



30-03244
30-06134
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50-02

Westinghouse Electric Company,
a division of CBS Corporation

Energy Systems

Box 355
Pittsburgh Pennsylvania 15230-0355

July 10, 1998

RA-98-039

70-0048
70-0698
70-1.3
70-1.51
70-1523

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

Attention: Mr. Louis Bykoski

Subject: Resubmitted Financial Assurance Mechanism for Decommissioning

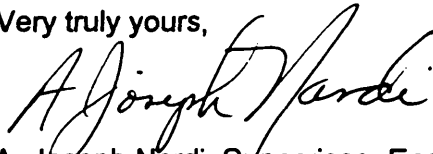
Dear Mr. Bykoski:

The Westinghouse Electric Company, a division of CBS Corporation ("Westinghouse") hereby transmits the attached Amendment Number 3 to the Standby Trust Agreement. Westinghouse understands that a duplicate letter of credit has already been transmitted directly to you by the Toronto Dominion Bank. These two transmittals complete the information necessary to complete the actions that were intended to be taken by the Westinghouse letter dated February 20, 1998 which apparently has been lost in the mail. To complete the official records, attached is a copy of that original submittal.

In addition to your copy of the signed original, enclosed are two additional copies of Amendment No. 3 to the Standby Trust Agreement. Please have an appropriate agency official execute these documents, and return two of the copies to me for our files and the files of the Trustee bank.

If you have any questions concerning this transmittal, please contact me at the above address or by telephone at (412) 374-4652.

Very truly yours,


A. Joseph Nardi, Supervisory Engineer
Energy Systems, Regulatory Affairs

Attachments

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PDR ADOCK 05000022
I PDR

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N410



Westinghouse Electric Company,
a division of CBS Corporation

Energy Systems

Box 355
Pittsburgh Pennsylvania 15230-0355

RA-98-017

February 20, 1998

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

Attention: Director, Office of Nuclear Material Safety and Safeguards

Subject: Revised Financial Assurance Mechanism for Decommissioning

Dear Sir:

The Westinghouse Electric Company, a division of CBS Corporation ("Westinghouse") 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 September 26, 1997. The financial instrument being used by Westinghouse to reflect the increase in the Financial Assurance Mechanism is an increase to an existing letter of credit with an associated amendment to the existing standby trust agreement. 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 increased decommissioning financial assurance amount, as reflected in the revised standby letter of credit, is the net effect associated with three (3) changes that are being made in the overall Westinghouse decommissioning financial assurance amount. These changes incorporate an additional 25% contingency factor in the cost estimates for License Number SNM-47, SNM-1107, and SNM-1460. This action is being taken in response to NRC reviews of the cost estimates submitted for Licenses SNM-1107 and SNM-1460 along with a requested License Amendment to incorporate License SNM-47 into License SNM-1460. The cumulative effect of these changes is to increase the overall amount of financial assurance required for Westinghouse by an amount of \$11,098,000.

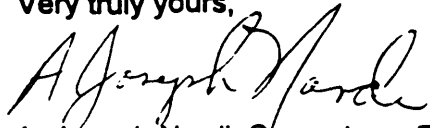
This revised submittal includes the following attachments: Continuing Certification of Financial Assurance (Attachment 1); Amendment No. 3 to Standby Trust Agreement (Attachment 2); a new Standby Letter of Credit in the amount of \$11,098,000.00 (Attachment 3); and the Westinghouse Certification of Authorized Signature (Attachment 4). Included in Attachment 1 is a revised identification of the specific NRC licenses held by Westinghouse.

Also enclosed are two copies of Amendment No. 3 to the Standby Trust Agreement. Please have an appropriate agency official execute these documents, as well as the NRC's original of the Amendment No. 3 to the Standby Trust Agreement (Attachment 2) which forms a part of this submittal, and return the two copies to me for our files and the files of the Trustee bank.

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PDR ADOCK 05000022
I PDR

If you have any questions concerning this transmittal, please contact me at the above address or by telephone at (412) 374-4652.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. Joseph Nardi".

