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May 7, 2004

BY OVERNIGHT DELIVERY

U. S. Nuclear Regulatory Commission
James E. Dyer
Director, Office of Nuclear Reactor Regulation
Mail Stop 5E7
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

Subject: Supplemental Information Regarding Proposed Nuclear Decommissioning Insurance Policy To Be Issued By NDAC, Inc.

Dear Mr. Dyer:

This letter provides supplemental information regarding my request dated January 29, 2004, on behalf of the organizers of a proposed nuclear decommissioning insurance company (NDAC, Inc., now incorporated under the laws of the State of Delaware), requesting that the NRC Staff review information regarding a proposed nuclear decommissioning insurance policy to be issued by NDAC. As previously indicated, the participating licensees propose to use their nuclear decommissioning trust (NDT) funds for this purpose. The organizers of NDAC have also formed NDAC Management Services Company, LLC (NDAC MSC), which is a limited liability company formed under the laws of the State of Delaware, for the purpose of providing management services to NDAC to facilitate both the organization of NDAC's affairs and the ongoing management of the proposed NDAC insurance program. Hanson D. Pickerl of Marsh USA Inc. is acting as Project Manager for purposes of developing NDAC and NDAC MSC, and

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it is anticipated that Mr. Pickerl will be NDAC MSC's initial President and Chief Executive Officer.

Supplemental Information is provided in the attached Enclosures 1-4, which are proprietary financial and commercial information that should be withheld from public disclosure.

- Enclosure 1 This enclosure provides additional information regarding the proposed insurance program, including details regarding the planned structure and domicile of NDAC for purposes of anticipated state insurance commission regulation, the proposed ownership structure of NDAC, additional description of the proposed policy terms and underwriting methodology, the status of the request for private letter ruling (PLR) from the Internal Revenue Service, and the status of discussions with state public utility commissions.
- Enclosure 2 This enclosure is a revised "specimen" Insurance Policy.
- Enclosure 3 This enclosure provides a "blackline" comparison, which indicates the changes between the new Specimen policy and the previous draft, which was provided to NRC on January 29, 2004, as Appendix B to Enclosure 1.
- Enclosure 4 This enclosure provides a summary highlighting the key, substantive changes reflected in the Specimen Policy and the reasons for the new language.

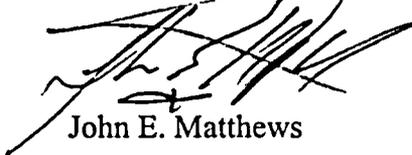
These documents, themselves, and the business model reflected therein have been developed at substantial expense with the hope of implementing a successful commercial enterprise that will provide a broad range of benefits to the NRC, affected state rate regulatory authorities, affected ratepayers, and the insureds, themselves, in fulfilling their obligations as licensees. It is recognized that, in order to achieve the value expected to be derived from these documents, the NRC will require the freedom to use the information contained therein to develop its preliminary review and approval of the insurance program. There is therefore an expectation that NRC may draw upon the information contained in Enclosures 1, 2, 3 & 4 in developing and issuing its own public documents.

Also attached is the Affidavit of Hanson D. Pickerl, Managing Director of Marsh, requesting on behalf of Marsh and NDAC that Enclosures 1-4 be withheld from public disclosure pursuant to 10 CFR 2.790, because they constitute in their entirety confidential proprietary information submitted voluntarily to the NRC. Marsh and NDAC have a proprietary interest in Enclosures 1-4 and request confidential treatment of these documents.

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Any questions regarding the enclosed material or the request for confidential treatment should be directed to me at my address above, or by telephone at 202-739-5524, or by email at jmatthews@morganlewis.com.

Respectfully Submitted,



John E. Matthews

c: Document Control Desk
David B. Matthews
Brian E. Thomas*
Ronald B. Uleck*
Michael A. Dusaniwskyj*
Lawrence J. Chandler, Esq.

