



40-08976

Westinghouse
Electric Corporation

P.O. Box 355
Pittsburgh, PA 15230-0355

September 26, 1997

RA-97-061

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

References: 1) Westinghouse letter dated August 29, 1997 (RA-97-058) from A. J. Nardi to USNRC, Region I, Application for Renewal of License SNM-1460.
2) Westinghouse letter dated August 29, 1997 (RA-97-057) from A. J. Nardi to USNRC, HQ, Decommissioning Cost for License SNM-1107.

Dear Sir:

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 6, 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 two (2) changes that are being made in the overall Westinghouse decommissioning financial assurance amount. The first change is to decrease the financial assurance amount applicable to License Number SNM-1460 to reflect the preparation of an updated cost estimate for decommissioning which reduces the financial assurance amount by \$679,000. This action is being taken as part of the application for renewal of that license. The second change is to update the financial assurance amount associated with License Number SNM-1107. This action is being taken as part of the routine triennial update of the decommissioning cost estimate for that license which increases the financial assurance amount by \$8,640,000. The cumulative effect of these two changes is to increase the overall amount of financial assurance required for Westinghouse by an amount of \$7,961,000.

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PDR ADOCK 04008976
C PDR

This revised submittal includes the following attachments: Continuing Certification of Financial Assurance (Attachment 1); Amendment No. 2 to Standby Trust Agreement (Attachment 2); a new Standby Letter of Credit in the amount of \$7,961,000 (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. The revised decommissioning cost estimates for Licenses Number SNM-1460 and SNM-1107 were submitted by References 1 and 2 respectively.

Also enclosed are two additional originals of Amendment No. 2 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. 2 to the Standby Trust Agreement (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.

If you have any questions concerning this transmittal, please contact me at (412) 374-4652.

Very truly yours,

A handwritten signature in cursive script that reads "A. Joseph Nardi".

A. Joseph Nardi, Supervisory Engineer
ESBU Regulatory Affairs

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

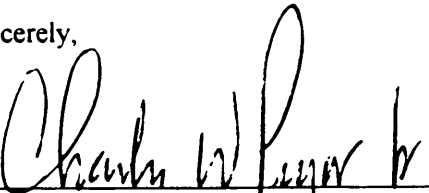
NRC license numbers, name and address of each facility:

See 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 \$90,329,000, an increase of \$7,961,000 over previous financial assurance amounts.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles W. Pryor", is written over a horizontal line.

Charles W. Pryor, President
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	40,624 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	2,221 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				90,329

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.

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ATTACHMENT 2

**EXECUTED COPY OF AMENDMENT NO. 2
TO STANDBY TRUST AGREEMENT**

**AMENDMENT NO. 2 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, and amended by Amendment No. 1 hereto dated January 1997, the "Trustee" is hereby further amended as follows:

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

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

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to the Standby Trust Agreement to be executed by their respective duly authorized officers as of this ____ day of September, 1997.

ATTEST:



WESTINGHOUSE ELECTRIC CORPORATION

By: _____


C. E. Morf

Vice President & Treasurer

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
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10	SMB-1527	Bloomfield, New Jersey ⁵ P. O. Box 127 1 Westinghouse Plaza Bloomfield, NJ 07003	Source Material	150
Totals				90,329

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	\$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
TOTAL		\$90,329,000.00

*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 DAI-ICHI KANGYO BANK, LTD.

NEW YORK BRANCH

ONE WORLD TRADE CENTER, SUITE 4911, NEW YORK, NEW YORK 10048, U.S.A.

September 15, 1997

If Westinghouse Electric Corporation is unable to secure alternative financial assurance to replace this Letter of Credit within thirty (30) days of notification of non-renewal, the NRC may draw upon any unused portion of this Letter of Credit prior to the then expiration date.

The Dai-Ichi Kangyo Bank, Ltd., New York Branch shall give immediate notice to Westinghouse Electric Corporation, and the NRC of any notice received or action filed alleging (1) the insolvency or bankruptcy of The Dai-Ichi Kangyo Bank, Ltd., New York Branch, or (2) any violation of regulatory requirements that could result in suspension or revocation of The Dai-Ichi Kangyo Bank, Ltd., New York Branch's Charter.

The Dai-Ichi Kangyo Bank, Ltd., New York Branch also shall give immediate notice to Westinghouse Electric Corporation and the NRC, if, for any reason, we become unable to fulfill our obligations under the Irrevocable Standby Letter of Credit No. SDC-027612.

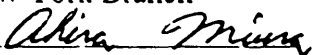
We hereby engage with you that draft(s) and documents drawn under and in compliance with the terms and conditions of this Standby Letter of Credit will be duly honored upon presentation, as specified to The Dai-Ichi Kangyo Bank, Ltd., New York Branch, One World Trade Center, Suite 4911, New York, NY 10048, Attention: Loan Operations Department, 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 NCR's instructions.

