



May 8, 2001

Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

10 CFR 50.80

Ladies and Gentlemen:

SUBMITTAL OF DOCUMENTARY EVIDENCE OF INSURANCE
NUCLEAR MANAGEMENT COMPANY, LLC

By letter dated April 19, 2001, the Nuclear Regulatory Commission issued an Order to Consumers Energy Company approving the transfer of operating authority under Facility Operating License No. DPR-20, held by Consumers Energy Company for the Palisades Plant, to Nuclear Management Company, LLC (NMC). The Order also approved a conforming license amendment, which will be issued and made effective at the time the transfer is completed.

The Order approved the proposed transfer subject to two conditions. Condition (2) in the Order requires:

NMC shall, prior to completion of the transfer of operating authority for Palisades, provide the Director of the Office of Nuclear Reaction Regulation satisfactory documentary evidence that NMC has obtained the appropriate amount of insurance required of licensees under 10 CFR Part 140 of the Commission's regulations.

Attached are Certificates of Insurance which provide documentary evidence that NMC has obtained the appropriate amount of insurance as required of licensees under 10 CFR Part 140. The attachments include nuclear liability Certificates of Insurance for Policies NF-179, N-17 and NW-566. Also attached are property Certificates of Insurance for Policies P00-017 and X00-012.

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U.S. Nuclear Regulatory Commission
May 8, 2001
Page 2 of 2

If you have any questions or require additional information please contact us.

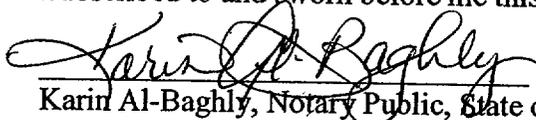
Sincerely,



Douglas F. Johnson
Director - Regulatory Services and Strategic Issues

Attachments: Certificates of Insurance

Subscribed and sworn before me this 8th day of May, 2001



Karin Al-Baghly, Notary Public, State of Wisconsin

My commission expires: July 11, 2004

cc: Director, Office of Nuclear Reactor Regulation
Director, Office of Nuclear Material Safety and Safeguards
Regional Administrator - Region III



Nuclear Electric Insurance Limited Suite 1200
1201 Market Street
Wilmington, DE 19801
U.S.A.

Tel
302 888-3000
Fax
302 888-3007 Corporate
302 573-2213 Finance
302 888-3008 Insurance
302 888-3095 Loss Control

May 3, 2001

Mr. Thomas J. Lewis
Director, Administration
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

RE: CERTIFICATES OF INSURANCE
- Palisades Nuclear Generating Plant
NEIL Policy Nos. P00-017 & X00-050

Dear Mr. Lewis:

Per your request, enclosed are Certificates of Insurance issued to U.S. Nuclear Regulatory Commission with respect to the above referenced policies.

We trust that you will find the enclosed to be in order. If you need further assistance, please do not hesitate to call me at the number below.

Regards,

A handwritten signature in cursive script, appearing to read 'Joanne S. Dallago', is written over a horizontal line.

Joanne S. Dallago
Underwriting Assistant
(302) 573-2269
jdallago@nmlneil.com

Enclosures

cc: Robert E. Frounfelker



NEIL

Nuclear Electric Insurance Limited Suite 1200
1201 Market Street
Wilmington, DE 19801
U.S.A.

Tel
302 888-3000
Fax
302 888-3007 Corporate
302 573-2213 Finance
302 888-3008 Insurance
302 888-3095 Loss Control

CERTIFICATE OF INSURANCE

ISSUED TO: U. S. Nuclear Regulatory Commission

ADDRESS: Washington, DC 20555

THIS IS TO CERTIFY that insurance has been effected with NUCLEAR ELECTRIC INSURANCE LIMITED, 1201 Market Street, Suite 1200, Wilmington, Delaware 19801, under Policy No. X00-012 as follows:

MEMBER INSURED: Consumers Energy Company

ADDRESS: 212 West Michigan Avenue
Jackson, Michigan 49201

PROPERTY INSURED: Palisades Nuclear Generating Plant

COVERAGE: Decontamination Liability, Decommissioning Liability, and
Excess Property Insurance

AMOUNT OF INSURANCE: \$1,900,000,000

INSUREDS: Consumers Energy Company, Nuclear Management
Company, L.L.C.

POLICY TERM: 12:01 a.m. on October 1, 2000 to 12:01 a.m. on October 1,
2001, Standard time in Hamilton, Bermuda.

