

Arizona Nuclear Power Project

P.O. BOX 52034 • PHOENIX, ARIZONA 85072-2034

161-01124-EEVB/JRP
June 15, 1988

Docket Nos. STN 50-528/529/530

Director of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Mail Station Pl-137
Washington, D.C. 20555

Dear Sirs:

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Nuclear Liability-Facility Form Coverage
File: 88-A-056-026

Pursuant to 10CFR140.15, enclosed are two certified copies each of the Amendment of Coverage Endorsements for Workers Claims, Endorsements No. 38 and No. 20 to ANI/MAELU policy numbers NF-266 and MF-116 for your review and files. Should you have any questions, please feel free to call.

Very truly yours,

E. E. Van Brunt, Jr.
Executive Vice President
Project Director

EEVB/JRP/pvk

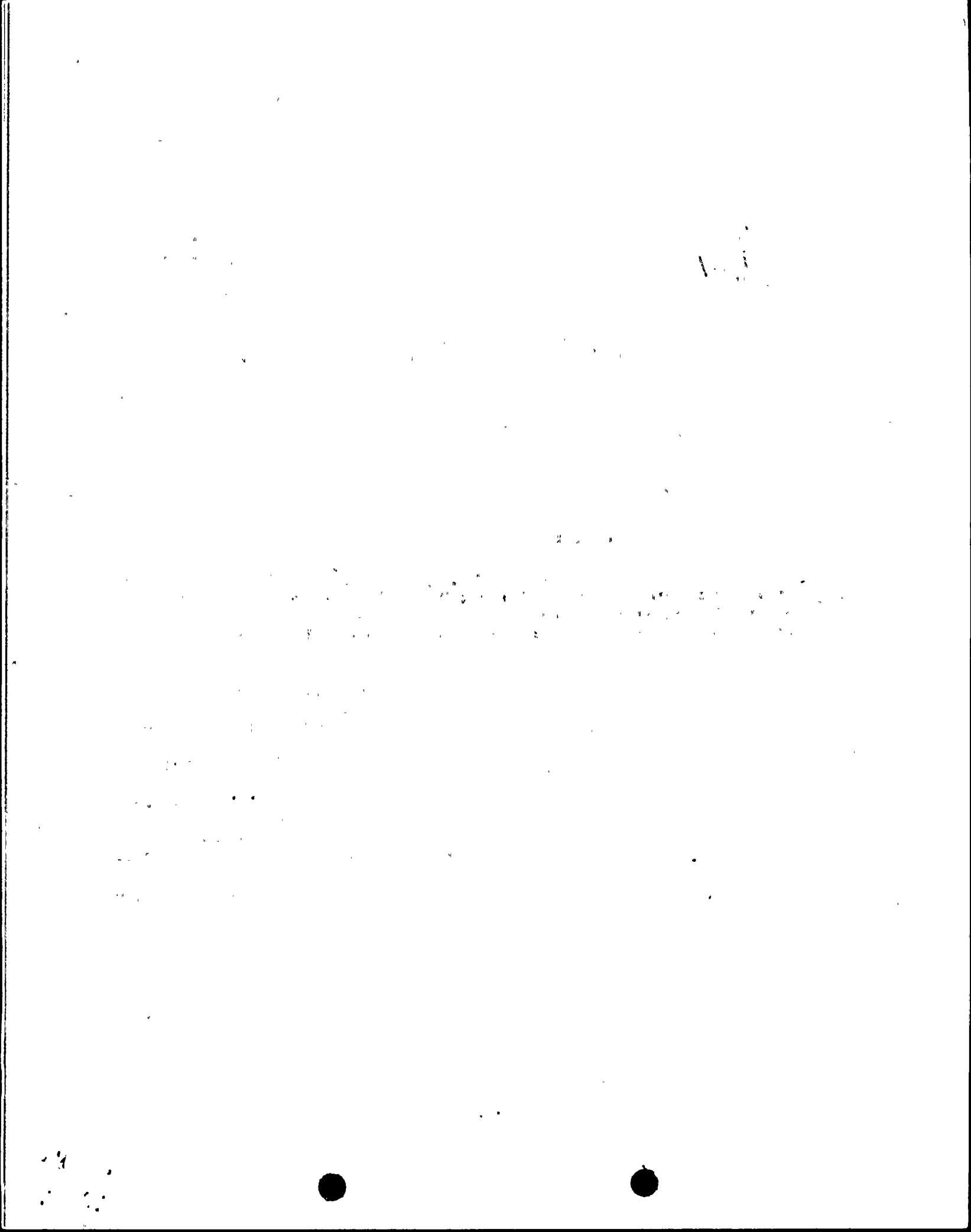
Attachments: (1) Policy No. MF-116, Endorsement No. 20
(2) Policy No. NF--226, Endorsement No. 38

cc: G. W. Knighton
M. J. Davis
J. B. Martin
T. J. Polich

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Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Nuclear Energy Liability Insurance Association ("NELIA") and Mutual Atomic Energy Liability Underwriters ("MAELU") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. NELIA and MAELU believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. NELIA and MAELU want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly NELIA and MAELU desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

NOW, THEREFORE, the Named Insured and the companies do hereby agree as follows:

