

A CMS Energy Company

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January 17, 2003

Ira Dinitz
US Nuclear Regulatory Commission
Mail Stop 12E4
Washington, DC 20555

ANI POLCIY NF-179
DOCKET NO 50-255

Attached are copies of Endorsements 174, 175, 176 and 177 to ANI Policy NF-179 for Palisades Nuclear Plant.

Endorsement 174 amends Condition 4 of the policy by increasing the limit to \$300 million from \$200 million.

Endorsement 175 replaces Endorsement 169 entitled "Limitation of Coverage for Terrorist Acts."

Endorsement 176 increases the Limit of Liability to \$300 million.

Endorsement 177 reflects the 2003 advance calendar year premium.

Should you have any questions on the endorsements, please feel free to contact me at the above numbers.

Faith A Rueckert

Faith A Rueckert
Senior Insurance Analyst

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NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF CONDITION 4

It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused after the effective date of this endorsement by the nuclear energy hazard, the figure "\$200,000,000" stated in Condition 4 of this policy is amended to read "\$300,000,000".

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.



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

Effective Date of
this Endorsement:

January 1, 2003
(12:01 A.M. Standard Time)

To form a part of Policy No: **NF -0179**

Issued to:

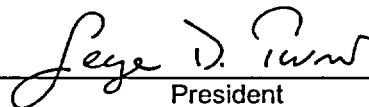
Consumers Energy Company

Date of Issue:

December 20, 2002

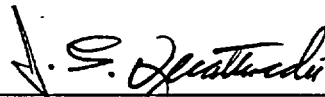
For the subscribing companies

By


President

Endorsement No.: 174

Countersigned by



CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Endorsement No.169, entitled "LIMITATION OF COVERAGE FOR TERRORIST ACTS (ONE SHARED INDUSTRY AGGREGATE LIMIT), is deleted and replaced with the following:

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

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

1. the total aggregate liability of the companies shall be \$300,000,000 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 \$300,000,000, 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.

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

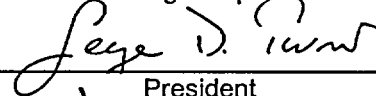
Effective Date of
this Endorsement: **January 1, 2003**
(12.01 A.M. Standard Time)

To form a part of Policy No. **NF -0179**

Issued to: **Consumers Energy Company**

Date of Issue: **December 20, 2002**

For the subscribing companies

By 
President

Endorsement No.: **175**

Countersigned by 

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT
(After Prior Increase)

It is agreed that:

1. The limit of the companies' liability stated in Item 4 of the declarations as amended by the Increase of Limit of Liability Endorsement(s) listed below is further amended to read \$ 300,000,000; but in the event that any payments have heretofore been made by the companies for loss or expense covered by the policy, each of those limits of liability including the limit of liability as amended by this endorsement is reduced in accordance with Condition 3 of the policy by the total amount of those payments, except to the extent that any such reduced limit of liability may have been previously restored in accordance with a Restoration of Limit of Liability Endorsement.
2. The increase in the limit of liability provided by this endorsement applies only with respect to obligations assumed or expenses incurred because of bodily injury, property damage, environmental damage or evacuation of the public caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.
3. The original limit of liability stated in Item 4 of the declarations, the limit(s) of liability stated in the Increase of Limit of Liability Endorsement(s) listed below and the amended limit of liability stated in paragraph 1 above shall not be cumulative, and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment each of those limits of liability, regardless of which limit of liability applies with respect to the bodily injury, property damage, environmental damage or evacuation of the public out of which such loss or expense arises.

Previous Increase of Limit of Liability Endorsement(s)
Endorsement No.(s): 47, 53, 61, 107, 147 and 152

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.



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

Effective Date of
this Endorsement:

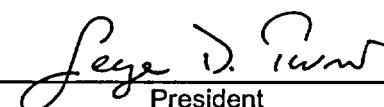
January 1, 2003
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0179**

Issued to: **Consumers Energy Company**

Date of Issue: **December 20, 2002**

For the subscribing companies

By 
President

Endorsement No.: **176**

Countersigned by 

CERTIFIED COPY

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

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 2003

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$603,312.00**
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: **\$455,518.00**

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.



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

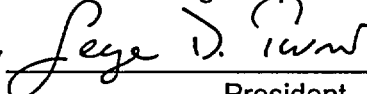
Effective Date of
this Endorsement: **January 1, 2003**
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0179**

Issued To: ~~Consumers Energy Company~~

Date of Issue: **December 19, 2002**

For the subscribing companies

By 

President

Endorsement No: **177**

Countersigned by