LOSS PAYEE CLAUSE:

A. Expenses covered under the Nuclear Liability Coverage (paragraph V.1(a)) shall be adjusted with the Member Insured and payable to:

Consumers Energy Company or Designee

The Member Insured may, by written notice to the Insurer, designate other payees.

- B. The expenses covered under the Debris Removal and Decontamination Coverage (paragraph V.1(b)), the losses covered under the Property Damage Coverage (paragraph V.1(c)), and the losses covered under the Functional Total Loss Coverage (paragraph V.2(a)) shall be adjusted with the Member Insured and payable to:

The property being subject to the Indenture dated September 1, 1945, as amended and supplemented, with The Chase Manhattan Bank as Trustee, it is agreed that loss, if any, shall be adjusted with Consumers Energy Company for the account of insureds named herein, and shall be payable to Consumers Energy Company and to Trustee, as its interest may appear, or to the Trustee or other holder of a prior lien, if required by the terms hereof.

Further, it is agreed that loss, if any, involving nuclear fuel shall be adjusted with Consumers Energy Company and payable to Consumers Energy Company and BLC Corporation as respects their interest as Lessor under the Nuclear Material Lease and Security Agreement dated as of December 1, 1988, whose receipt shall constitute a release in full of all liability with respect to such payment.

The Member Insured may, by written notice to the Insurer, designate other payees.

- C. Expenses covered under the Decommissioning Liability Coverage (subsection VI.1) shall be adjusted with the Member Insured and payable to:

National Bank of Detroit, as Trustee for Consumers Energy Company Palisades NonSection 468A Trust #40 54903 00 c/o National Bank of Detroit, Trust Division, 611 Woodward Avenue, Detroit, MI 48226, Attn: E. Daniel Woodruff.

The Member Insured may, by written notice to the Insurer, designate other payees.

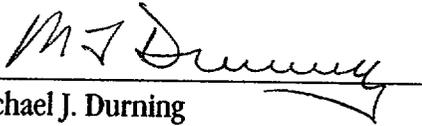
This Certificate is not transferable and may be canceled by NUCLEAR ELECTRIC INSURANCE COMPANY by giving 60 days written notice to the party to whom this Certificate is issued prior to cancellation of the insurance described herein, unless specifically provided for otherwise under the Terms, Conditions and Exceptions of the Policy.

THIS CERTIFICATE is for information only; it is not a contract of insurance but attests that a policy as numbered herein, and as it stands at the date of this Certificate, has been issued by the Company. Said policy is subject to change by endorsement and cancellation in accordance with its terms.

DATE: May 3, 2000

CERTIFICATE EXPIRES: October 1, 2001, unless canceled sooner.

Signed by:
NUCLEAR ELECTRIC INSURANCE LIMITED


Michael J. Durning
Vice President - Underwriting



NEIL

Nuclear Electric Insurance Limited Suite 1200
1201 Market Street
Wilmington, DE 19801
U.S.A.

Tel
302 888-3000
Fax
302 888-3007 Corporate
302 573-2213 Finance
302 888-3008 Insurance
302 888-3095 Loss Control

CERTIFICATE OF INSURANCE

ISSUED TO: U. S. Nuclear Regulatory Commission

ADDRESS: Washington, DC 20555

THIS IS TO CERTIFY that insurance has been effected with NUCLEAR ELECTRIC INSURANCE LIMITED, 1201 Market Street, Suite 1200, Wilmington, Delaware 19801, under Policy No. P00-017 as follows:

MEMBER INSURED: Consumers Energy Company

ADDRESS: 212 West Michigan Avenue
Jackson, Michigan 49201

PROPERTY INSURED: Palisades Nuclear Generating Plant

COVERAGE: Primary Property and Decontamination Liability Insurance

AMOUNT OF INSURANCE: \$500,000,000

INSUREDS: Consumers Energy Company, Nuclear Management Company, L.L.C.

POLICY TERM: 12:01 a.m. on October 1, 2000 to 12:01 a.m. on October 1, 2001,
Standard time in Hamilton, Bermuda.

LOSS PAYEE CLAUSE:

A. Expenses covered under Section I.A.2 shall be adjusted with the Member Insured and payable to:

Consumers Energy Company

The Member Insured may, by written notice to the Insurer, designate other payees.