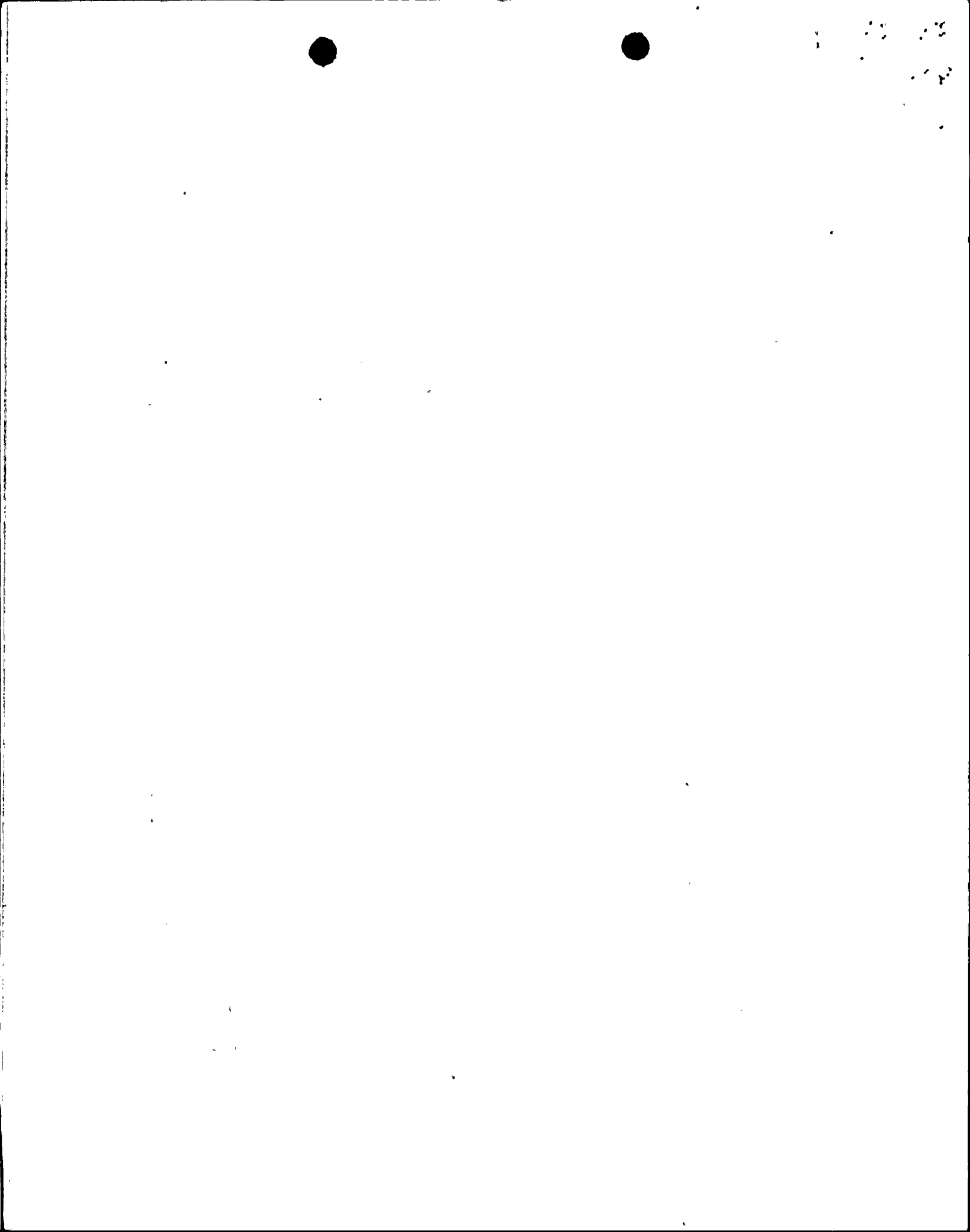
1. DEFINITIONS

When used in reference to this endorsement:

"this policy" means the policy of which this endorsement forms a part;

"nuclear related employment" means all work performed at one or more than one nuclear facility in the United States of America or in connection with the transportation of nuclear material to or from any such facility. All of a worker's nuclear related employment shall be considered as having begun on the first day of such employment, regardless of the number of employers involved or interruptions in such employment;

"worker" refers to a person who is or was engaged in nuclear related employment;



"workers claims" means claims for damages because of bodily injury to a worker caused by the radioactive, toxic, explosive or other hazardous properties of nuclear material and arising out of or in the course of the worker's nuclear related employment;

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an "extraordinary nuclear occurrence" as defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

2. APPLICATION OF THIS ENDORSEMENT

This endorsement applies only to such insurance as is afforded by this policy for workers claims which do not arise in whole or in part out of an extraordinary nuclear occurrence.

3. EXCLUSION OF NEW WORKERS CLAIMS

This policy does not apply to bodily injury to a worker which arises in whole or in part out of nuclear related employment that begins on or after January 1, 1988.

4. APPLICATION OF POLICY TO WORKERS CLAIMS NOT EXCLUDED

With respect to such insurance as is afforded by this policy for workers claims which are not excluded, Insuring Agreement IV does not apply and the following Insuring Agreement IV-A does apply:

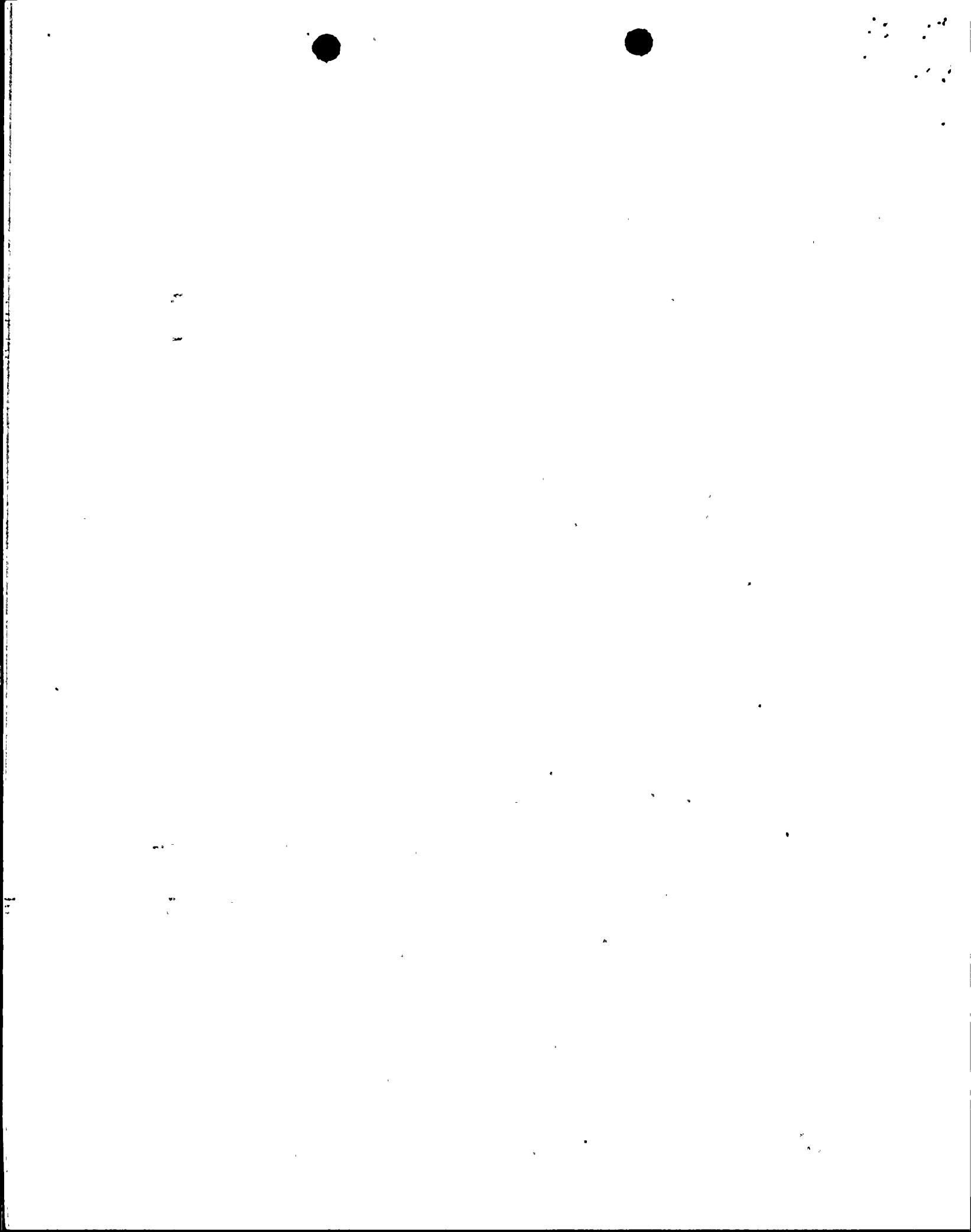
IV-A APPLICATION OF POLICY TO WORKERS CLAIMS

This policy applies only to bodily injury (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured not later than the close of December 31, 1997.

