

Marsh & McLennan, Incorporated
1221 Avenue of the Americas
New York, New York 10020
Telephone 212 997-2000

Doyle

50-272
50-354

October 8, 1985

Mr. Ira Dinitz
State & Licensee Relations
Office of State Programs
Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Public Service Electric & Gas Co.
Nuclear Liability Policies
Secondary Financial Protection
Certificates N-104/M-104

Dear Ira:

On behalf of PSE&G, enclosed are two certified copies each of
the Secondary Financial Protection Certificates, nos. N-104
and M-104,

Sincerely,

Ayshe

Ayshe Murat
Nuclear Specialist

AM:ef
enc.

cc: R. Griffiths, PSE&G
S. Hogge, M&M NY

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PDR ADDCK 05000272
PDR

Mool

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

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.

Certificate No. N- 104

Forming Part of Master

Policy No. 1

J. S. Quattrocchi
JOHN L. QUATTROCCHI
VICE PRESIDENT-LIABILITY UNDERWRITING
AMERICAN NUCLEAR INSURERS

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Nuclear Energy Liability Insurance Association.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(b) The following endorsements, attached the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

(1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and

(2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows: No Exceptions

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$3,875,000.

Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1985 : The pro rata portion of \$4,650 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage 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.

Declarations

Item 1. Named insureds and addresses:

- (a) Public Service Electric and Gas Company
80 Park Plaza, Area 6B, Newark, NJ 07101
- (b) Atlantic City Electric Company
P. O. Box 567, Atlantic City, NJ 08404

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 1 of the Hope Creek Nuclear Station located in Salem, New Jersey.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's Policy NF- 230	\$124,000,000
Mutual Atomic Energy Liability Underwriters' Policy MF- 90	\$ 36,000,000

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Nuclear Energy Liability Insurance Association subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

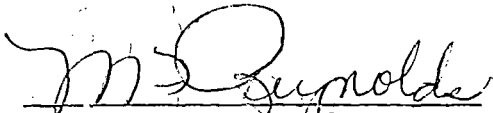
And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

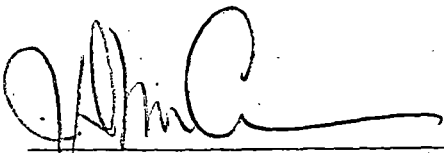
For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness


M. F. Reynolds
Assistant Secretary


J. D. McCann, Assistant Secretary

Named Insureds:

Public Service Electric and Gas Company
(Named Insured - Type or Print)

By W. A. Maginn (SEAL)
(Signature of Officer)

W. A. Maginn, Vice President and Treasurer
(Type or Print Name & Title of Officer)

Date: August 8, 1985

Atlantic City Electric Company
(Named Insured - Type or Print)

By J. E. Cooper (SEAL)
(Signature of Officer)

L. E. Cooper, Vice President - Control
(Type or Print Name & Title of Officer)

Date: August 6, 1985

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by the President of Nuclear Energy Liability Insurance Association to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

~~*J. S. Quathwaite*~~

BY:

Burt C. Proom
Burt C. Proom, President

Countersigned by

Angela R. Byte
(Authorized Representative)