B. All other covered Losses shall be adjusted with the Member Insured and payable to:

The property being subject to the Indenture dated September 1, 1945, as amended and supplemented, with The Chase Manhattan Bank as Trustee, it is agreed that loss, if any, shall be adjusted with Consumers Energy Company for the account of Insureds, named herein, and shall be payable to Consumers Energy Company and to The Chase Manhattan Bank, Trustee, as its interests may appear or to the holder of a lien if required by the terms thereof.

BLC Corporation
2655 Campus Drive, Suite #200
San Mateo, CA 94403

As respects their interest as Lessor in the Palisades nuclear fuel under the Nuclear Material Lease and Security Agreement dated as of December 1, 1988.

The Member Insured may, by written notice to the Insurer, designate other payees.

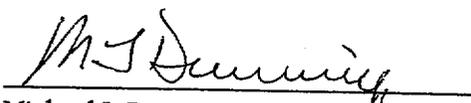
This Certificate is not transferable and may be canceled by NUCLEAR ELECTRIC INSURANCE LIMITED by giving 60 days written notice to the party to whom this Certificate is issued prior to cancellation of the insurance described herein, unless specifically provided for otherwise under the Terms, Conditions and Exceptions of the Policy.

THIS CERTIFICATE is for information only; it is not a contract of insurance but attests that a policy as numbered herein, and as it stands at the date of this Certificate, has been issued by the Company. Said policy is subject to change by endorsement and cancellation in accordance with its terms.

DATE: May 3, 2001

CERTIFICATE EXPIRES: October 1, 2001 unless canceled sooner.

Signed by:
NUCLEAR ELECTRIC INSURANCE LIMITED


Michael J. Durning
Vice President - Underwriting

Facsimile
Transmittal
Sheet

Marsh USA Inc.
500 West Monroe
Chicago, IL 60661-3630
312 627 6728 Fax: 312 627 6550

MARSH
An **MMC** Company

Date: May 7, 2001 **Pages, with cover:** 7

To: Mr. Thomas J. Lewis, Director of Administration **Fax:** 715 386 1013

Company: Nuclear Management Company LLC

From: Norine Terry

Subject: Palisades Plant - Certificates of Nuclear Liability Insurance for NRC

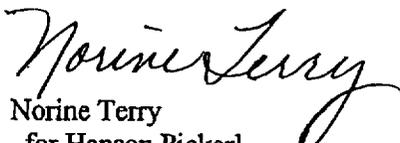
Dear Tom:

I have attached nuclear liability certificates of insurance evidencing coverage to be in force for Consumers Energy Company and Nuclear Management Company LLC effective May 15, 2001 in the interest of the NRC for Policies NF-179, N-17 and NW-566.

I will send the originals via the U.S. Mail to you with copies to Bob Frounfelker at Consumers Energy Company.

Please call if you have any questions.

Sincerely,


Norine Terry
for Hanson Pickerl

/NT

Attachments

The information contained in this facsimile message is confidential, may be privileged, and is intended for the use of the individual or entity named above. If you, the reader of this message, are not the intended recipient, the agent, or employee responsible for delivering this transmission to the intended recipient, you are expressly prohibited from copying, disseminating, distributing, or in any other way using any of the information contained in this facsimile message.

Marsh USA Inc.

CERTIFICATE OF NUCLEAR ENERGY LIABILITY INSURANCE (FACILITY FORM)

This is to certify that there is (are) in force as of the effective date of this Certificate, Nuclear Energy Liability Insurance (Facility Form) Policy(ies) issued by members of the American Nuclear Insurers as indicated (Companies), to the Insured named herein, with respect to the Nuclear Facility at the Location shown. If any such policy is canceled or otherwise terminated prior to the end of December 31st of the calendar year in which the Effective Date of this Certificate occurs, the Companies will endeavor to mail or deliver 20 days written notice thereof to the Certificate Holder and this Certificate shall thereupon terminate; but failure to mail or deliver such notice shall impose no obligation or liability of any kind upon the Companies or their agents or representatives. Otherwise this Certificate shall terminate as of the end of such December 31st. A Certificate will NOT be issued for any subsequent calendar year unless requested in writing.

