



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

February 27, 2002
NOC-AE-02001281
STI No.: 31413290
File No.:G20
10CFR140.11(a)(4)
10CFR140.15
10CFR140.17
10CFR140.21

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

South Texas Project
Units 1 and 2
Docket Nos.: STN 50-498, STN 50-499
Evidence of Financial Protection

Pursuant to the requirements of 10CFR140.11(a)(4), 10CFR140.15, 10CFR140.17, and 10CFR140.21, STP Nuclear Operating Company submits the attached Nuclear Energy Liability Insurance policy endorsements from American Nuclear Insurers (ANI). This submittal contains the following endorsements:

Nuclear Energy Liability

- Facility Form (NF-0307)
- Master Worker Form (NW-0657)
- Secondary Financial Protection (N-0113 / N-0116)
- Suppliers & Transporters (NS-0504)

Should you have any questions, concerns, or require additional information on this matter, please contact me at (361) 972-3611 extension 8562 or by E-mail at gmwilson@stpegs.com.


G. M. Wilson
Supervisor,
Corporate Insurance

KMW

Attachments: Endorsements (11)

MOD1

cc:

Ellis W. Merschhoff
Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

Mohan C. Thadani
Project Manager
U. S. Nuclear Regulatory Commission
1 White Flint North, Mail Stop: O-7D1
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Rockville, MD 20852-2738

Cornelius F. O'Keefe
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code MN116
Wadsworth, TX 77483

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Morgan, Lewis & Bockius
1111 Pennsylvania Avenue
Washington, DC 20004

M. T. Hardt/W. C. Gunst
City Public Service
P. O. Box 1771
San Antonio, TX 78296

A. Ramirez/C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

J. V. Iazard, w/o N5017
M D. Meier, w/o N5008
R. D. Piggott, w/o N5014
S. C. Beaver N5014
K. M. Wheaton N5017
File

Jon C. Wood
Matthews & Branscomb
112 East Pecan, Suite 1100
San Antonio, Texas 78205-3692

Institute of Nuclear Power
Operations - Records Center
700 Galleria Parkway
Atlanta, GA 30339-5957

Richard A. Ratliff
Bureau of Radiation Control
Texas Department of Health
1100 West 49th Street
Austin, TX 78756-3189

R. L. Balcom/D. G. Tees
Reliant Energy, Inc.
P. O. Box 1700
Houston, TX 77251

C. A. Johnson/A. C. Bakken, III
AEP - Central Power and Light Company
P. O. Box 289, Mail Code: N5022
Wadsworth, TX 77483

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, D.C. 20555-0001

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

LIMITATION OF COVERAGE FOR TERRORIST ACTS
(ONE SHARED INDUSTRY AGGREGATE LIMIT)

It is agreed that with respect to bodily injury, property damage or environmental damage caused by the nuclear energy hazard and arising out of a terrorist act:

1. the total aggregate liability of the companies shall be \$200,000,000 regardless of (i) the number of terrorist acts affecting this or any other nuclear energy liability policy (Facility Form or Supplier's and Transporter's Form) or (ii) the number of nuclear energy liability policies (Facility Form or Supplier's and Transporter's Form) issued by the Nuclear Energy Liability Insurance Association under which coverage may be sought.
2. the limit of liability shown in Item 4 of the policy Declarations or as amended by endorsement to this policy is subject to the industry aggregate limitation described in paragraph 1 above.
3. the companies may, at their option, reinstate the one shared industry aggregate limit of \$200,000,000, provided that any such reinstatement approved by the companies shall not exceed the balance in the Industry Credit Rating Plan reserve fund.
4. the term "terrorist act" as used herein means a violent or otherwise hostile act or an act dangerous to human life, tangible or intangible property or infrastructure by any person or group, whether acting alone or on behalf of any organization or government, which causes damage to property or injury to persons, or represents a threat thereof and appears to be intended to (i) intimidate or coerce a civilian population; or (ii) disrupt any segment of an economy; or (iii) influence the policy of a government by intimidation or coercion; or (iv) affect the conduct of a government by mass destruction, assassination, kidnapping or hostage-taking.

