

50-269/270/287

NRC DISTRIBUTION FOR PART 50 DOCKET MATERIAL

FILE NUMBER

INSURANCE

TO: Mr. Ira Dinitz

FROM: Duke Power Co.
Charlotte, N. C. 28242
D. R. House

DATE OF DOCUMENT
10/26/77

DATE RECEIVED
11/01/77

LETTER
 ORIGINAL
 COPY

NOTORIZED
 UNCLASSIFIED

PROP

INPUT FORM

NUMBER OF COPIES RECEIVED

1 Signed

DESCRIPTION

1p

jcm 11/02/77

ENCLOSURE

Consists of Endorsments 42, 43, 44 and 45 to NEL-PIA Policy NF-182 and copy of original cover letter dated 01/13/77...w/att Endorsements 47 and 48 with a copy of the original cover letter dated 05/24/77...

11p

1 CY ENCL Rec'd *

SAFETY

FOR ACTION/INFORMATION

DINITZ
W/1 CYS FOR ACTION

INTERNAL DISTRIBUTION

REG FILE (3)
NRC PDR
H. JORDAN

EXTERNAL DISTRIBUTION

CONTROL NUMBER

TIC
NSIC

773060142

REGULATORY DOCKET FILE COPY

DUKE POWER COMPANY

P. O. BOX 2178

GENERAL OFFICES

TELEPHONE: AREA 704
373-4011

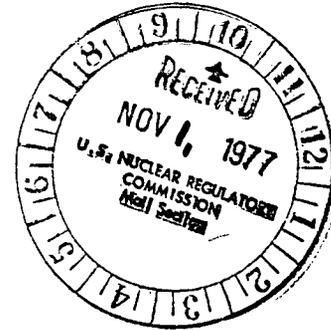
422 SOUTH CHURCH STREET

CHARLOTTE, N. C. 28242

50-269
270
287

October 26, 1977

Mr. Ira Dinitz
Indemnity Specialist
Antitrust & Indemnity Group
Nuclear Regulatory Commission
Washington, D. C. 20555



Subject: NEL-PIA Policy NF-182

Dear Mr. Dinitz:

In response to your October 5, 1977 letter to Mr. A. C. Thies, I am enclosing Endorsements 42, 43, 44 and 45 and a copy of the original cover letter dated January 13, 1977. I am also attaching Endorsements 47 and 48 with a copy of the original cover letter dated May 24, 1977.

I trust you will find these in order.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. R. House".

D. R. House, Manager
Insurance

DRH/sd

enclosures

cc: Mr. Mike Tuckman

773060142

January 13, 1977

Mr. Jerome Saltzman
Deputy Chief
Office of Antitrust & Indemnity
Nuclear Regulatory Commission
Washington, D. C. 20555

Subject: Oconee Units 1, 2, & 3
MAELU - Policy No. MF-61
NELIA - Policy No. NF-182

Dear Mr. Saltzman:

Attached you will find six (6) copies each
of endorsements 42, 43, 44 and 45 to NELIA Policy No.
NF-182 and endorsement 28 to MAELU Policy No. MF-61.

Very truly yours,

D. R. House, Manager
Insurance

DRH/sd

enclosures

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM ENDORSEMENT
and
STANDARD PREMIUM ENDORSEMENT

Calendar Year 1977

1. ADVANCE PREMIUM

It is agreed that the Advance Premium due the companies for the calendar year designated above is \$ 112,556.25

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 and Reserve Premium are:

Standard Premium \$ 112,556.25
Reserve Premium \$ 84,867.75

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. MF-61

Issued to Duke Power Company

Date of Issue December 7, 1976

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF ENDORSEMENT NO. 28 MADE PART OF NUCLEAR ENERGY POLICY (A LIABILITY FORM) NO. MF-61 NO INSURANCE IS AFFORDED UNDER THIS TRUE COPY

For the Subscribing Companies
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

RICHARD E. GORDMAN, SECRETARY

THE FURMAN CO.