Name and Mailing Address of Insured:

Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

Effective Date of this Certificate: May 15, 2001

and

Nuclear Management Company LLC
700 First Street
Hudson, WI 54016

<u>Policy Issued by</u> <u>Members of:</u>	<u>Policy Number:</u>	<u>Policy Effective:</u>	<u>Limit of Liability:</u>
ANI	NF-179	<u>August 15, 1969</u>	<u>\$200,000,000</u>

Name and Address of Certificate Holder:

U. S. Nuclear Regulatory Commission
Mail Stop 12E4
Washington, D.C. 20555

Location of the Nuclear Facility (Site Description):

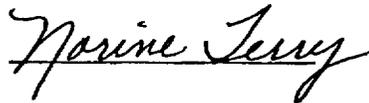
(See attached site description)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.

The insurance afforded by the policy is subject to the exclusions, conditions and other provisions of the policy. Neither this certificate nor any contract or other document with respect to which it is issued shall amend, extend or alter the coverage afforded by the policy. Limits of Liability shown above may have been reduced by payment of claims or claims expenses.

Marsh USA Inc.

By:



May 7, 2001
Date Signed

Norine Terry, Executive Secretary
Name and Title

[Rev. 11/99]

MARSH
An **AMC** Company

Marsh USA Inc.

All of the premises including the land and all buildings and structures known as the Palisades Nuclear Plant which are enclosed within the Plant peripheral fence and the fence extending from the Plant peripheral fence which encloses the cooling towers and associated equipment of such Plant and also the intake line and discharge structure; the access road between the Plant peripheral fence and the east radwaste building fence and the land, buildings and structures within the east radwaste building peripheral fence; the access road between the Plant peripheral fence and the old steam generator storage building and the old steam generator storage building; the access road between the Plant peripheral fence and the switchyard and the switchyard; and all transmission lines and towers between the Plant and the switchyard. The Palisades Nuclear Plant is located approximately five (5) miles south of South Haven, Michigan in Covert Township, Van Buren County, Michigan.

Marsh USA Inc.

**CERTIFICATE OF
NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION FORM)**

This is to certify that there is in force as of the effective date of this Certificate of Insurance a Certificate to a Master Policy (Nuclear Energy Liability Policy [Secondary Financial Protection Form]), issued by members of American Nuclear Insurers (Companies), to the Insured named herein, with respect to the Nuclear Facility at the Location shown. If such Certificate is canceled or otherwise terminated prior to the end of December 31st of the calendar year in which the Effective Date of this Certificate of Insurance occurs, the Companies will endeavor to mail or deliver 20 days written notice thereof to the Certificate Holder and this Certificate of Insurance shall thereupon terminate; but failure to mail or deliver such notice shall impose no obligation or liability of any kind upon the Companies or their agents or representatives. Otherwise this Certificate of Insurance shall terminate as of the end of such December 31st. A Certificate will NOT be issued for any subsequent calendar year unless requested in writing.

Name and Mailing Address of Insureds:Effective Date of this Certificate of Insurance: May 15, 2001

Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

and

Nuclear Management Company LLC
700 First Street
Hudson, WI 54016

Certificate Number:Effective Date of Certificate:Limit of Liability:

ANI N-17

August 1, 1977\$ 88,095,000*

*These limits are shared by all Certificates under the Master Policy of which each Certificate is a part and are subject to all of the provisions of such Policy and Certificate having reference thereto. Such limits may have been reduced by payment of claims or claims expenses.

Name and Address of Certificate Holder:Location of the Nuclear Facility (Site Description):

U.S. Nuclear Regulatory Commission
Mail Stop 12E4
Washington, D.C. 20555

(See Next Page)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.

The insurance afforded by the policy is subject to the exclusions, conditions and other provisions of the policy. Neither this certificate nor any contract or other document with respect to which it is issued shall amend, extend or alter the coverage afforded by the policy.

Marsh USA Inc.

By:


May 7, 2001

Date Signed

Norine Terry, Executive Secretary
Name and Title

[Rev. 07/00]
MARSH
An AMMC Company

Marsh USA Inc.

Site Description

All of the premises including the land and all buildings and structures known as the Palisades Nuclear Plant which are enclosed within the Plant peripheral fence and the fence extending from the Plant peripheral fence which encloses the cooling towers and associated equipment of such Plant and also the intake line and discharge structure; the access road between the Plant peripheral fence and the east radwaste building fence and the land, buildings and structures within the east radwaste building peripheral fence; the access road between the Plant peripheral fence and the old steam generator storage building and the old steam generator storage building; the access road between the Plant peripheral fence and the switchyard and the switchyard; and all transmission lines and towers between the Plant and the switchyard. The Palisades Nuclear Plant is located approximately five (5) miles south of South Haven, Michigan in Covert Township, Van Buren County, Michigan.

