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# Veeco Accord In Fuel Case Is Approved

By Elliott Cooper  
Times-Dispatch  
Business Editor

U. S. District Judge Robert R. Merhige Jr. approved late yesterday afternoon the final terms of the agreements settling the uranium contract litigation involving Westinghouse Electric Corp. and Virginia Electric and Power Co.

The companies had announced an agreement in principle April 16 to resolve their 4-year-old dispute that arose when Westinghouse canceled three uranium supply contracts it had with Veeco involving more than 14 million pounds of uranium.

As reported previously, Veeco said the settlement provides for the payment of cash, uranium deliveries and goods and services having a present value to the utility of more than \$380 million.

"This sum is equal to the value of the uranium contracts under litigation if they had been fully performed by Westinghouse," Veeco said.

The specific terms of the settlement were approved by Veeco's board of directors several hours before the final order dismissing the case was signed by Merhige.

In addition to a cash payment having a present value of \$129 million, Veeco will receive 7.5 million pounds of uranium from Westinghouse between 1980 and 1984 with a present value to the utility of about \$150 million.

The settlement also stipulates that Veeco may receive cash payments whose present value of up to \$48 million from Westinghouse out of any proceeds it might receive if it is successful in its pending antitrust suit against members of the uranium cartel.

Westinghouse estimated that the pretax cost of its current and future obligations to Veeco as a result of the settlement is approximately \$202.2 million. This will be accounted for, the company said, as an extraordinary item in the second quarter.

As part of the uranium settlement, the companies also completed their previously announced plans to resolve a dis-

pute over repairs to the steam generators at the Surry power station. Westinghouse had built the turbine generator equipment which Veeco now is having to replace at the plant.

"This agreement provides for recovery from Westinghouse of cash and goods and services of over \$32 million," Veeco said. "This is equivalent to about 35 percent of the cost of repairs to the steam generators and turbine generator."

While the turbine generator settlement was less than 100 cents on the dollar, Veeco said Dean William B. Spang Jr. of the College of William and Mary's law school had found the terms to be fair and equitable to both the utility and to Westinghouse. Spang has served as Merhige's special settlement negotiator in the uranium contract litigation.

With the judge's signature on the Veeco settlement, six of the 10 individual lawsuits that went to trial in September 1977 have been resolved. The four plaintiffs who have not settled are scheduled to begin the damages phase of their trial Oct. 1. The damages case had been set to start in mid-July, but was postponed for 2½ months because of a conflict in Merhige's schedule.

Asked at the conclusion of the hearing about the settlement prospects for Northeast Utilities, Long Island Lighting Co., South Carolina Electric and Gas Co. and Florida Power and Light Co., Spang said he remained hopeful that they could be resolved before the damages trial is scheduled to begin.