5. AVAILABILITY OF SUPPLEMENTAL INSURANCE

NELIA and MAELU are offering to make insurance under one or more Master Worker Policies available to all holders of Nuclear Energy Liability Policies (Facility Form). THIS OFFER IS CONTINGENT ON SUFFICIENT SUPPORT FROM POLICYHOLDERS, AND MAY BE WITHDRAWN OR MODIFIED BY NELIA OR MAELU AS THEY DEEM NECESSARY OR APPROPRIATE.

The Master Worker Policies will provide, under their separate terms and conditions, coverage for new workers claims. Premiums will be subject to a separate Industry Retrospective Rating Plan.



COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO NELIA OR MAELU THROUGH REGULAR MARKET CHANNELS.

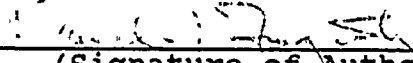
It is understood and agreed that all of the provisions of this endorsement shall remain in full force and effect without regard to this Section 5, and without regard to whether or not the Named Insureds become insureds under the Master Worker Policies, or whether or not NELIA or MAELU terminate such policies or withdraw or modify their offer to underwrite such policies.

Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

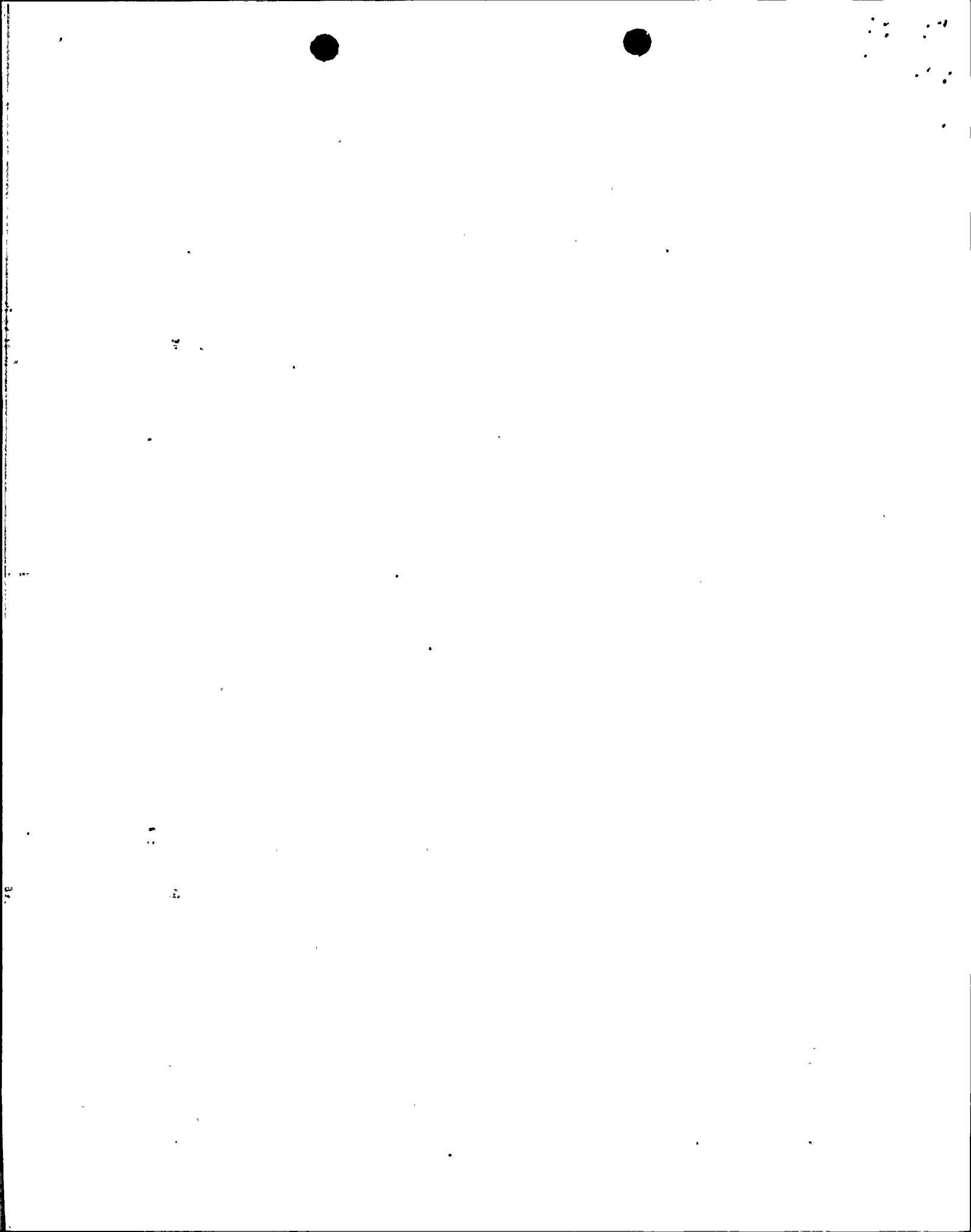
Southern California Edison Company
(Named Insured - Print or Type)
Date 11/30/87 By X 
(Signature of Authorized Officer)

David J. Fogarty, Executive Vice President
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)
Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO NELIA OR MAELU THROUGH REGULAR MARKET CHANNELS.

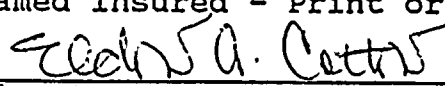
It is understood and agreed that all of the provisions of this endorsement shall remain in full force and effect without regard to this Section 5, and without regard to whether or not the Named Insureds become insureds under the Master Worker Policies, or whether or not NELIA or MAELU terminate such policies or withdraw or modify their offer to underwrite such policies.

Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

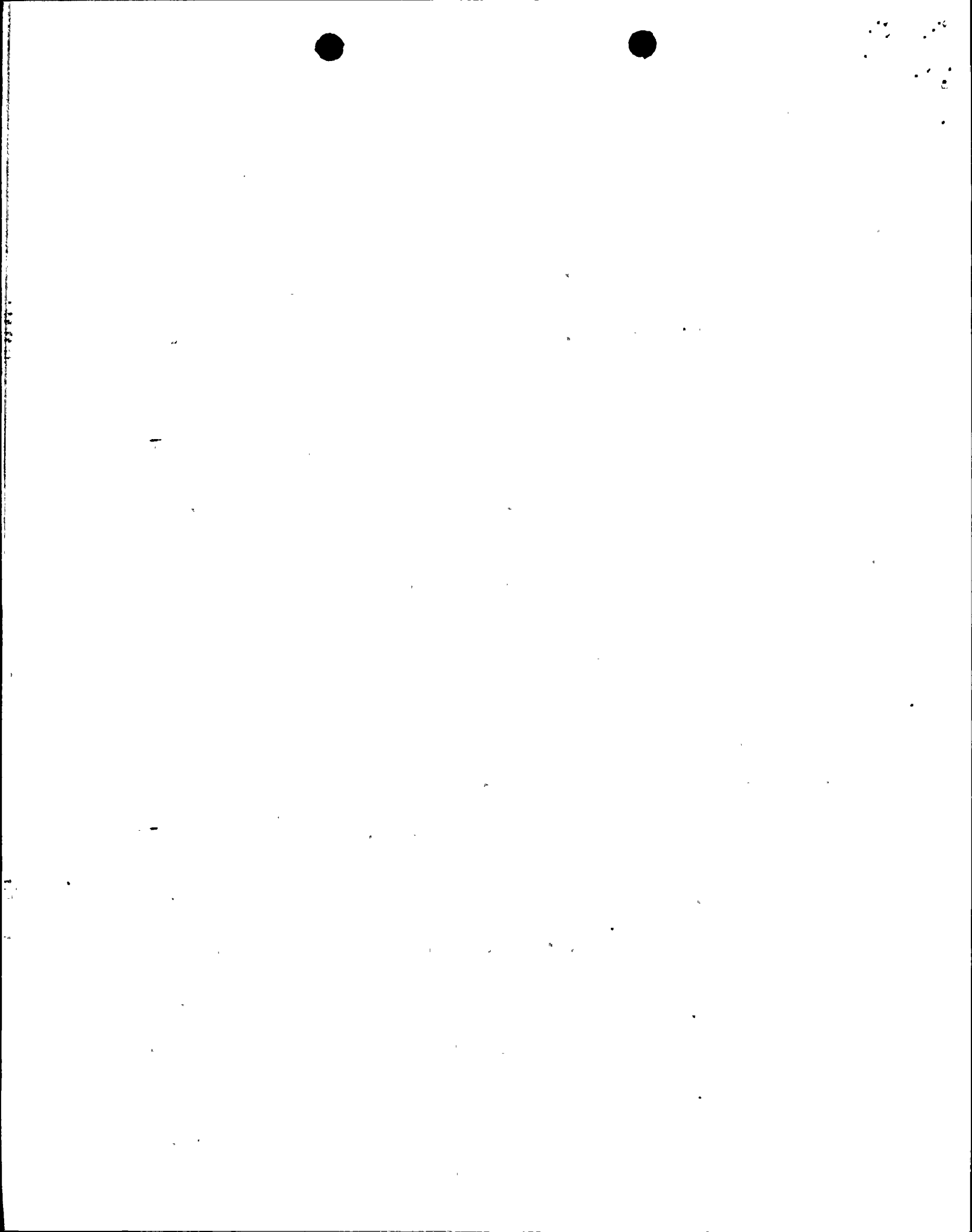
Department of Water and Power
of the City of Los Angeles
(Named Insured - Print or Type)
Date 12-1-87 By 
(Signature of Authorized Officer)

ELDON A. COTTON, Assistant Chief Engineer-Power
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)
Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO NELIA OR MAELU THROUGH REGULAR MARKET CHANNELS.

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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

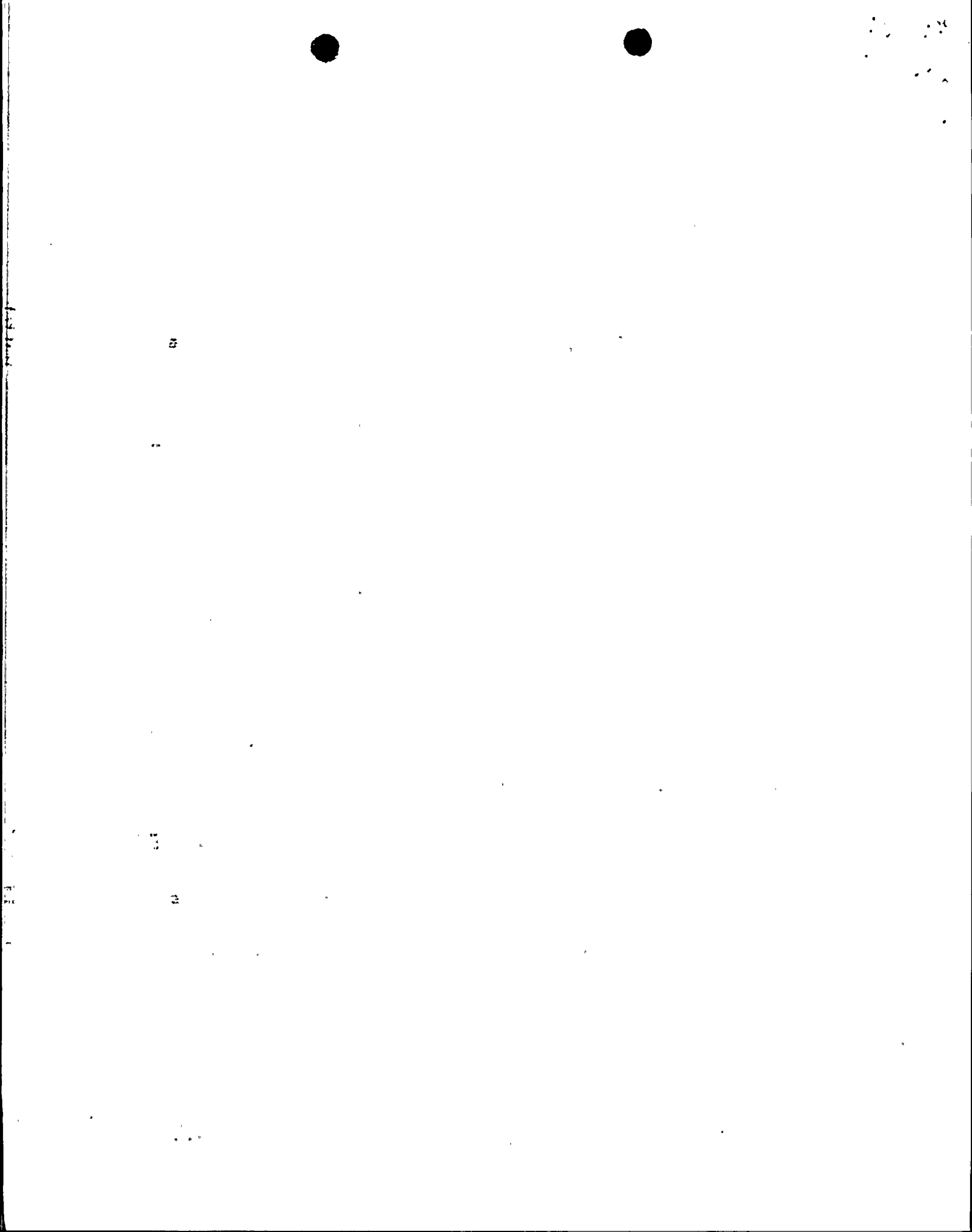
Executed for the Named Insured
El Paso Electric Co.