A. Joseph Nardi, Supervisory Engineer
Energy Systems, Regulatory Affairs

/sif

Attachments

ATTACHMENT 1

**CONTINUING CERTIFICATION
OF FINANCIAL ASSURANCE**

ATTACHMENT 1

CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Westinghouse Electric Company, a division of CBS Corporation
Energy Center Site
4350 Northern Pike
Monroeville, PA 15146-2886

Mailing address for correspondence regarding this matter:

Westinghouse Electric Company
PO Box 355
Pittsburgh PA 15230

Attention: Mr. A. Joseph Nardi

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 Company, a division of CBS 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 \$101,427,000, an increase of \$11,098,000 over previous financial assurance amounts.

Sincerely,



Charles W. Pryor Jr., President
Westinghouse Electric Company,
a division of CBS Corporation

ATTACHMENT 1
LISTING OF NRC LICENSES FOR WESTINGHOUSE ELECTRIC COMPANY
CONTINUING CERTIFICATION OF FINANCIAL ASSURANCE

	NRC LICENSE NUMBER	FACILITY LOCATION AND ADDRESS	TYPE OF LICENSE	FINANCIAL ASSURANCE VALUE IN \$000
1	SNM-1107	Nuclear Fuel Fabrication Bluff Road, Columbia, SC 29250	SNM	50,780 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	2,777 ⁴
8	SNM-47	Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,928 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				101,427

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.

01/98

ATTACHMENT 2

**EXECUTED COPY OF AMENDMENT NO. 3
TO STANDBY TRUST AGREEMENT**

**AMENDMENT NO. 3 TO
STANDBY TRUST AGREEMENT**

This Amendment No. 3 to Standby Trust Agreement ("Amendment No. 3") is entered into as of February 6, 1998 by and between CBS Corporation, a Pennsylvania corporation ("Grantor") and Dai-ichi Kangyo Trust Company of New York, incorporated in the State of New York ("Trustee").

RECITALS

WHEREAS, the original Standby Trust Agreement was entered into as of April 7, 1996 by and between Westinghouse Electric Corporation, a Pennsylvania corporation and Dai-ichi Kangyo Trust Company of New York, incorporated in the State of New York (the "Standby Trust Agreement"); and such Standby Trust Agreement was subsequently amended by the parties by Amendment No. 1 dated January 1997 and by Amendment No. 2 dated September 1997; and

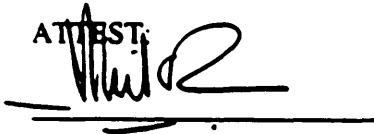
WHEREAS, the Grantor, Westinghouse Electric Corporation, changed its corporate name to CBS Corporation effective as of December 1, 1997; and Grantor desires to reflect such name change in the Standby Trust Agreement, as previously amended and as further amended by this Amendment No. 3.

NOW THEREFORE, for good and valuable consideration and intending to be legally bound, the parties further amend the Standby Trust Agreement as follows:

- 1) The Schedule A submitted with the Standby Trust Agreement and as last amended by Amendment No. 2 is replaced with the Schedule A attached to this Amendment No. 3.
- 2) The Schedule B submitted with the Standby Trust Agreement and as last amended by Amendment No. 2 is replaced with the Schedule B attached to this Amendment No. 3.
- 3) Except as set forth herein, the Standby Trust Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 3 to the Standby Trust Agreement to be executed by their respective duly authorized officers as of the date first noted above.


ATTEST:



CBS 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 COMPANY
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	50,780 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	2,777 ⁴
8	SNM-47	Science and Technology Center Beulah Road Pittsburgh, PA 15235	Combined Materials	1,928 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				101,427

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.