Endorsement No. 28 Countersigned by

AUTHORIZED REPRESENTATIVE

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

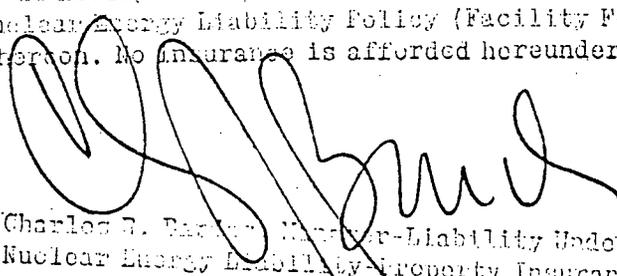
AMENDMENT OF CONDITION 2 "INSPECTION; SUSPENSION"
(Facility Form)

It is agreed that Condition 2 "INSPECTION; SUSPENSION" is replaced by the following:

2. **INSPECTION; SUSPENSION** The companies shall at any time be permitted but not obligated to inspect the facility and all operations relating thereto and to examine the insured's books and records as far as they relate to the subject matter of this insurance. Neither the right to make inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation.

If a representative of the companies discovers a condition which he believes to be unduly dangerous with respect to the nuclear energy hazard, a representative of the companies may request that such condition be corrected without delay. In the event of non-compliance with such request, a representative of the companies may, by notice to the named insured, to any other person or organization considered by the companies to be responsible for the continuance of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend the insurance with respect to the named insured and such other person or organization effective 12:00 midnight of the next business day of such Commission following the date that such Commission receives such notice. The period of such suspension shall terminate as of the time stated in a written notice from the companies to the named insured and to each such person or organization that such condition has been corrected.

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 herein. No insurance is afforded hereunder.

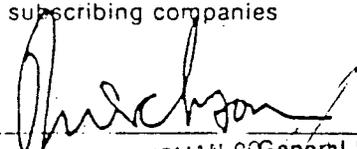

Charles E. Barker, Nuclear Liability Underwriting
Nuclear Energy Liability Property Insurance Assoc.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. NF-182
12:01 A.M. Standard Time

Issued to Duke Power Company

Date of Issue December 15, 1976

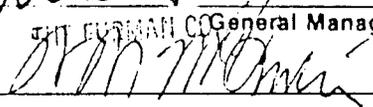
For the subscribing companies

By  General Manager

Endorsement No 42

NE-46

(1/1/77)

Countersigned by 

● Nuclear Energy Liability Insurance ●
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

WAIVER OF DEFENSES ENDORSEMENT
(Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
 - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
 - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
 - (i) negligence,
 - (ii) contributory negligence,
 - (iii) assumption of risk, and
 - (iv) unforeseeable intervening causes, whether involved the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof, but in no event more than twenty years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
 - (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
 - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
 - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.

3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy", shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

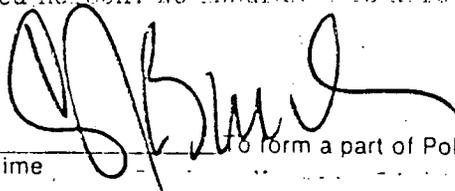
4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.

5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage. of the Nuclear Energy Act of 1954, as amended (hereinafter referred to as designated herein. No insurance is intended hereunder.



Effective Date of this Endorsement January 1, 1977 12:01 A.M. Standard Time To form a part of Policy No. NF- 182
Issued to Duke Power Company

Date of Issue December 15, 1976

For the subscribing companies
By [Signature]
General Manager

Endorsement No 43

Countersigned by [Signature]

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF DEFINITION OF
"NUCLEAR ENERGY HAZARD"
(Indemnified Nuclear Facility)

It is agreed that:

1. Solely with respect to an "insured shipment" to which the policy applies as proof of financial protection required by the Nuclear Regulatory Commission, subdivision (2) of the definition of "nuclear energy hazard" is amended to read:
 - (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
 - (a) the territorial limits of the United States of America, its territories or possessions, Puerto Rico or the Canal Zone; or
 - (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within the territorial limits described in (a) above and there are no deviations in the course of the transportation for the purpose of going to any other country, state or nation, except a deviation in the course of said transportation for the purpose of going to or returning from a port or place of refuge as the result of an emergency.
2. As used here, "financial protection" has the meaning given it in the Atomic Energy Act of 1954, as amended.

