revised Standby Letter of Credit in the amount of \$21,041,000, which is an increase of \$777,000 over the original value; a decommissioning cost estimate for License No. SNM-47; Amendment 1 to the Standby Trust Agreement (3 original documents) and your continuing certification of financial assurance statement.

My staff has reviewed your submittals and find them in compliance with our decommissioning financial assurance regulations. Enclosed are two signed originals of Amendment 1 to the Standby Trust Agreement for your files. We have retained one signed original.

Should you have any questions, please contact Mr. Louis Bykoski, at (301) 415-6754.

Sincerely,

A handwritten signature in black ink, reading "John W. Hickey", is written over a horizontal line.

John W. H. Hickey, Chief
Low-Level Waste and Decommissioning
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosures: As stated

AMENDMENT NO. 1 TO
STANDBY TRUST AGREEMENT

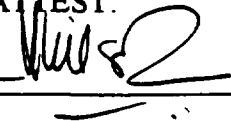
The Standby Trust Agreement entered into as of April 7, 1996 by and between Westinghouse Electric Corporation, a Pennsylvania corporation ("Grantor") and Dai-Ichi Kangyo Trust Company of New York, incorporated in the State of New York, the "Trustee" is hereby amended as follows:

- 1) The Schedule A submitted with the Agreement is replaced with the Schedule A attached to this Amendment No. 1.
- 2) The Schedule B submitted with the Agreement is replaced with the Schedule B attached to this Amendment No. 1.

Except as set forth herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Standby Trust Agreement to be executed by their respective duly authorized officers as of this ____ day of January, 1997.

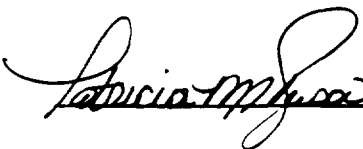
ATTEST:



WESTINGHOUSE ELECTRIC CORPORATION

By: 

ATTEST:




DAI-ICHI KANGYO TRUST COMPANY
OF NEW YORK

By: 

AGREED TO AND ACCEPTED:

ATTEST



U.S. NUCLEAR REGULATORY COMMISSION

By: 

**FORM OF WELCO FINANCIAL ASSURANCE DOCUMENTS
FOR DECOMMISSIONING**

1. Continuing Certification of Financial Assurance
2. Standby Trust Agreement
3. Standby Letter of Credit

EXHIBIT D

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Corporation
Westinghouse Building
Gateway Center
Pittsburgh PA 15222

Mailing address correspondence regarding this matter:

Westinghouse Electric Corporation
Energy Systems
PO Box 355
Pittsburgh PA 15230

NRC license numbers, name and address of each facility:

See Attachment 1, p. 2
(List of Westinghouse licenses covered by this certification)

Issued to: US Nuclear Regulatory Commission
Washington DC 20555

This is to certify that Westinghouse Electric Corporation is licensed to possess a Production and Utilization Facility, and By-product, Special Nuclear and Source Materials licenses; and that financial assurance in the amounts prescribed by 10 CFR Parts 30, 40, 50, 51, 70 and 72 has been obtained for the purpose of decommissioning. The list of licenses in Attachment 1, page 2, identifies the specific licenses covered and the amounts of financial assurance provided for each. The total financial assurance amounts to \$_____,000, an increase of \$_____,000 over previous financial assurance amounts.

Sincerely,

Charles W. Pryor, Vice President
Westinghouse Electric Corporation
Energy Systems Business Unit

ATTACHMENT 1, PAGE 2
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM	31,984 ⁴
2	37-5809-01	Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Combined Materials	7,000 ⁴
3	37-5809-02	Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Byproduct	18 ⁴
4	SNM-1120	Plutonium Fuels Development Lab ² Cheswick Ave. Cheswick, PA 15024	SNM	25
5	SNM-770	Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials	24,051 ⁴
6	TR-2	Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Part 50	13,948 ⁴
7	SNM-1460	Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials	2,900 ⁴
8	SNM-47	Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,542 ⁴
9	37-00497-15	Forest Hills Site ⁵ P.O. Box 855 Pittsburgh, PA 15230-0855	Combined Materials	750
10	SMB-1527	Bloomfield, New Jersey ⁵ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Source Material	150
Totals				82,368 ⁶