(Named Insured - Print or Type)
Date Nov. 30, 1987 By 
(Signature of Authorized Officer)

Charles Mais, Senior Vice President
(Print or Type Name and Title of Officer)

Executed for the Named Insured

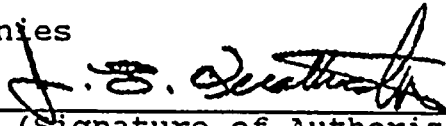
(Named Insured - Print or Type)
Date _____ By _____
(Signature of Authorized Officer)
(Print or Type Name and Title of Officer)



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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Southern California Public Power Authority
(Named Insured - Print or Type)

Date 12-1-87 By 
(Signature of Authorized Officer)

ELDON A. COTTON, Assistant Chief Engineer-Power
(Print or Type Name and Title of Officer)
Department of Water and Power
of the City of Los Angeles

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

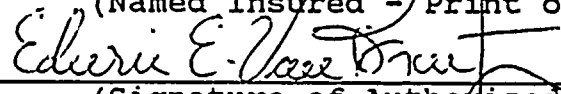
(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

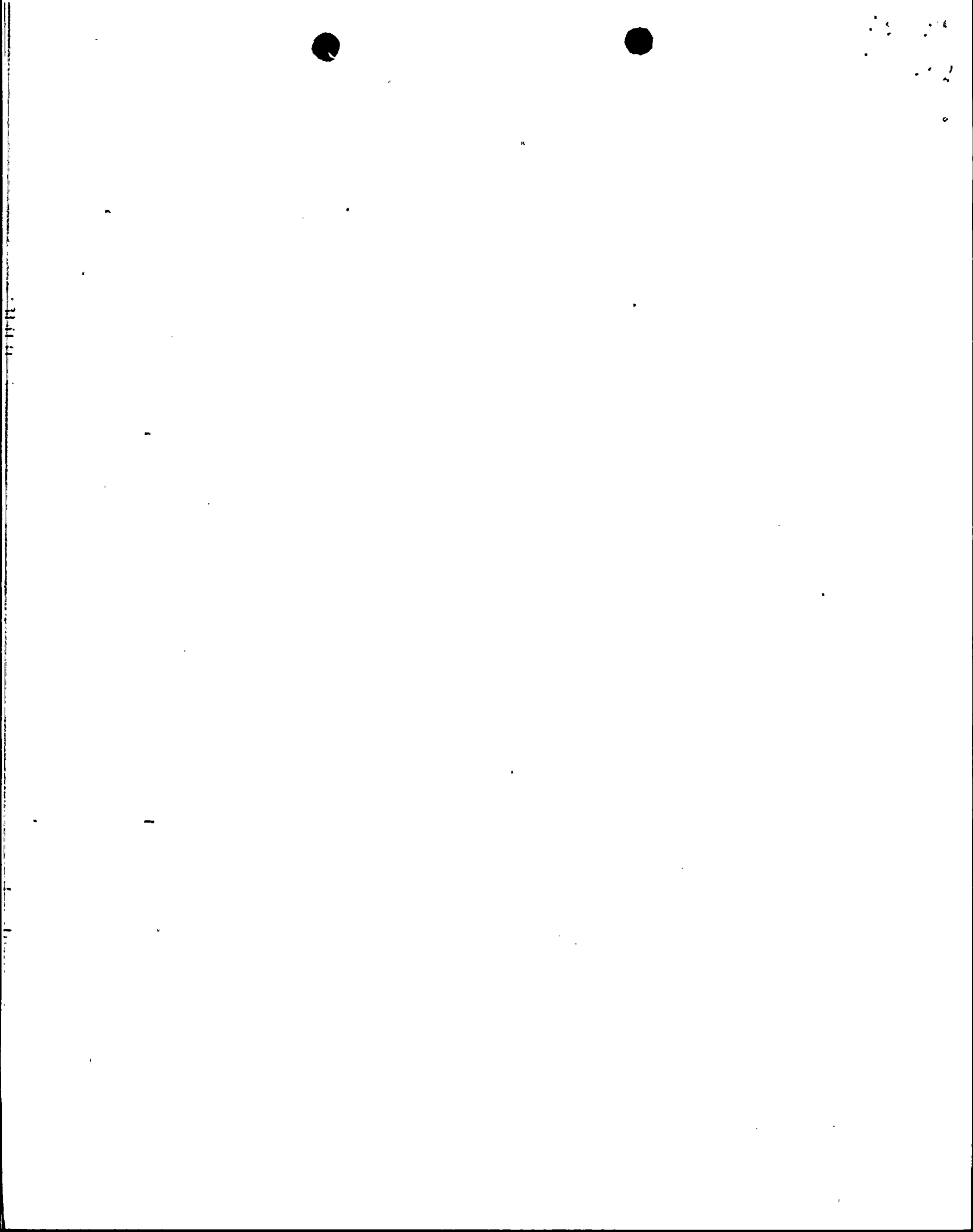
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Arizona Public Service Company
(Named Insured - Print or Type)

Date 12/1/87 By 
(Signature of Authorized Officer)

Edwin E. Van Brunt, Jr. Executive Vice President
(Print or Type Name and Title of Officer)



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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Salt River Project Agricultural Improvement
& Power District

(Named Insured - Print or Type)

Date 11/23/87 By 
(Signature of Authorized Officer)

John R. McJamara, Associate General Manager
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



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Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

Executed for the Named Insured

Public Service Company of New Mexico

(Named Insured - Print or Type)

Date 11/24/87 By Jack P. Wilkins
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

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) designated hereon. No insurance is afforded hereunder.

J. S. Quattrone
John L. Quattrone, Vice President-Liability Underwriting
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No NF-266
12:01 A.M. Standard Time

Issued to Arizona Public Service Company, et. al.

Date of Issue October 19, 1987 For the subscribing companies

By _____
General Manager
Thomas F. Hartley, Jr.

Endorsement No 38

Countersigned by _____

12-2-1964

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Mutual Atomic Energy Liability Underwriters ("MAELU") and Nuclear Energy Liability Insurance Association ("NELIA") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. MAELU and NELIA believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. MAELU and NELIA want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly MAELU and NELIA desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

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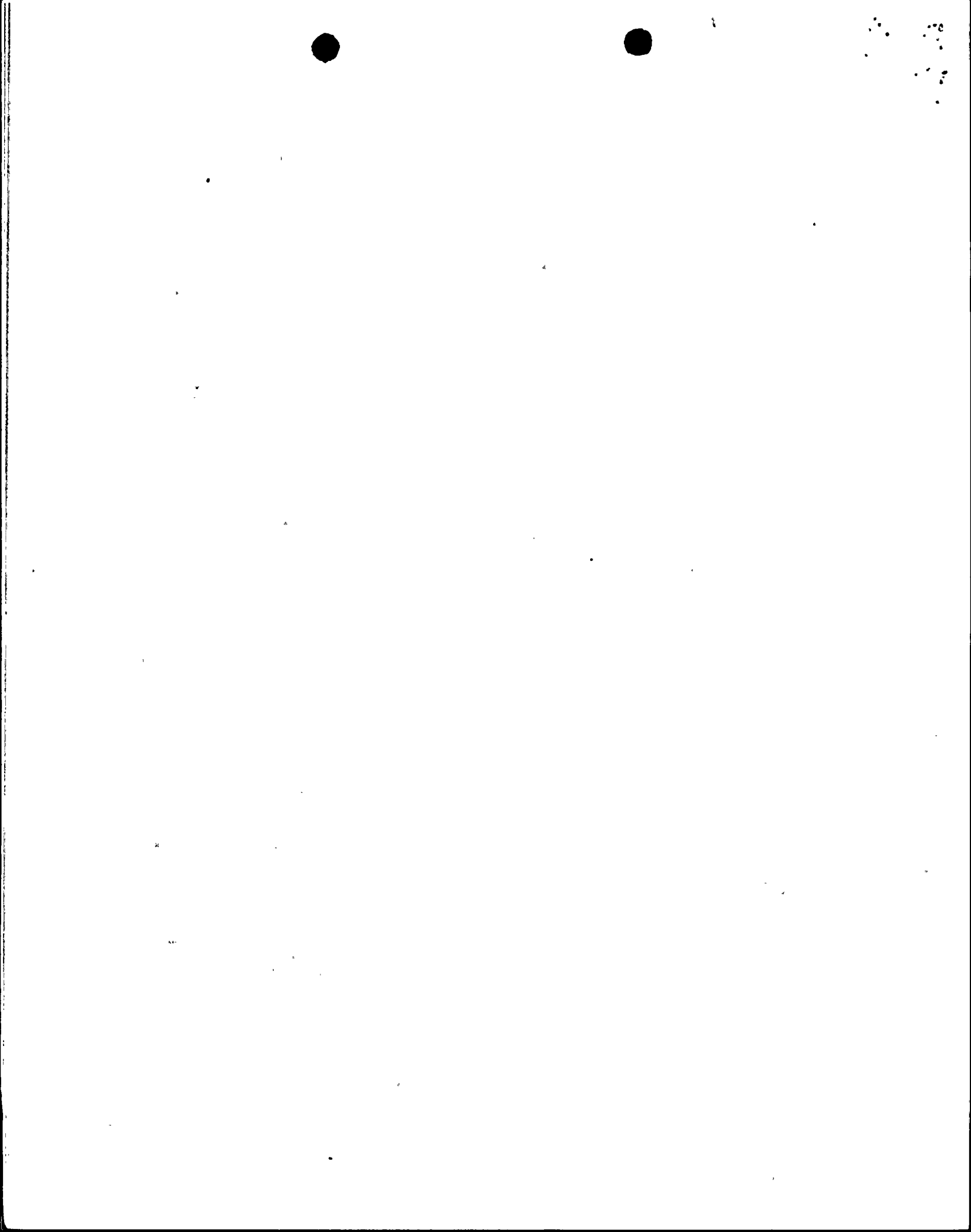
1. DEFINITIONS