Charles W. ...
... of the Nuclear Energy Liability Insurance Association

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No. NF- 182
12:01 A.M. Standard Time

Issued to Duke Power Company

Date of Issue December 15, 1976

For the subscribing companies
By [Signature] General Manager

Endorsement No 44

Countersigned by [Signature]

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

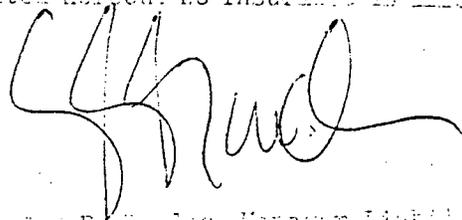
- 1) ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT
- 2) CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT

Calendar Year 1977

- 1a. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 387,693.75
- b. 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: \$ 292,322.25
2. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed on the reverse side of this endorsement.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable only for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated on the reverse side of this endorsement.
3. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31st of the Calendar Year designated in the caption above, or to the time of the termination or cancellation of the policy, if sooner.

(Over)

This document is a part of the original
Endorsement Form (which is being made part
of the Nuclear Energy Liability Insurance Form), as des-
ignated herein. No insurance is afforded hereunder.



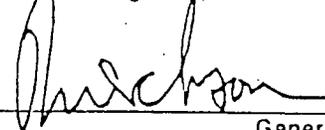
Charles R. Eason, Nuclear Liability Underwriting
Nuclear Energy Liability-Property Insurance Assoc.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No NF-182
12:01 A.M. Standard Time

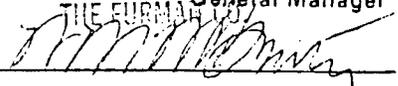
Issued to Duke Power Company

Date of Issue December 31, 1976

For the subscribing companies

By  General Manager
THE FURMAN CO.

Endorsement No 45

Countersigned by 

SUBSCRIBING COMPANIES

PROPORTION OF
100%

Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	11.619992
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.3239160
Allstate Insurance Co., 8324 Skokie Blvd., Skokie, IL 60076	4.6476320
American Home Assurance Co., 102 Maiden La., New York, NY 10005	.6584145
American Motorists Insurance Co., Long Grove, IL 60040	.3873927
Centennial Insurance Co., 45 Wall St., New York, NY 10005	.3973927
Commercial Union Insurance Company, One Beacon St., Boston, MA 02103	3.7181056
Continental Casualty Co., CNA Plaza, Chicago, IL 60685	4.6476320
Continental Insurance Company, The., 80 Maiden La., New York, NY 10038	6.1968427
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	1.2393685
Fireman's Fund Insurance Co., 3333 California St., San Francisco, CA 94119	4.2693294
General Accident Fire and Life Assurance Corp., Ltd. 414 Walnut St., Philadelphia, PA 19105	1.3169291
Great American Insurance Co., 500 Walnut St., Cincinnati, OH 45201	1.3013370
Gulf Insurance Co., 3015 Cedar Springs, Dallas, TX 75221	.1549211
Hanover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	.4647632
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.7459534
Hartford Steam Boiler Inspection and Insurance Co., The, 55 Prospect St., Hartford, CT 06102	.4259329
Home Indemnity Co., The, 59 Maiden La. New York, NY 10038	2.7111187
Insurance Company of North America, 1600 Arch St., Philadelphia, PA 19101	6.9714489
Maryland Casualty Co., P.O. BOX 1228, Baltimore, MD 21203	1.5492107
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10005	.2711119
Northwestern National Insurance Co., 731 North Jackson St., Milwaukee, WI 53202	.5422237
Pacific Indemnity Co., 3200 Wilshire Boulevard, Los Angeles, CA 90054	.3998421
Peerless Insurance Co., 62 Maple Ave., Keene, New Hampshire 03431	.0968257
Phoenix Assurance Company of New York, 80 Maiden La. New York, NY 10038	.4647632
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	.0968257
Puritan Insurance Company, 1515 Summer St., Stamford, CT 06905	.2323916
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	1.2393685
Royal Globe Insurance Co., 150 William St., New York, NY 10038	3.8739267
St. Paul Fire and Marine Insurance Co., 385 Washington St., St. Paul, MN 55102	3.8492393
Seaboard Surety Co., 90 William St., New York, NY 10038	.3998421
Security Insurance Company of Hartford, 1000 Asylum Ave., Hartford, CT 06101	1.0457172
State Farm Fire and Casualty Company, 112 East Washington St., Bloomington, IL 61701	.7746953
Transamerica Insurance Co., 1150 So. Olive St., Los Angeles, CA 90015	.6196943
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	10.9993959
United States Fidelity and Guaranty Co., P.O. BOX 1138, Baltimore, MD 21203	8.8395999
United States Fire Insurance Co., Madison Ave. at Canfield Rd., Morristown, NJ 07960	2.9435903
Zurich Insurance Co., 111 West Jackson Blvd., Chicago, IL 60604	.7746953