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning

6 Note total may change based on requirements at the actual time of submittal

STANDBY TRUST AGREEMENT

THIS STANDBY TRUST AGREEMENT (the "Agreement") is made and entered into as of the ___ day of _____ [the closing date], 1997, by and between [Insert Name of Grantor], herein referred to as the "Grantor", and [Insert Name of Trustee] incorporated in the State of _____ the "Trustee".

WHEREAS, the U.S. Nuclear Regulatory Commission (NRC), an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954 as amended (AEA), has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 30, 40, 50, or 70. These regulations require that a holder of, or an applicant for, a Part 30, 40, 50, or 70 license provide assurance that funds will be available when needed for required decommissioning activities; and

WHEREAS, the Grantor has elected to use letters of credit to provide all of such financial assurance for the facilities identified herein; and

WHEREAS, when payment is made under the letters of credit, this standby trust shall be used for the receipt of such payment; and

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

- (a) The term "Grantor" means the grantor, as or on behalf of the NRC licensee, who enters into this Agreement for the benefit of the NRC and any successors or assigns of the Grantor.
- (b) The term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

Section 2. Costs of Decommissioning. This Agreement pertains to the costs of decommissioning the materials and activities identified in the attached Schedule A issued pursuant to 10 CFR Part 30, 40, 50, or 70.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of the NRC. The Grantor and the Trustee intend that no third party has access to the Fund except as provided herein.

Section 4. Payments Constituting the Fund. Payments made to the Trustee for the Fund shall consist of cash and Eligible Securities. The Fund is initially unfunded. Payments made to the Trustee for the Fund shall consist of payments made by the issuer of the Irrevocable Letters of Credit pursuant to its terms, which are described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee are referred to as the "Fund", together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount of, or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the NRC.

Section 5. Payment for Required Activities Specified in the Plan. The Trustee shall make payments from the Fund to the Grantor upon presentation to the Trustee of the following:

- a. A certificate duly executed by the Secretary of the Grantor attesting to the occurrence of the events, and in the form set forth in the Specimen Certificate attached hereto as Schedule C, and
- b. A certificate executed by the Grantor attesting to the following conditions:
 - (1)(1) that decommissioning is proceeding pursuant to an NRC-approved plan.
 - (2) that the funds withdrawn will be expended for activities undertaken pursuant to that plan, and
 - (3) that the NRC has been given 30 days' prior notice of the Grantor's intent to withdraw funds from the Fund.

No withdrawal from the Fund can exceed 10% of the outstanding balance of the Funds applicable to a particular license, without written approval from the NRC.

In the event of a default or inability to direct decommissioning activities, the Trustee shall make payments from the Fund as the NRC shall direct in writing, to provide for the payment of the costs of required activities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC, or State agency, from the Fund for expenditures for required activities in such amounts as the NRC, or State agency, shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 6. Trust Management.

The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single Fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling and managing the Fund, the Trustee shall discharge its duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

- (a) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended (15 U.S.C. 80A-2(a)), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (b) The Trustee is authorized to invest the Fund in Eligible Securities as hereinafter defined. Eligible Securities shall be securities or other obligations of the Federal Government, i.e., GNMA, FNMA, and FHLM bonds and certificates or State and Municipal bonds rated BBB or higher by Standard & Poor's or Baa or higher by Moody's Investment Services.