AETNA CASUALTY & SURETY CO.	9.149211
AFFILIATED F M INSURANCE CO.	.261406
ALLIANTZ INSURANCE COMPANY	1.394165
ALLSTATE INSURANCE COMPANY	4.0775179
AMERICAN HOME ASSURANCE CO	.914921
BETHLEHEM CASUALTY CORP	.435677
COMMERCIAL UNION INS. COMPANY	3.405414
CONNECTICUT INDEMNITY CO., THE	.435677
CONTINENTAL CASUALTY COMPANY	4.705308
CONTINENTAL INSURANCE COMPANY	8.060019
FIDELITY INSURANCE COMPANY	1.568436
FIREMAN'S FUND INSURANCE CO	5.576662
GEN ACCIDENT INS. CO OF AMER.	1.394165
GENERAL INS. CO OF AMERICA	1.742707
HANOVER INSURANCE COMPANY	.522812
HARTFORD ACCID. & INDEMNITY CO.	7.406504
HARTFORD STEAM P.R. INSP & INS	.609947
HIGHLANDS INSURANCE COMPANY	.340541
HOME INDEMNITY COMPANY	1.307030
INS. CO. OF NORTH AMERICA	5.053850
MISSION INSURANCE COMPANY	.522812
MOTORS INSURANCE CORPORATION	.174271
OHIO CASUALTY INSURANCE CO.	.174271
PACIFIC INDEMNITY COMPANY	.435677
PROTECTIVE INSURANCE COMPANY	.087135
PROVIDENCE WASHINGTON INS. CO	.174271
RELIANCE INSURANCE COMPANY	1.045624
ROYAL INS. CO. OF AMERICA	3.659684
SEABOARD SURETY COMPANY	.174271
ST PAUL FIRE & MARINE INS CO.	5.783687
STATE FARM FIRE & CASUALTY CO	.071353
TRANSAMERICA INSURANCE CO.	.871353
TRAVELERS INDEMNITY COMPANY	11.337594
U.S. FIDELITY & GUARANTY CO.	11.240458
U.S. FIRE INSURANCE COMPANY	3.224007
UNIVERSAL UNDERWRITERS INS CO	.174271
ZURICH INSURANCE COMPANY	1.307030

NE-85

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

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. QUATROCCHI
VICE-PRESIDENT-LIABILITY UNDERWRITING
AMERICAN NUCLEAR INSURERS

Certificate No. M- 104

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

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- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

- (3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage 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.

Declarations

Item 1. Named insureds and addresses:

- (a) Public Service Electric and Gas Company.
80 Park Plaza, Area 6B, Newark, NJ 07101
- (b) Atlantic City Electric Company
P. O. Box 567, Atlantic City, NJ 08404

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 1 of the Hope Creek Nuclear Station located in Salem, New Jersey.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF- 230	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF- 90	\$36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows: No Exceptions

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$1,125,000

Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1985 : The pro rata portion of \$1,350.00 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Mutual Atomic Energy Liability Underwriters subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

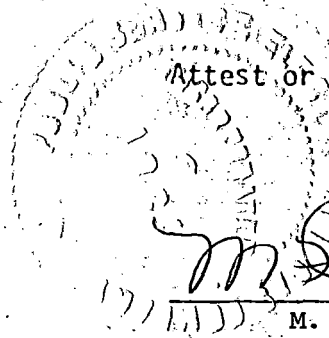
And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness


M. F. Reynolds
M. F. Reynolds
Assistant Secretary

J. D. McCann
J. D. McCann, Assistant Secretary

Named Insureds:

Public Service Electric and Gas Company
(Named Insured - Type or Print)

By W. A. Maginn (SEAL)
(Signature of Officer)

W. A. Maginn, Vice President and Treasurer
(Type or Print Name & Title of Officer)

Date: August 8, 1985

Atlantic City Electric Company
(Named Insured - Type or Print)

By J. E. Cooper (SEAL)
(Signature of Officer)

L. E. Cooper, Vice President - Control
(Type or Print Name & Title of Officer)

Date: August 6, 1985

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by Mutual Atomic Energy Liability Underwriters to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

[Signature]

BY:

[Signature]

Authorized Agent

Countersigned by

[Signature]
(Authorized Representative)

<u>Subscribing Companies</u>	<u>PROPORTION OF 100%</u>
American Mutual Liability Insurance Company, Wakefield, MA	15.0000000
Employers Insurance of Wausau, A Mutual Company, Wausau, WI	15.0000000
Liberty Mutual Insurance Company, Boston, MA	30.0000000
Lumbermens Mutual Casualty Company, Long Grove, IL	30.0000000
Michigan Mutual Insurance Company, Detroit, MI	5.0000000
Sentry Insurance, A Mutual Company, Stevens Point, WI	5.0000000