Marsh USA Inc.

CERTIFICATE OF NUCLEAR ENERGY LIABILITY INSURANCE (FACILITY WORKER FORM)

This is to certify that there is in force as of the effective date of this Certificate of Insurance a Certificate to a Master Worker Policy (Nuclear Energy Liability Policy [Facility Worker Form]), issued by members of American Nuclear Insurers (Companies), to the Insured named herein, with respect to the Nuclear Facility at the Location shown. If such Certificate is canceled or otherwise terminated prior to the end of December 31st of the calendar year in which the Effective Date of this Certificate of Insurance occurs, the Companies will endeavor to mail or deliver 20 days written notice thereof to the Certificate Holder and this Certificate of Insurance shall thereupon terminate; but failure to mail or deliver such notice shall impose no obligation or liability of any kind upon the Companies or their agents or representatives. Otherwise this Certificate of Insurance shall terminate as of the end of such December 31st. A Certificate will NOT be issued for any subsequent calendar year unless requested in writing.

Name and Mailing Address of Insureds:Effective Date of this Certificate of Insurance: May 15, 2001

Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

and

Nuclear Management Company LLC
700 First Street
Hudson, WI 54016

Certificate Number:Effective Date of Certificate:Limit of Liability:

ANI NW-566

January 1, 1998\$ 200,000,000*

*These limits are shared by all Certificates under the Master Worker Policy of which each Certificate is a part and are subject to all of the provisions of such Policy and Certificate having reference thereto. Such limits may have been reduced by payment of claims or claims expenses.

Name and Address of Certificate Holder:Location of the Nuclear Facility (Site Description):

U.S. Nuclear Regulatory Commission
Mail Stop 12E4
Washington, D.C. 20555

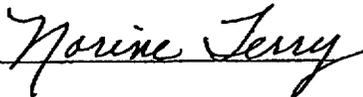
(See Next Page)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.

The insurance afforded by the policy is subject to the exclusions, conditions and other provisions of the policy. Neither this certificate nor any contract or other document with respect to which it is issued shall amend, extend or alter the coverage afforded by the policy.

Marsh USA Inc.

By:



May 7, 2001
Date Signed

Norine Terry, Executive Secretary
Name and Title

[Rev. 07/00]
MARSH
An *MMC* Company

Marsh USA Inc.

Site Description

All of the premises including the land and all buildings and structures known as the Palisades Nuclear Plant which are enclosed within the Plant peripheral fence and the fence extending from the Plant peripheral fence which encloses the cooling towers and associated equipment of such Plant and also the intake line and discharge structure; the access road between the Plant peripheral fence and the east radwaste building fence and the land, buildings and structures within the east radwaste building peripheral fence; the access road between the Plant peripheral fence and the old steam generator storage building and the old steam generator storage building; the access road between the Plant peripheral fence and the switchyard and the switchyard; and all transmission lines and towers between the Plant and the switchyard. The Palisades Nuclear Plant is located approximately five (5) miles south of South Haven, Michigan in Covert Township, Van Buren County, Michigan.



www.amnucins.com

May 3, 2001

Sent Via Fax and Mail

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

Consumers Energy Company and Nuclear Management Company, LLC

Dear Mr. Collins:

This is to confirm that American Nuclear Insurers will issue endorsements to the following nuclear liability policy and corresponding Facility Worker Form Certificate and Secondary Financial Protection (SFP) Certificate which will add Nuclear Management Company, LLC as a named insured in accordance with the requirements of Title 10, Code of Federal Regulations, Part 140, and Section 170 of the Atomic Energy Act of 1954, as amended (the Price-Anderson Act). The effective date of the endorsements will be concurrent with the date that Nuclear Management Company, LLC is added to Consumer's Indemnity Agreement as a named licensee.

<u>Facility</u>	<u>Insured</u>	<u>Policy Number</u>	<u>Coverage Type</u>
Palisades	Consumers Energy Company	NF-0179 NW-0566 N-0017	Facility Form Facility Worker Cert. SFP Cert.

If you have questions, please contact me.

Regards,

Richard Jones
Director, Underwriting

c: Mr. Robert E. Frounfelker, Consumers
Mr. Hanson Pickerl, Marsh USA