Section 7. Express Powers of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

- (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary to allow duly authorized withdrawals or to reinvest in Eligible Securities at the direction of the Grantor.
- (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (c) To register any securities held in the Fund in the name of the Grantor, and to hold any security in bearer form or in book entry, to reinvest interest payments and funds from matured and redeemed instruments in Eligible Securities, to file proper forms concerning securities held in the Fund in a timely fashion with appropriate government agencies, or to deposit or arrange for the deposit of such securities in a qualified central depository, or to deposit or arrange for the deposit of any securities issued by the U.S. Government, or any agency or instrumentality thereof, with a Federal Reserve Bank in book entry form, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund.
- (d) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 8. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this standby trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 9. Annual Valuation. After payment has been made into the Fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the Fund, furnish to the Grantor and to the NRC a statement confirming the value of the Fund. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of the establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the NRC, or State agency, shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 10. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting on the advice of counsel.

Section 11. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 12. Successor Trustee. Upon 90 days notice to the NRC, or State agency, the Trustee may resign; upon 90 days notice to NRC, or State agency, and the Trustee, the

Grantor may replace the Trustee; but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the NRC or State agency, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 8.

Section 13. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are signatories to this Agreement or such other designees as the Grantor may designate in writing. The Trustee shall be fully protected in acting in accordance with such orders, requests and instructions. If the NRC or State agency issues orders, requests or instructions to the Trustee, these shall be in writing, signed by the NRC, or State agency, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the NRC, or State agency, hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or the NRC, or State agency, except as provided for herein.

Section 14. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee and the NRC, or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist.

Section 15. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 14, this trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC or State agency, or by the Trustee and the NRC or State agency, if the Grantor ceases to exist. Upon termination of the trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor or its successor.

Section 16. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this trust, or in carrying out any directions by the Grantor, the NRC, or State agency, issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 17. This Agreement shall be administered, construed, and enforced according to the laws of the State of _____.

Section 18. Interpretation and Severability. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement. 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 parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the date first written above.

ATTEST: **[INSERT NAME OF GRANTOR]**

_____ By: _____
Title: _____

ATTEST: **[INSERT NAME OF TRUSTEE]**

_____ By: _____
Title: _____

SCHEDULE A TO STANDBY TRUST AGREEMENT
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC CORPORATION
TRUST AGREEMENT SCHEDULE

NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE ¹ IN \$000
1	SNM-1107 Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM	31,984 ⁴
2	37-5809-01 Pump Repair Facility-EMD Cheswick Ave., Cheswick, PA 15024	Combined Materials	7,000 ⁴
3	37-5809-02 Industrial Radiography Facility Cheswick Avenue Cheswick, PA 15024	Byproduct	18 ⁴
4	SNM-1120 Plutonium Fuels Development Lab ² Cheswick Ave. Cheswick, PA 15024	SNM	25
5	SNM-770 Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Combined Materials	24,051 ⁴
6	TR-2 Westinghouse Test Reactor ³ Waltz Mill Site P.O. Box 158 Madison, PA 15663-0158	Part 50	13,948 ⁴
7	SNM-1460 Science and Technology Center (Hot Cells), Beulah Road Pittsburgh, PA 15235	Combined Materials	2,900 ⁴
8	SNM-47 Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,542 ⁴
9	37-00497-15 Forest Hills Site ⁵ P.O. Box 855 Pittsburgh, PA 15230-0855	Combined Materials	750
10	SMB-1527 Bloomfield, New Jersey ⁵ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Source Material	150
Totals			82,368 ⁶

1 Financial assurance values referenced in (10CFR 30.35, 40.36, 50.75 and 70.25).

2 Decommissioning completed.

3 This is possession only type license.

4 Decommissioning cost is based on an engineering study.

5 Under active decommissioning

6 Note total may change based on requirements at the actual time of submittal

SCHEDULE B TO STANDBY TRUST AGREEMENT

LISTING OF LETTERS OF CREDIT

<u>Date Entered</u> (1)	<u>Issuing Institution of Irrevocable Letter of Credit*</u>	<u>Amount</u>
April 9, 1993	Chemical Bank Delaware P.O. Box 8840 Wilmington, DE 19899	\$4,380,000.00
April 9, 1993	ABN AMRO Bank N.V. Pittsburgh Branch One PPG Place Suite 2950 Pittsburgh, PA 15222-5400	\$18,845,000.00
January 24, 1995	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$38,102,000.00
April 7, 1996	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$21,041,000.00
TOTAL		\$82,368,000.00

*Beneficiary of Letter of Credit is NRC

(1) Automatically renew after 12 months unless prior notice is given.

