



Barry
IRA

UNDERWRITING DEPARTMENT
John L. Quattrocchi, Senior Vice President

November 3, 2000

11/08
G.C.

Mr. Samuel L. Collins, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

SENT VIA FAX AND MAIL

Re: **Nuclear Liability Insurance**
Entergy Nuclear FitzPatrick, LLC
Entergy Nuclear Indian Point 3, LLC
Entergy Nuclear Operations, Inc. (Operator)

THIS LETTER SUPERSEDES MY LETTER DATED SEPTEMBER 15, 2000

Dear Mr. Collins:

Please accept this letter as confirmation that American Nuclear Insurers will write nuclear liability insurance for Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Operations, Inc. covering the James A. FitzPatrick nuclear station and for Entergy Nuclear Indian Point 3, LLC and Entergy Nuclear Operations, Inc. covering the Indian Point 3 nuclear station. The insurance will be effective coincident with the acquisition of these stations from the Power Authority of the State of New York. This insurance is being purchased to satisfy the requirements for primary and secondary financial protection as set forth in Section 170b. of the Atomic Energy Act of 1954, as amended.

Effective on the closing date of the transactions, the insurance policies and certificates issued by Nuclear Energy Liability Insurance Association (NELIA) which are currently in effect for the Power Authority of the State of New York will be amended as follows:

James A. FitzPatrick Nuclear Station

Facility Form No. NF-0208 - the Named Insured will be amended to: Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Operations, Inc. The Operator of the Facility will be amended to: Entergy Nuclear Operations, Inc.

Certificate No. NW-0589 to the Master Worker Policy (Facility Worker Form) - the Named Insured will be amended to read: Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Operations, Inc. The Operator of the Facility will be amended to: Entergy Nuclear Operations, Inc.

Certificate No. N-0047 to the Secondary Financial Protection (SFP) Master Policy - the Named Insured will be amended to: Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Operations, Inc. Both entities will be added to the Bond For Payment of Retrospective Premiums.

MOU

Mr. Samuel L. Collins, Director
November 3, 2000
Page 2

Indian Point 3 Nuclear Station

Facility Form No. NF-0100 - the Named Insured will be amended to: Consolidated Edison Company of New York, Inc., Entergy Nuclear Indian Point 3, LLC and Entergy Nuclear Operations, Inc. The Operator of the Facility will be amended to: Consolidated Edison Company of New York, Inc. and Entergy Nuclear Operations, Inc.

Certificate No. NW-0530 to the Master Worker Policy (Facility Worker Form) - the Named Insured will be amended to: Entergy Nuclear Indian Point 3, LLC and Entergy Nuclear Operations, Inc. The Operator of the Facility will be amended to: Entergy Nuclear Operations, Inc.

Certificate No. N-0007 to the Secondary Financial Protection (SPF) Master Policy - the Named Insured will be amended to: Entergy Nuclear Indian Point 3, LLC and Entergy Nuclear Operations, Inc. Both entities will be added to the Bond For Payment of Retrospective Premiums.

As respects the SFP certificates, the endorsements that amend the Named Insured as indicated above will also include a provision that will make Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Indian Point 3, LLC responsible for all retrospective premium obligations under their respective certificates. This will include all of the Power Authority of the State of New York's obligations retroactive to August 1, 1977, which was the inception date of the SFP certificates originally issued to the Power Authority of the State of New York. This is being done at the request of Entergy Nuclear FitzPatrick, LLC and Entergy Nuclear Indian Point 3, LLC in accordance with their assumption of all the Power Authority of the State of New York's obligations under the SFP Program as stipulated in the Purchase and Sale Agreement.

The commitment to write insurance for Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 3, LLC and Entergy Nuclear Operations, Inc. covering the above nuclear stations remains valid through December 31, 2000. In the event the closing of the sale occurs after this date, we would have to review the circumstances existing at the time prior to reinstating our commitment to provide insurance.

Sincerely,



John L. Quattrocchi
Senior Vice President, Underwriting