Each draft must bear on its face the clause: "Drawn under The Dai-Ichi Kangyo Bank, Ltd., New York Branch, One World Trade Center, Suite 4911, New York, NY 10048, Irrevocable Standby Letter of Credit No. SDC-027612 dated September 15, 1997" and the total of this draft and all other drafts previously drawn under this Letter of Credit does not exceed US\$7,961,000.00.

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

Very truly yours,

The Dai-Ichi Kangyo Bank Ltd.,
New York Branch


Akira Miura

Vice President & Department Head
Loan Administration Department

THE DAI-ICHI KANGYO BANK, LTD.

NEW YORK BRANCH

ONE WORLD TRADE CENTER, SUITE 4911, NEW YORK, NEW YORK 10048, U.S.A.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [REDACTED]

Date: September 15, 1997

U. S. Nuclear Regulatory Commission, ("NRC")
Decommissioning and Regulatory Branch
Washington, DC 20555
Attn: Group Chief

US\$7,961,000.00

Expiration Date: September 15, 1998

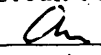
Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. [REDACTED], in your favor, at the request and for the account of Westinghouse Electric Corporation, up to the aggregate amount of US\$7,961,000.00 (Seven Million, Nine Hundred Sixty One Thousand and 00/100 U.S. Dollars), available upon presentation of:

- 1) Your sight draft(s) drawn on The Dai-Ichi Kangyo Bank Ltd., New York Branch, One World Trade Center, Suite 4911, New York, New York 10048, bearing our Irrevocable Standby Letter of Credit No. SDC-027612, 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 Irrevocable Standby Letter of Credit is effective as of September 15, 1997, and shall expire on September 15, 1998, but such expiration date shall be automatically extended, for additional periods of at least one (1) year on September 15, 1998 and on each successive expiration date, unless, at least ninety (90) days before the current expiration date, we notify both you and Westinghouse Electric Corporation, by certified mail with return-receipt requested that we have decided not to extend this Letter of Credit beyond the current expiration date.


Initial required

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PDR ADDCK 04008976
C PDR

ATTACHMENT 4

**WESTINGHOUSE CERTIFICATION OF
AUTHORIZED SIGNATURE**

EXTRACT FROM MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
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 Article 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;

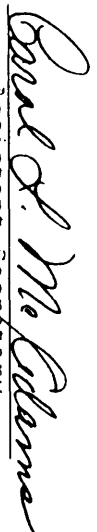
RESOLVED, that none of the authority granted in the above resolutions shall constitute a delegation of, or change in, the limits of authority otherwise imposed on the specified officers or their delegates or on the specified assistant officers or in any manner be permitted to operate in derogation of 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 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 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: September 5, 1997


Assistant Secretary

WESTINGHOUSE ELECTRIC CORPORATION

Certification as to Officers

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

Michael H. Jordan	Chairman and Chief Executive Officer
J. Phillip Adams	Vice President
John D. Bergen	Vice President
Lawrence D. Bridge	Vice President
Louis J. Briskman	Vice President
Joseph J. Colosimo	Vice President
James A. DePalma	Vice President
Joseph T. Doyle	Vice President
Ernest H. Drew	Vice President
James L. Gallagher	Vice President
Richard J. Hadala	Vice President
John F. Hay	Vice President
Mel Karmazin	Vice President
Aristides Melissaratos	Vice President
Claudia E. Morf	Vice President and Treasurer
Samuel R. Pitts	Vice President
Charles W. Pryor, Jr.	Vice President
Fredric G. Reynolds	Vice President
Carol V. Savage	Vice President
Angeline C. Straka	Vice President and Secretary
James F. Watson	Vice President
David Zemelman	Vice President
Randy H. Zwirn	Vice President

Matthew W. A. Alan	Assistant Secretary
Vicki L. Baker	Assistant Secretary
David A. Brakoniecki	Assistant Secretary
Louis J. Briskman	Assistant Secretary
Vernon J. Carpenter	Assistant Secretary
Paul W. Cavanaugh	Assistant Secretary
Mark H. Charles	Assistant Secretary
Jane R. Cottrell	Assistant Secretary
Charles L. Davis	Assistant Secretary
Janice A. Fall	Assistant Secretary
Stephen A. Hildebrandt	Assistant Secretary
Michael W. Huber	Assistant Secretary
Edwin F. Kuna	Assistant Secretary
Carol L. McAdams	Assistant Secretary
Martin P. Messinger	Assistant Secretary
Lloyd W. Patross	Assistant Secretary
Robert D. Pietrala	Assistant Secretary
James M. Plasynski	Assistant Secretary
David H. Posy	Assistant Secretary
Christopher J. Ranck	Assistant Secretary
Michael T. Sweeney	Assistant Secretary

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

Dated: September 5, 1997


Assistant Secretary