SCHEDULE C TO STANDBY TRUST AGREEMENT

SPECIMEN CERTIFICATE OF EVENTS

[Insert Name and Address of Trustee]

Attention: Corporate Trust Department

Gentlemen:

In accordance with the terms of the Agreement with you dated _____, 1997, I, _____ General Manager of [insert name of Grantor], hereby certify that the following events have occurred:

1. Westinghouse Electric Corporation is required to commence the decommissioning of its facility located at [insert location of facility] (hereinafter called the decommissioning).
2. The plans and procedures for the commencement and conduct of the decommissioning have been approved by the United States Nuclear Regulatory Commission, or its successor, on _____ (copy of approval attached).
3. The Board of Directors of Westinghouse Electric Corporation has adopted the attached resolution authorizing the commencement of the decommissioning.

By: _____

Name

Title

Date

Secretary

[SEAL]

SCHEDULE C (CONT.) TO STANDBY TRUST AGREEMENT

CERTIFICATE OF RESOLUTION

I, _____, do hereby certify that I am Secretary of Westinghouse Electric Corporation, a Pennsylvania Corporation, and that the resolution listed below was duly adopted at a meeting of this Corporations' Board of Directors on _____, 19__.

In WITNESS WHEREOF, I have hereunto signed by name and affixed the seal of this Corporation this _____ day of _____, 19__.

Secretary

RESOLVED, that this Board of Directors hereby authorizes the Chairman, or such other employee of the Company as he may designate, or such other employee of the Company as he may designate, to commence decommissioning activities at [insert name of facility] in accordance with the terms and conditions described to this Board of Directors at this meeting and with such other terms and conditions as the Chairman shall approve with and upon the advice of Counsel.

[FORM OF STANDBY LETTER OF CREDIT]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

\$ _____

Expiry: _____

U.S. Nuclear Regulatory Commission ("NRC")
Decommissioning and Regulatory Branch
Washington, D.C. 20555
Attention: Group Chief

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favor, at the request and for the account of _____, up to the aggregate amount of U.S. Dollars _____ and 00/100 available upon presentation of:

- 1) your sight draft, bearing reference to the Letter of Credit No. _____, and
- 2) your signed statement reading as follows: I certify that the amount of the draft is payable pursuant to regulations issued under the authority of the U.S. Nuclear Regulatory Commission.

This Letter of Credit is issued in accordance with regulations issued under the authority of the NRC, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974. The NRC has promulgated regulations in Title 10, Chapter 1 of the Code of Federal Regulations, Parts 30, 40, 50 or 70, (the "Applicable Regulations") which require that a holder of, or an applicant for, a license issued under the Applicable Regulations, provide assurance that funds will be available when needed for decommissioning.

This Letter of Credit is effective as of _____, 1997 and shall expire on _____, but such expiration date shall be automatically extended for a period of at least 1 year on _____ and on each successive expiration date, unless, at least 90 days before the current expiration date, we notify both you and _____, by certified mail, as shown on the signed return receipts.

If _____ is unable to secure alternative financial assurance to replace this letter of Credit within 30 days of notification of cancellation, the NRC may draw upon the full value of this Letter of Credit prior to cancellation.

The [Letter of Credit Bank] shall give immediate notice to _____ and the "NRC" of any notice received or action filed alleging (1) the insolvency or bankruptcy of the [Letter of Credit Bank], or (2) any violations of regulatory requirements that could result in suspension or revocation of the [Letter of Credit Bank's] charter.

The [Letter of Credit Bank] also shall give immediate notice if, for any reason, it becomes unable to fulfill it's obligations under the Letter of Credit No. _____.

Whenever this Letter of Credit is drawn on under and in compliance with the terms of this Letter of Credit, the [Letter of Credit Bank] shall duly honor such draft upon it's presentation to us within 30 days, and we shall deposit the amount of the draft directly into the Standby Trust Fund of _____ in accordance with the NRC's instructions.