When used in reference to this endorsement:

"this policy" means the policy of which this endorsement forms a part;

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"worker" refers to a person who is or was engaged in nuclear related employment;



"workers claims" means claims for damages because of bodily injury to a worker caused by the radioactive, toxic, explosive or other hazardous properties of nuclear material and arising out of or in the course of the worker's nuclear related employment;

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an "extraordinary nuclear occurrence" as defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

2. APPLICATION OF THIS ENDORSEMENT

This endorsement applies only to such insurance as is afforded by this policy for workers claims which do not arise in whole or in part out of an extraordinary nuclear occurrence.

3. EXCLUSION OF NEW WORKERS CLAIMS

This policy does not apply to bodily injury to a worker which arises in whole or in part out of nuclear related employment that begins on or after January 1, 1988.

4. APPLICATION OF POLICY TO WORKERS CLAIMS NOT EXCLUDED

With respect to such insurance as is afforded by this policy for workers claims which are not excluded, Insuring Agreement IV does not apply and the following Insuring Agreement IV-A does apply:

IV-A APPLICATION OF POLICY TO WORKERS CLAIMS

This policy applies only to bodily injury (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured not later than the close of December 31, 1997.

5. AVAILABILITY OF SUPPLEMENTAL INSURANCE

MAELU and NELIA are offering to make insurance under one or more Master Worker Policies available to all holders of Nuclear Energy Liability Policies (Facility Form). THIS OFFER IS CONTINGENT ON SUFFICIENT SUPPORT FROM POLICYHOLDERS, AND MAY BE WITHDRAWN OR MODIFIED BY MAELU OR NELIA AS THEY DEEM NECESSARY OR APPROPRIATE.

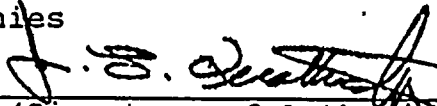
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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

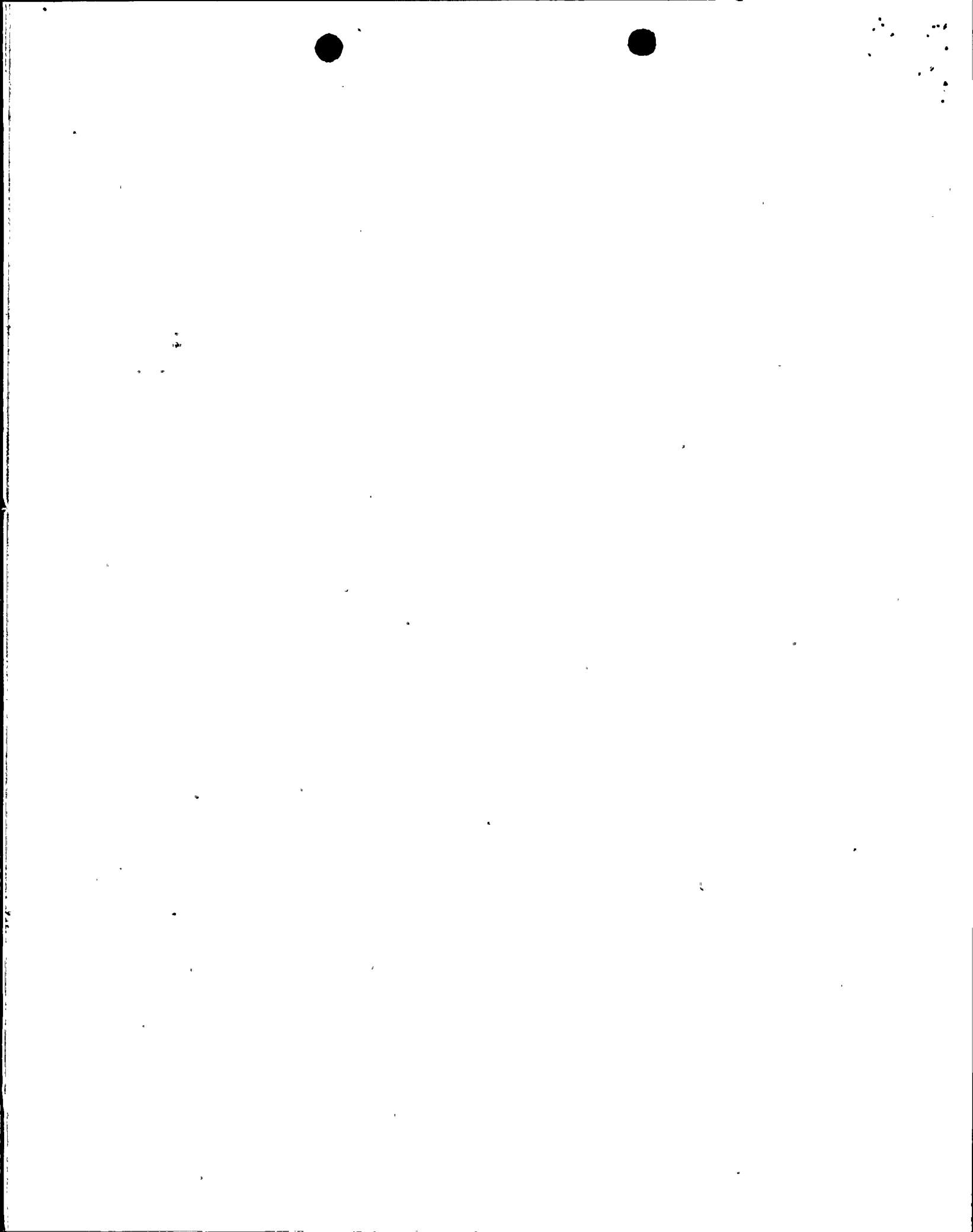
El Paso Electric Co
(Named Insured - Print or Type)
Date Nov. 30, 1987 By 
(Signature of Authorized Officer)

Charles Mais, Senior Vice President
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)
Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO MAELU OR NELIA THROUGH REGULAR MARKET CHANNELS.