Effective Date of
this Endorsement:

January 1, 2002
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

Issued to:

STP Nuclear Operating Company

Date of Issue: **December 17, 2001**

For the subscribing companies

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. ~~No insurance is afforded hereunder.~~

By



President

John L. Quattrocchi, Senior Vice President-Underwriting
American Nuclear Insurers

Endorsement No.:

80

Countersigned by



NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N -0113
FORMING PART OF MASTER POLICY NO. 1
NUCLEAR ENERGY LIABILITY INSURANCE
(SECONDARY FINANCIAL PROTECTION)

It is agreed that:

1. On and after the Effective Date stated below, the "Declarations" which are part of Certificate No. N -0113 which was issued to and signed by STP Nuclear Operating Company, Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company and The City of Austin with a Certificate Period beginning on August 22, 1987, Item 1, "Named insureds and addresses", of such Declarations is amended as follows:

Item 1. Named insureds and addresses:

- (a) STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483
- (b) Reliant Energy, Inc.
P.O. Box 4567
Houston, Texas 77210-4567
- (c) City Public Service Board of San Antonio
P.O. Box 1771
San Antonio, Texas 78296
- (d) Central Power and Light Company
P.O. Box 2121
Corpus Christi, Texas 78403
- (e) The City of Austin
P.O. Box 1088
Austin, Texas 78767

2. This endorsement amends none of the other provisions of the "Certificate of Insurance, Declarations and Bond for Payment of Retrospective Premiums" of said Certificate No. N -0113.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY NUCLEAR ENERGY LIABILITY INSURANCE SECONDARY FUNDING PROTECTION AS ENDORSED AS APPLICABLE BY THE CODE

John L. Quatman
JOHN L. QUATMAN
SENIOR VICE PRESIDENT
AMERICAN NUCLEAR INSURANCE

Effective Date of
this Endorsement:

May 5, 1999
12:01 A.M. Standard Time

To form a part of Certificate No. N -0113

Issued to:

**STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board
of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue:

March 29, 2000

For the subscribing companies

By

Jaye D. Hunt

PRESIDENT

Endorsement No:

30

Countersigned by _____

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N -0116
FORMING PART OF MASTER POLICY NO. 1
NUCLEAR ENERGY LIABILITY INSURANCE
(SECONDARY FINANCIAL PROTECTION)

It is agreed that:

1. On and after the Effective Date stated below, the "Declarations" which are part of Certificate No. N -0116 which was issued to and signed by STP Nuclear Operating Company, Houston Lighting & Power Company, City Public Service Board of San Antonio, Central Power and Light Company and The City of Austin with a Certificate Period beginning on December 16, 1988, Item 1, "Named insureds and addresses", of such Declarations is amended as follows:

Item 1. Named insureds and addresses:

- (a) STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483
- (b) Reliant Energy, Inc.
P.O. Box 4567
Houston, Texas 77210-4567
- (c) City Public Service Board of San Antonio
P.O. Box 1771
San Antonio, Texas 78296
- (d) Central Power and Light Company
P.O. Box 2121
Corpus Christi, Texas 78403
- (e) The City of Austin
P.O. Box 1088
Austin, Texas 78767

- 2. This endorsement amends none of the other provisions of the "Certificate of Insurance, Declarations and Bond for Payment of Retrospective Premiums" of said Certificate No. N -0116.

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY NUCLEAR ENERGY LIABILITY INSURANCE INCLUDING FINANCIAL PROTECTION. NO INSURANCE IS ATTACHED BY THIS COPY.

**JOHN L. QUAYTROCCH
SENIOR VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS**

Effective Date of this Endorsement: **May 5, 1999**
12:01 A.M. Standard Time

To form a part of Certificate No. N -0116

Issued to: **STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue: **March 29, 2000**

For the subscribing companies
By *Jorge D. Punt*
PRESIDENT

Endorsement No: **28**

Countersigned by _____

**NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2001

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$7,500.00**

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.



JOHN L. QUATTROCCHI
SENIOR VICE PRESIDENT - UNDERWRITING
AMERICAN NUCLEAR INSURERS

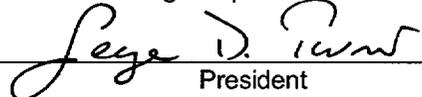
Effective Date of
this Endorsement: **January 1, 2001**
(12:01 A.M. Standard Time)

To form a part of Certificate No. **N -0113**

Issued To: **STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board
of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue: **November 14, 2000**

For the subscribing companies

By 
President

Endorsement No: **31**

Countersigned by _____

CERTIFIED COPY

**NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2002

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$7,500.00**

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.