Each draft must bear on it's face the clause: "Drawn under Letter of Credit No. _____ dated _____, 1997 and the total of this draft and all other drafts previously drawn under this Letter of Credit does not exceed \$ _____.

This Letter of Credit is subject to the Uniform Customs and practice for Documentary Credits (1993 Revision, International Chamber of Commerce, Paris, France, Publication No. 500).

[LETTER OF CREDIT BANK]

BY: _____

**LETTER OF WESTINGHOUSE ELECTRIC COMPANY
CONFIRMING AGREEMENT TO ASSUME COMMITMENTS,
RESPONSIBILITIES AND LIABILITIES**

EXHIBIT E

WESTINGHOUSE ELECTRIC COMPANY

11 Stanwix Street
Pittsburgh, Pennsylvania 15222-1384

August 15, 1997

U. S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Attention: Dr. Carl J. Paperiello, Director
Office of Nuclear Material Safety and Safeguards

Mr. Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Mr. Ronald D. Hauber, Director
Office of International Programs
Division of Nonproliferation, Exports and
Multilateral Relations

Mr. Charles J. Haughney, Acting Director
Spent Fuel Project Office

Mr. Hubert J. Miller, Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406-1415

Mr. Luis A. Reyes, Regional Administrator, Region II
U.S. Nuclear Regulatory Commission
Atlanta Federal Center, 23 T85
61 Forsyth Street, S.W.
Atlanta, GA 30303-3415

Re: Applications by Westinghouse Electric Corporation for Transfer of NRC
Licenses - Commitment to Assume Responsibilities and Liabilities

Gentlemen:

This letter is in reference to the applications of Westinghouse Electric Corporation, a corporation founded in 1886 under the laws of the Commonwealth of Pennsylvania ("Westinghouse" or "Westinghouse (1886)"), requesting the transfer and amendment of the

U.S. Nuclear Regulatory Commission
August 15, 1997
Page -2-

licenses, quality assurance program approvals, and the certificates of compliance (licenses, approvals and certificates) held by Westinghouse and issued by the U.S. Nuclear Regulatory Commission ("NRC") or certain Agreement States to a separate corporation currently called Westinghouse Electric Company ("WELCO"). The transfers and amendments are in connection with a series of transactions in which the Westinghouse (1886) industrial businesses, with the exception of its mobile transport refrigeration equipment business and certain other designated businesses, will be transferred to WELCO. WELCO was incorporated on July 17, 1997 as Westinghouse Power Company, was renamed Westinghouse Electric Company on August 13, 1997 and will be renamed Westinghouse Electric Corporation ("Westinghouse (1997)") on the closing date of the transactions. (Also on the closing date, the name of Westinghouse (1886) will be changed to CBS Corporation).

The purpose of this letter is to confirm that WELCO, as transferee of the licenses, approvals and certificates, agrees to assume the commitments, responsibilities and liabilities attendant to the facilities being transferred, and more specifically agrees to:

1. Abide by all commitments and representations previously made to the NRC or the applicable Agreement State by Westinghouse (1886), including but not limited to: maintaining decommissioning records required by 10 CFR 30.35(g), 40.36(f), 50.75(g), and 70.25(g), implementing decontamination activities and decommissioning of the facilities and sites being transferred; and maintaining financial assurance mechanisms for decommissioning;
2. Accept full liability for decommissioning and decontamination of the facilities and sites being transferred, including maintaining adequate resources to fund decommissioning as required by the NRC or the applicable Agreement State. As of the closing date, adequate resources to fund decommissioning will be provided by a Standby Trust Agreement with Associated Standby Letters of Credit in amounts necessary to comply with NRC regulatory requirements. (See Westinghouse Applications and Exhibits C and D thereto);
3. Accept full responsibility for all open NRC or applicable Agreement State inspection items, including completion of related corrective actions, and/or any resulting enforcement actions; and

U.S. Nuclear Regulatory Commission
August 15, 1997
Page -3-

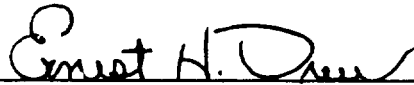
4. Abide by all constraints, conditions, requirements, representations, and commitments identified in the existing licenses, quality assurance program approvals, and certificates of compliance issued by the NRC or the applicable Agreement State.