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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer),

Executed for the Named Insured

Southern California Edison Company
(Named Insured - Print or Type)

Date 11/30/87 By 
(Signature of Authorized Officer)

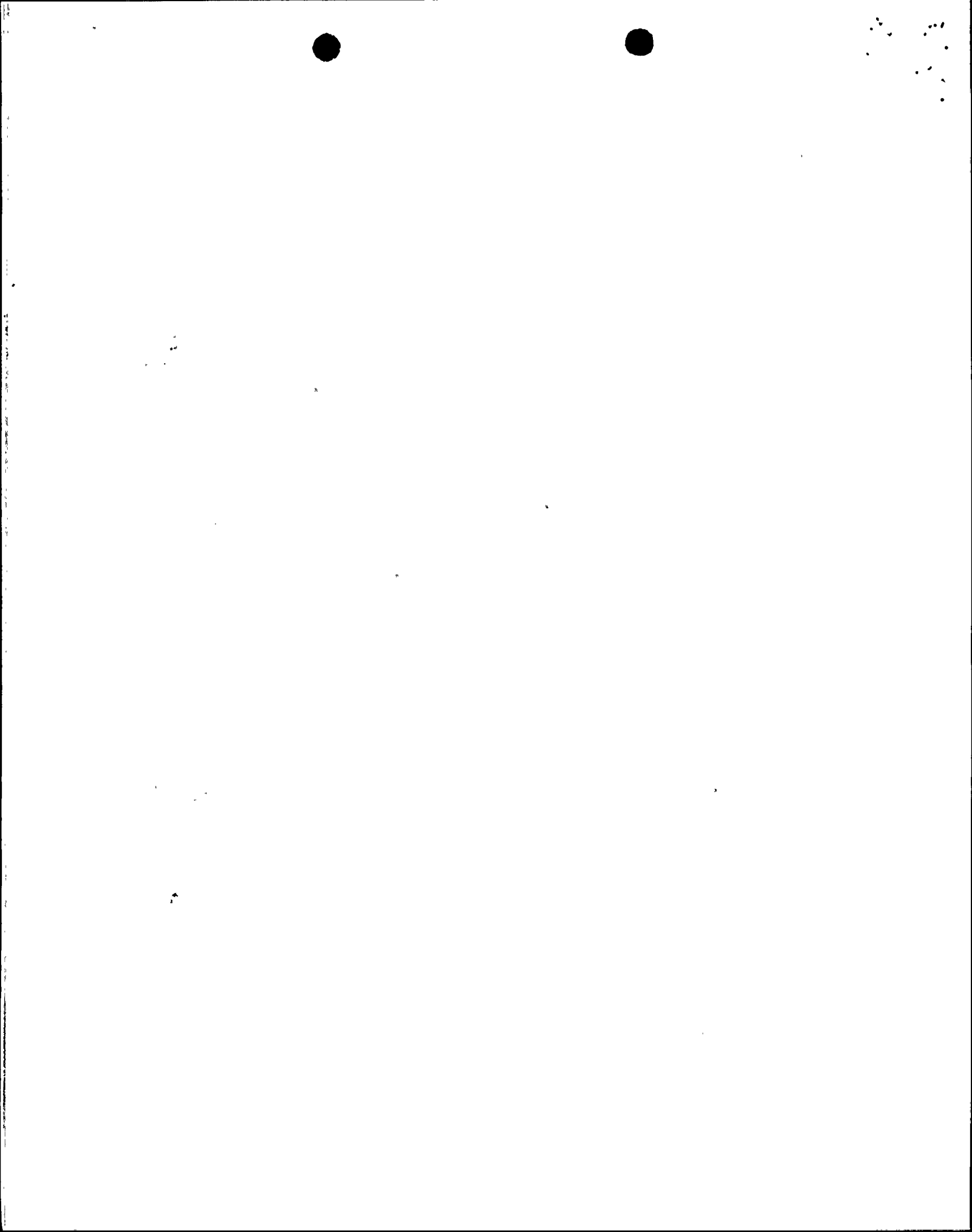
David J. Fogarty, Executive Vice President
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



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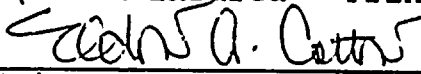
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Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Southern California Public Power Authority
(Named Insured - Print or Type)
Date 12-1-87 By 
(Signature of Authorized Officer)

ELDON A. COTTON, Assistant Chief Engineer-Power
(Print or Type Name and Title of Officer)
Department of Water and Power
of the City of Los Angeles

Executed for the Named Insured

(Named Insured - Print or Type)
Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



Handwritten marks and symbols in the top right corner, including a cluster of dots and a small scribble.

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Executed for the companies

Date 3/29/88 By _____

J. L. Quattrocchi
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Department of Water and Power
of the City of Los Angeles

(Named Insured - Print or Type)

Date 12-1-87 By _____

Eldon A. Cotton
(Signature of Authorized Officer)

ELDON A. COTTON, Assistant Chief Engineer-Power
(Print or Type Name and Title of Officer)

