

October 18, 1996

Mr. D. K. Sgarlata, Manager  
Health & Safety and Licensing  
Babcock & Wilcox Company  
Pennsylvania Nuclear Service Operations  
R.D. 1, Box 355  
Vandergrift, Pennsylvania 15690

SUBJECT: AMENDMENT DATED JULY 29, 1994, TO STANDBY TRUST AGREEMENT  
DATED JULY 24, 1990

Dear Mr. Sgarlata:

As we discussed, enclosed are three originals of the amendment dated July 29, 1994, to the Standby Trust Agreement dated July 24, 1990, signed by Mr. Robert C. Pierson, Chief, Licensing Branch. In order to complete our evaluation of your Financial Assurance Instruments, we need a certified true copy of your Standby Trust Agreement dated July 24, 1990, and one executed original of the amendment dated July 29, 1994, to the Standby Trust Agreement.

If you have any questions on this matter, please contact me at (301) 415-8139.

Sincerely,

Original signed by:

Michael Lamastra  
Licensing Section 2  
Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

Dockets: 70-364 30-5693  
70-27 40-8474  
70-28 70-135

Enclosure: As stated (3)

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NAME	MLamastra		PShea <i>W</i>	MTokar <i>W</i>	
DATE	10/18/96		10/18/96	10/16/96	

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PDR ADOCK 03005693  
C PDR

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UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

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If you have any questions on this matter, please contact me at (301) 415-8139.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Lamastra", is written over a horizontal line.

Michael Lamastra  
Licensing Section 2  
Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

Dockets: 70-364 30-5693  
70-27 40-8474  
70-28 70-135

Enclosure: As stated (3)

**AMENDMENT TO STANDBY TRUST AGREEMENT  
DATED JULY 24, 1990**

WHEREAS, on July 24, 1990, THE BABCOCK & WILCOX COMPANY, herein referred to as the "Grantor" and MORGAN GUARANTY TRUST COMPANY OF NEW YORK, the "Trustee" entered into a STANDBY TRUST AGREEMENT for the benefit of the U.S. Nuclear Regulatory Commission (NRC); and

WHEREAS, the Guarantor has now elected to use Letters of Credit to provide assurance that funds will be available when needed for required decommissioning activities;

NOW THEREFORE, the Grantor and the Trustee and the NRC agree to amend the STANDBY TRUST AGREEMENT, effective as of the 29th day of July, 1994, as follows:

- 1) DELETE from the STANDBY TRUST AGREEMENT the words on page 1: "Parent Guarantee" wherever they appear and
- 2) REPLACE with the words "Letter of Credit".
- 3) Schedule A is REPLACED in its entirety by the attached Schedule A.

IN WITNESS WHEREOF the parties have caused this Amendment to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the 29 day of July, 1994.

ATTEST:

*Janie Hingle*  
Asst Corp Sec

THE BABCOCK & WILCOX COMPANY

By: *Brock A. Hattox*  
Senior Vice President and  
Chief Financial Officer

NUCLEAR REGULATORY COMMISSION

By: *Art C. Brown*  
Title:

MORGAN GUARANTY TRUST OF NEW YORK

By: M. J. Fahey  
Vice President

*Carrie Brown*  
CARIE BROWN  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires March 15 1995  
ATTEST:

SCHEDULE A  
BABCOCK & WILCOX COMPANY

LICENSEE	FACILITY	ADDRESS	LICENSE #	CURRENT COST ESTIMATE (000 'S)
The Babcock & Wilcox Company	Pennsylvania Nuclear Service Operations (Apollo)	609 N. Warren Ave. Apollo, PA 15613	SNM-145	Complete <sup>1</sup>
"	Pennsylvania Nuclear Service Operations (Parks Township)	"	SNM-414	\$2,000 <sup>2</sup>
"	Lynchburg Service Operations Laboratory	P. O. Box 11165 Lynchburg, VA 24506	SNM-778	\$5,526
"	Alliance Research Laboratory	1562 Beacon Street Alliance, OH 44601	SNM-30  BPM-34- 03043-03  SUB-1259	\$896 <sup>3</sup>
"	Naval Nuclear Fuel Division	P. O. Box 785 Lynchburg, VA 24505	SNM-42	\$3,306 <sup>4</sup>
				\$11,728 TOTAL

1. Decontamination & Decommissioning work is essentially finished.
2. Interim estimate. Refer to R. V. Carlson letter to Elinor Adensam, Dated April 30, 1993.
3. Decommissioning Plan with cost estimate has been submitted to Region Office.
4. Fifty percent of current cost estimate for Research & Test Reactor Fuel Element (RTRFE) portion. Refer to A. F. Olsen letter to J. W. N. Hickey, dated October 30, 1992.

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- 2) REPLACE with the words "Letter of Credit".
- 3) Schedule A is REPLACED in its entirety by the attached Schedule A.

IN WITNESS WHEREOF the parties have caused this Amendment to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the 29 day of July, 1994.

ATTEST:

*Janice Single*  
Asst. Corp. Sec.

THE BABCOCK & WILCOX COMPANY

By: *Brock A. Hattox*  
Senior Vice President and  
Chief Financial Officer

NUCLEAR REGULATORY COMMISSION

By: \_\_\_\_\_  
Title:

*Ant C. P...*

ATTEST:

*Carrie Brown*  
CARRIE BROWN  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires March 15, 1999

MORGAN GUARANTY TRUST OF NEW YORK

By: M. J. Fahey  
Vice President

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- 2) REPLACE with the words "Letter of Credit".
- 3) Schedule A is REPLACED in its entirety by the attached Schedule A.

IN WITNESS WHEREOF the parties have caused this Amendment to be executed by the respective officers duly authorized and the incorporate seals to be hereto affixed and attested as of the 29 day of July, 1994.

ATTEST:

THE BABCOCK & WILCOX COMPANY

*Jamie Hingle*  
Asst. Corp. Sec.

*[Signature]*  
By: Brock A. Hattox  
Senior Vice President and  
Chief Financial Officer

NUCLEAR REGULATORY COMMISSION

By:  
Title:

MORGAN GUARANTY TRUST OF NEW YORK

By: M. J. Fahey  
Vice President

*[Signature]*  
CARRIE BROWN  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires March 15, 1999

ATTEST:



SCHEDULE A  
BABCOCK & WILCOX COMPANY

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