Should there be any questions regarding our commitments as transferee of the licenses, approvals and certificates, please contact:

Mr. A. Joseph Nardi, License Administrator
Regulatory Affairs
Energy Systems Business Unit
Telephone: (412) 374-4652
Fax: (412) 374-3357
E-Mail: nardiaj@westinghouse.com

Very truly yours,

WESTINGHOUSE ELECTRIC COMPANY

By: 
Ernest H. Drew
President and Chief Executive Officer

**WESTINGHOUSE ELECTRIC CORPORATION AND
WESTINGHOUSE ELECTRIC COMPANY
MEMORANDUM OF UNDERSTANDING
REGARDING TRANSFERS
AND AMENDMENTS,
RESPONSIBILITIES AND LIABILITIES**

EXHIBIT F

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING entered into this 15th day of August, 1997 between the Westinghouse Electric Corporation, a corporation founded in 1886 under the laws of the Commonwealth of Pennsylvania ("Westinghouse" or "Westinghouse (1886)") and Westinghouse Electric Company, a corporation incorporated in 1997 under the laws of the Commonwealth of Pennsylvania ("WELCO").

WHEREAS in connection with a planned series of transactions, Westinghouse (1886) will transfer certain of its industrial businesses to WELCO, a newly formed separate company; and

WHEREAS the name of Westinghouse Electric Company will be changed to Westinghouse Electric Corporation ("Westinghouse (1997)") on the closing date of the transactions effecting the aforesaid transfer (and the name of Westinghouse (1886) will be changed to CBS Corporation); and

WHEREAS, in connection with the transfer, Westinghouse (1886) intends to file applications to transfer and amend those U. S. Nuclear Regulatory Commission ("NRC") and Agreement State licenses, quality assurance program approvals, certificates of compliance and other NRC approvals ("licenses, approvals and certificates") held by Westinghouse (1886) and related to the industrial businesses being transferred¹ to Westinghouse (1997);

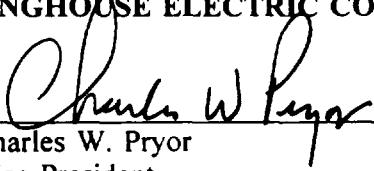
¹ A Westinghouse (1886) subsidiary, Bay County Energy Systems, Inc., which manages the operation of the Bay County Resource Recovery Facility, will not be transferred to WELCO and will continue to hold an Agreement State materials license (sealed source) issued by the State of Florida.

NOW THEREFORE, in connection with the applications for transfer of licenses to be filed with the NRC and applicable Agreement States, Westinghouse (1886) and WELCO jointly:

1. Agree to (i) the transfer and amendment of the licenses, approvals and certificates, issued by the NRC or Agreement States, currently held by Westinghouse (1886), and related to the industrial businesses being transferred from Westinghouse (1886) to WELCO, (ii) the change in ownership and control of the licensed activities and (iii) the conditions of the transfers;
2. Stipulate that Westinghouse (1886) has made WELCO aware of all currently open NRC or Agreement State inspection items and the responsibility of WELCO for possible enforcement actions thereunder upon the transfer of the licenses; and that WELCO is so informed; and
3. Agree that Westinghouse (1886) will make Westinghouse (1997) aware of all open inspection items as of the closing date and the responsibility of Westinghouse (1997) for possible enforcement actions thereunder; and that Westinghouse (1997) will be so informed.

WESTINGHOUSE ELECTRIC CORPORATION

By: _____


Charles W. Pryor
Vice President

WESTINGHOUSE ELECTRIC COMPANY

By: _____


Ernest H. Drew
President and Chief Executive Officer