“*” Copy by email on May 7, 2004.

10 CFR 2.790**AFFIDAVIT OF HANSON D. PICKERL**

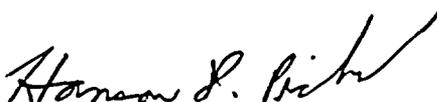
I, Hanson D. Pickerl, Managing Director of Marsh USA Inc. (Marsh), state that:

1. I am authorized to execute this affidavit on behalf of Marsh and NDAC, Inc. (NDAC), which have a proprietary interest in this information.
2. Marsh and NDAC are providing information in support of their request for preliminary NRC review and approval of a proposed insurance program, including a proposed policy. Enclosure 1 describes a proposed insurance program, financial details regarding how policy limits and other terms of insurance will be derived, and strategies for effecting the implementation of this program. Thereby, it provides commercial information regarding a new business model that is proprietary. Enclosure 2 is a proprietary "form of" or specimen insurance policy. Enclosure 3 is a "blackline" showing a comparison of changes between the new Specimen Policy and a previous proprietary draft. Enclosure 4 provides a description of the changes to the policy that have been made, and the reasons for them. These documents, themselves, and the business model reflected therein have been developed at substantial expense with the hope of implementing a successful commercial enterprise that will provide a broad range of benefits to the NRC, affected state rate regulatory authorities, affected ratepayers, and the insureds, themselves, in fulfilling their obligations as licensees. These documents are proprietary commercial and financial information that should be held in confidence by the NRC pursuant to the policy reflected in 10 CFR 2.790(a)(4) and 9.17(a)(4), because:
 - 2.1 This information is and has been held in confidence by Marsh and NDAC.
 - 2.2 This information is of a type that is held in confidence by Marsh and NDAC, and there is a rational basis for doing so because the information contains sensitive business plans and other commercial information regarding a new and unique insurance program being undertaken by Marsh and NDAC.
 - 2.3 This information is being transmitted to the NRC voluntarily and in confidence.
 - 2.4 This information is not available in public sources and could not be gathered readily from other publicly available information. Enclosure 1 includes information from public sources, such as regulatory requirements and related guidance. However, the compilation of this information, as presented in Enclosure 1, and the related logic and analysis are a valuable work product that could not be readily compiled without the expenditure of substantial resources.
 - 2.5 Public disclosure of this information would create substantial harm to the competitive position of Marsh and NDAC for the following reasons:

- (a) With respect to Enclosure 1, this document contains proprietary information in the form of a unique assessment and description of a proposed insurance program, including a proposed policy and proposed insurance company, that is a new and unique commercial enterprise developed at substantial effort and expense. Premature disclosure of this information would provide a roadmap for potential competing insurance providers to "reverse engineer" a competing insurance product, to the competitive disadvantage of Marsh and NDAC. It is understood that NRC may develop its own assessment derived from this information, and that NRC's assessment will be disclosed to the public.
- (b) With respect to Enclosures 2-4, these documents reflect variations of a unique form of insurance policy developed for a new business, and the reasons for changes in the language contained therein. Disclosure of this policy information would provide a template for potential competing insurance providers to develop a similar, competing insurance product, to the competitive disadvantage of Marsh and NDAC. To the extent the contents of the policy are generally described in Enclosure 1 and that NRC may develop its own assessment from this information, it is understood that those general descriptions may be disclosed as part of NRC's assessment.

3. Accordingly, Marsh and NDAC request that the designated documents be withheld from public disclosure pursuant to the policy reflected in 10 CFR 2.790(a)(4) and 9.17(a)(4).

Marsh USA Inc.


 Hanson D. Pickerl
 Managing Director

STATE OF Illinois

CITY/COUNTY OF Naperville, Will County

Subscribed and sworn to me, a Notary Public, in and for the City/County and State above named, this 8th day of May, 2004.



My Commission Expires: 12/30/06