JOHN L. QUATTROCCHI
SENIOR VICE PRESIDENT - UNDERWRITING
AMERICAN NUCLEAR INSURERS

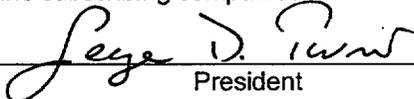
Effective Date of
this Endorsement: **January 1, 2002**
(12:01 A.M. Standard Time)

To form a part of Certificate No. **N -0113**

Issued To: **STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue: **November 19, 2001**

For the subscribing companies

By  _____
President

Endorsement No: **32**

Countersigned by _____

CERTIFIED COPY

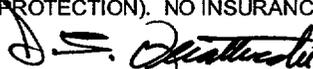
**NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2001

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$7,500.00**

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.



JOHN L. QUATTROCCHI
SENIOR VICE PRESIDENT - UNDERWRITING
AMERICAN NUCLEAR INSURERS

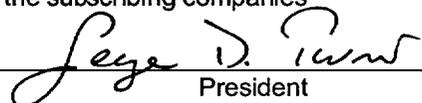
Effective Date of
this Endorsement: **January 1, 2001**
(12:01 A.M. Standard Time)

To form a part of Certificate No. **N -0116**

Issued To: **STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board
of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue: **November 14, 2000**

For the subscribing companies

By 
President

Endorsement No: **29**

Countersigned by _____

CERTIFIED COPY

**NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2002

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$7,500.00**

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.



JOHN L. QUATTROCCHI
SENIOR VICE PRESIDENT - UNDERWRITING
AMERICAN NUCLEAR INSURERS

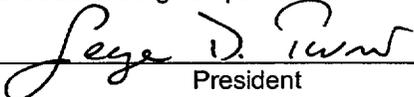
Effective Date of
this Endorsement: **January 1, 2002**
(12:01 A.M. Standard Time)

To form a part of Certificate No. **N -0116**

Issued To: **STP Nuclear Operating Company, Reliant Energy, Inc., City Public Service Board
of San Antonio, Central Power and Light Company, The City of Austin**

Date of Issue: **November 19, 2001**

For the subscribing companies

By 
President

Endorsement No: **30**

Countersigned by _____

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

LIMITATION OF COVERAGE FOR TERRORIST ACTS
(ONE SHARED INDUSTRY AGGREGATE LIMIT)

It is agreed that with respect to bodily injury, property damage or environmental damage caused by the nuclear energy hazard and arising out of a terrorist act:

1. the total aggregate liability of the companies shall be \$200,000,000 regardless of (i) the number of terrorist acts affecting this or any other nuclear energy liability policy (Facility Form or Supplier's and Transporter's Form) or (ii) the number of nuclear energy liability policies (Facility Form or Supplier's and Transporter's Form) issued by the Nuclear Energy Liability Insurance Association under which coverage may be sought.
2. the limit of liability shown in Item 4 of the policy Declarations or as amended by endorsement to this policy is subject to the industry aggregate limitation described in paragraph 1 above.
3. the companies may, at their option, reinstate the one shared industry aggregate limit of \$200,000,000, provided that any such reinstatement approved by the companies shall not exceed the balance in the Industry Credit Rating Plan reserve fund.
4. the term "terrorist act" as used herein means a violent or otherwise hostile act or an act dangerous to human life, tangible or intangible property or infrastructure by any person or group, whether acting alone or on behalf of any organization or government, which causes damage to property or injury to persons, or represents a threat thereof and appears to be intended to (i) intimidate or coerce a civilian population; or (ii) disrupt any segment of an economy; or (iii) influence the policy of a government by intimidation or coercion; or (iv) affect the conduct of a government by mass destruction, assassination, kidnapping or hostage-taking.

Effective Date of
this Endorsement:

January 1, 2002
(12:01 A.M. Standard Time)

To form a part of Policy No. **NS -0504**

Issued to: **STP Nuclear Operating Company**

Date of Issue: **December 17, 2001**

For the subscribing companies

CERTIFIED TO BE A TRUE COPY
OF THE ORIGINAL ENDORSEMENT.



By 
President

Endorsement No.: **43**

Countersigned by 

**NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 2002

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$23,988.00**

2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: **\$18,104.00**

Effective Date of
this Endorsement: **January 1, 2002**
(12:01 A.M. Standard Time)

To form a part of Policy No. **NS -0504**

Issued To: **STP Nuclear Operating Company**

Date of Issue: **December 11, 2001**

For the subscribing companies

By Sege D. Purn
President

Endorsement No: **44**

Countersigned by _____

NE-36

CERTIFIED TO BE A TRUE COPY
OF THE ORIGINAL ENDORSEMENT.

George M. Wilson