01/98

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
September 15, 1997	Dai-Ichi Kangyo Bank 1 World Trade Center 49 th Floor New York, NY 10048	\$7,961,000.00
February 6, 1998	The Toronto-Dominion Bank Three First National Plaza 70 West Madison Street Suite 1900 Chicago, IL 60602	\$11,098,000.00
TOTAL		\$101,427,000.00

*Beneficiary of Letter of Credit is NRC

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

ATTACHMENT 3
STANDBY LETTER OF CREDIT

The Toronto-Dominion Bank

909 Fannin, Suite 1700
Houston, Texas 77010
(713) 653-8200

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

\$11,098,000.00

Expiry: February 6, 1999

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. 1484 in your favor, at the request and for the account of Westinghouse Electric Company, 11 Stanwix Street, Pittsburgh, PA 15222, up to the aggregate amount of U.S. Dollars Eleven Million Ninety Eight Thousand and 00/100 available upon presentation of:

- 1) your sight draft, bearing reference to the Letter of Credit No. [REDACTED], 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 February 6, 1998 and shall expire on February 6, 1999, but such expiration date shall be automatically extended for a period of at least 1 year on February 6, 1999 and on each successive expiration date, unless, at least 90 days before the current expiration date, we notify both you and Westinghouse Electric Company, by certified mail, as shown on the signed return receipts.

If Westinghouse Electric Company 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 Westinghouse Electric Company 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.

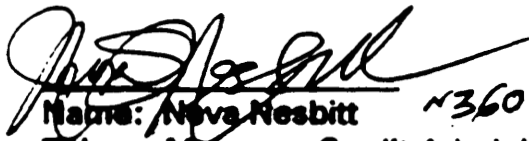
The Toronto-Dominion Bank also shall give immediate notice if for any reason, it becomes unable to fulfill its obligations under the Letter of Credit No. [REDACTED].

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 Company in accordance with the NRC's instructions.

Each draft must bear on its face the clause: "Drawn under Letter of Credit No. [REDACTED] dated February 6, 1998 and the total of this draft and all other drafts previously drawn under this Letter of Credit does not exceed \$11,098,000.00."

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: Neva Nesbitt ~360
Title: Manager, Credit Administration

By: 
Name: Jorge Garcia
Title: Manager, Credit Administration

ATTACHMENT 4

**WESTINGHOUSE CERTIFICATION OF
AUTHORIZED SIGNATURE**

EXTRACT FROM MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CBS CORPORATION
(formerly Westinghouse Electric Corporation)
HELD ON APRIL 30, 1997

RESOLVED, that, effective May 1, 1997, the Chairman, the Vice Chairman, the Chief Executive Officer, the President, each Vice President, the Treasurer, and the Secretary of the Company are, and each of them individually is, hereby authorized, in the name and on behalf of the Company, in the ordinary conduct of the Company's business, (A) to sign, execute, deliver and bind the Company with respect to: (i) all contracts, agreements, instruments, 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 Company, 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 Company may have in any corporation, partnership, joint venture or other entity or association;

RESOLVED, that with respect to any exercise by a specified officer or officers of the Company of the signature and/or voting authority granted in the preceding resolution, the Secretary (if he or she shall not sign the document) is hereby authorized to attest to any such signature and/or to affix the corporate seal to any such document or instrument;

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 (provided that none of the above-specified officers shall have any authority to bind the Company 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), and that a copy of every delegation or change in a previous delegation made pursuant to this resolution shall be submitted to the General Counsel of the Company promptly after the delegation or change has occurred;

RESOLVED, that with respect to any exercise by a specified officer or officers of the Company of the signature and/or voting authority granted in the first of the preceding three resolutions, any Assistant Secretary is hereby authorized to attest to any such signature and/or to affix the corporate seal to any such document or instrument;

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

RESOLVED, that none of the authority granted in the above resolutions shall 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; and

RESOLVED, that the signature, voting and other 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, voting or other authority by the Board of Directors.

I, CAROL L. McADAMS, Assistant Secretary of CBS 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 Company held on April 30, 1997, at which meeting a quorum was present and which resolutions are still in full force and effect.

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

Dated: January 16, 1998


Assistant Secretary