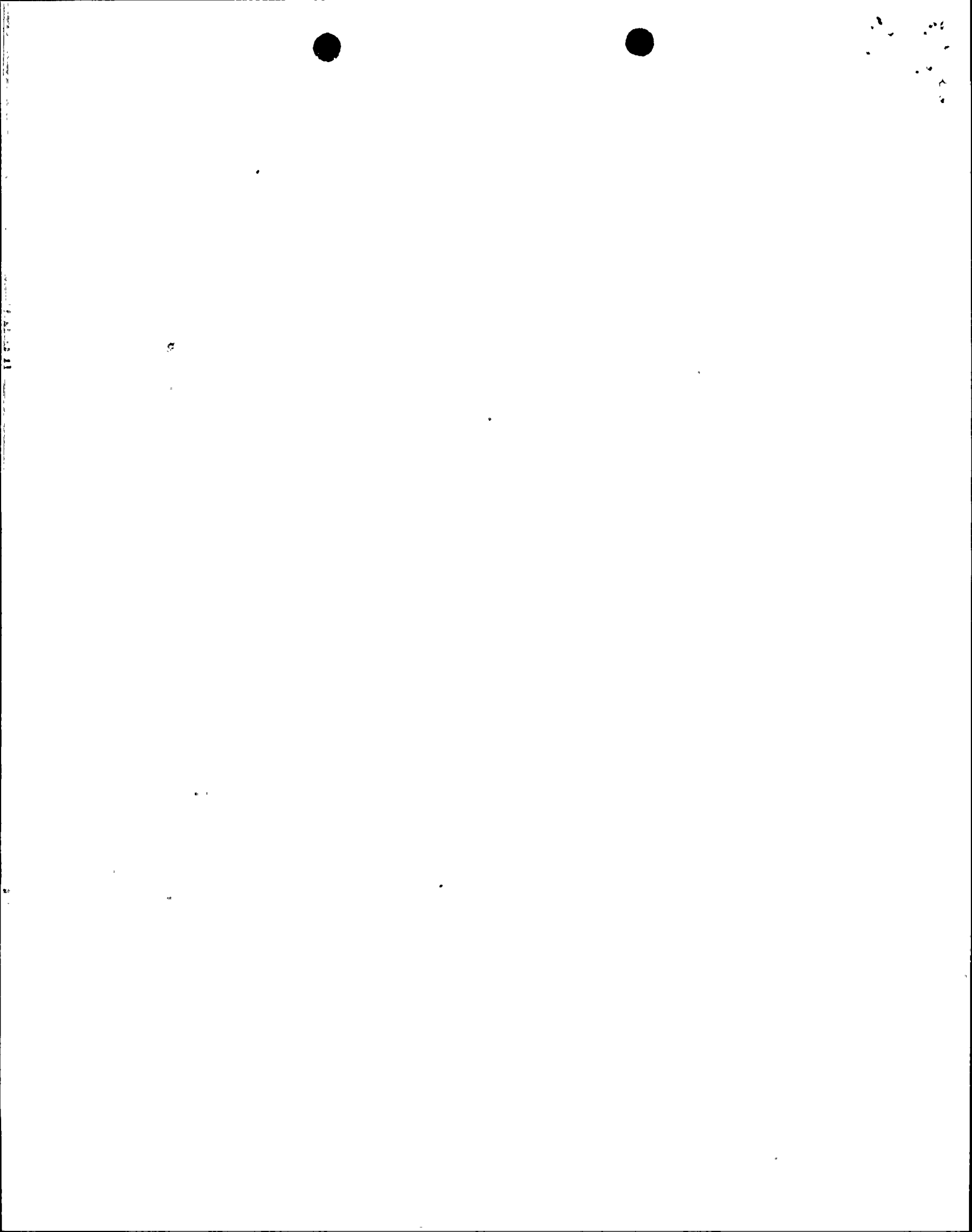
Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____

(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)





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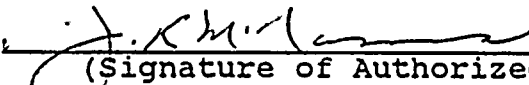
Executed for the companies

Date 3/29/88 By 
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Salt River Project Agricultural Improvement & Power District
(Named Insured - Print or Type)

Date 11/25/87 By 
(Signature of Authorized Officer)

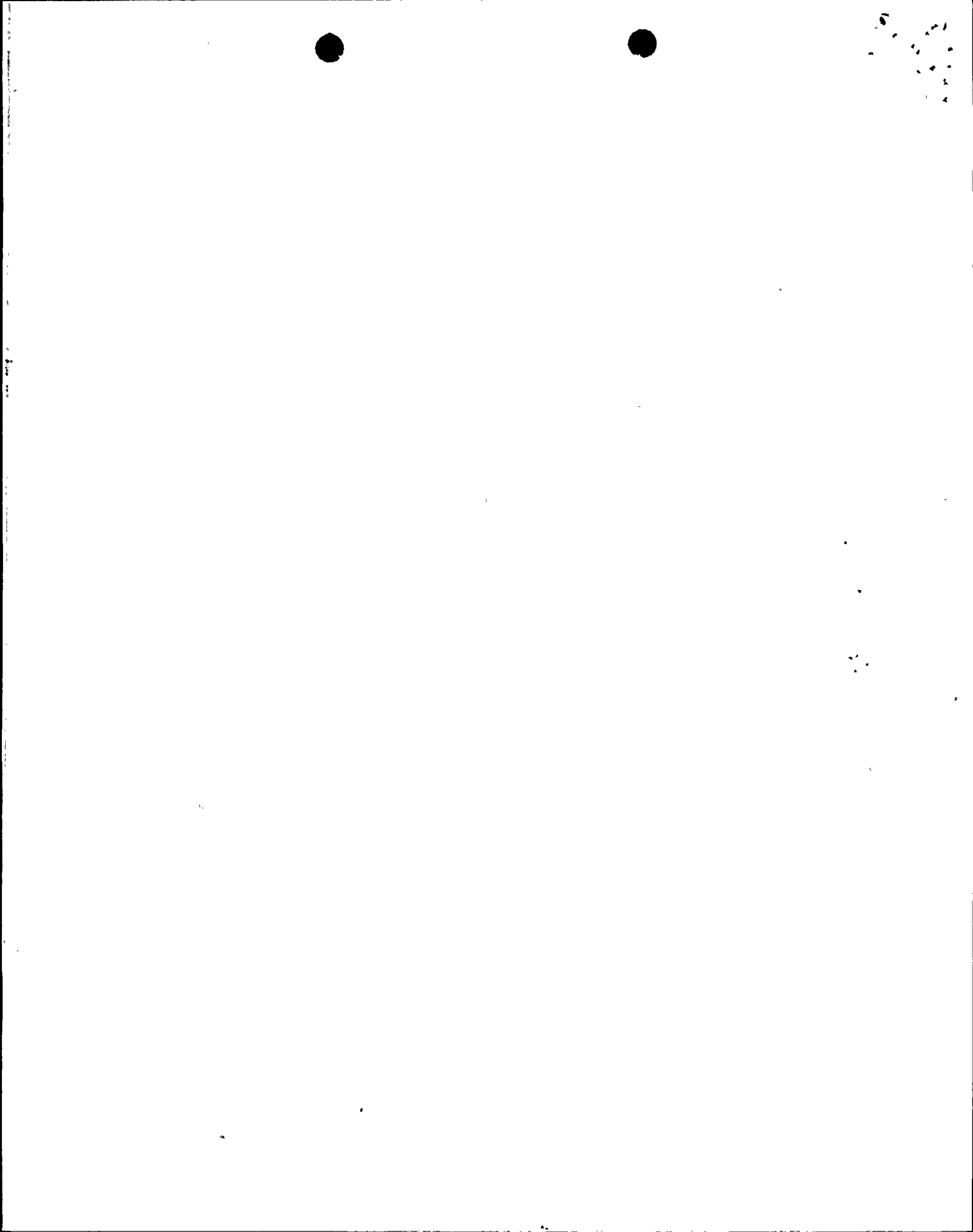
John R. McNamara, Associate General Manager
(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)



Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____

(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

Executed for the Named Insured

(Named Insured - Print or Type)

Date _____ By _____

(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

Executed for the Named Insured

Public Service Company of New Mexico

(Named Insured - Print or Type)

Date 11/24/87 By _____

Jack L. Wilkins
(Signature of Authorized Officer)

Jack L. Wilkins Vice-President Power Supply
(Print or Type Name and Title of Officer)

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 des-
ignated hereon. No insurance is afforded hereunder.

John L. Quance, Vice President
American Nuclear Insurers

Effective Date of
this Endorsement

January 1, 1988

To form a part of Policy No. MF-116

12:01 A.M. Standard Time

Issued to Arizona Public Service Company, et.al.

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By _____

Countersigned by _____

Thomas F. Hartley, Jr.
Authorized Representative

Endorsement No. 20

ME-64 (1/1/88)

1883-84