May 24, 1977

Mr. Jerome Saltzman
Deputy Chief
Office of Antitrust & Indemnity
Nuclear Regulatory Commission
Washington, D. C. 20555

Subject: Oconee Units 1, 2 & 3
NELIA - Policy No. NF182

Dear Mr. Saltzman:

Enclosed you will find sufficient copies each
of endorsements 47 and 48 to NELPIA Policy NF182.

Very truly yours,

D. R. House, Manager
Insurance

DRH/sd

enclosures

cc: Mr. Ken Canady

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1977

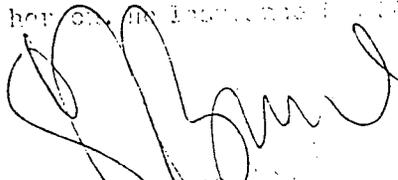
It is agreed that Items 1a. and 1b. of Endorsement No. 45
are amended to read:

1a. ADVANCE PREMIUM: It is agreed that the Advance
Premium due the companies for the period designated above
is: \$ 397,054.20

1b. 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: \$ 299,436.19

ADDITIONAL PREMIUM: \$9,360.45

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 (Liability Form) as des-
ignated hereon. Issued and recorded hereunder.


Charles E. De...
Nuclear Energy...

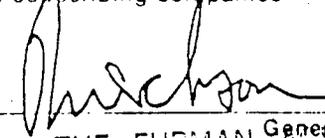
1977 Underwriting
Nuclear Energy Liability Insurance Assoc.

Effective Date of this Endorsement January 1, 1977 To form a part of Policy No NE-182
12:01 A.M. Standard Time

Issued to Duke Power Company

Date of Issue May 2, 1977

For the subscribing companies

By 
THE FURMAN General Manager

Endorsement No 48

Countersigned by BY 

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT
(After Prior Increase)

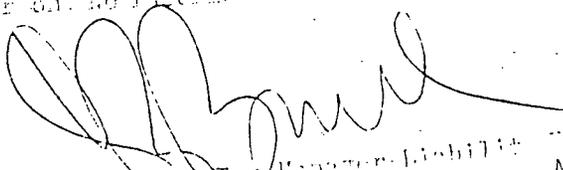
It is agreed that:

1. The limit of 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 \$ 108,500,000.00. This amended limit applies with respect to obligations assumed or expenses incurred because of bodily injury or property damage caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.
2. 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 the limit of liability originally stated in Item 4 of the declarations, the amended 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, regardless of which limit of liability applies with respect to the bodily injury or property damage out of which such loss or expense arises.

Previous Increase of Limit of Liability Endorsement(s)

Endorsement No(s): 22, 31 and 38

This is a separate document which forms a part of the original policy and is to be read in conjunction with the original policy and the original Endorsement(s) (including the original Liability Form) as designated hereon to be read and construed hereunder.



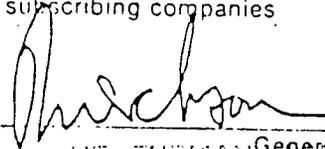
Effective Date of this Endorsement May 1, 1977

To form a part of Policy No. NF-182

Issued to Duke Power Company

Date of Issue May 2, 1977

For the subscribing companies

By  General Manager

Endorsement No 47

Countersigned by 