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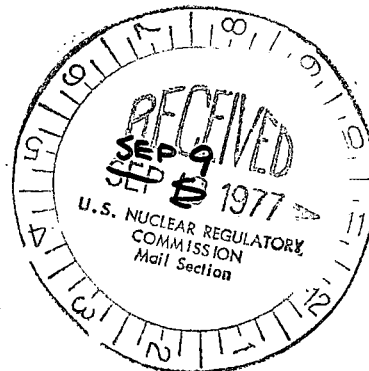
**REGULATORY DOCKET FILE COPY**

Public Service Electric and Gas Company 80 Park Place Newark, N.J. 07101 Phone 201/622-7000

September 7, 1977

272/311

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



Dear Mr. Saltzman,

Enclosed are two (2) certified copies of NELIA Binder No. EB-60 and MAELU Binder No. XB-60, each pertaining to Secondary Financial Protection.

Any further information concerning this matter and an acknowledgment of the receipt of these Endorsements, should be addressed to the undersigned.

Very truly yours,

Frank P. Librizzi  
General Manager -  
Electric Production

BINDER,  
INCLUDING  
DECLARATIONS AND  
BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

BINDER NO. XB-60

BINDER

The members of Mutual Atomic Energy Liability Underwriters, hereinafter called the "companies", subscribing this binder, each for itself, severally and not jointly, and in the respective proportions set forth herein, and the insureds named in Item 1 of the Declarations below, agree as follows:

- A. The companies hereby bind insurance to the insureds named in Item 1 of the Declarations in accordance with the provisions of the Draft Master Policy. All rights and obligations of the parties to this binder are set forth in the provisions of the Draft Master Policy, as it may be amended from time to time pursuant to its conditions or paragraph B below.
- B. The term "Draft Master Policy" means the draft of the MASTER POLICY -- NUCLEAR ENERGY LIABILITY POLICY (SECONDARY FINANCIAL PROTECTION) dated June 24, 1977 in the custody of the Nuclear Regulatory Commission, a copy of which is attached hereto, and includes all binders issued by the companies in connection with such Draft Master Policy. The Master Policy, as subsequently issued by the companies, shall cancel and replace this binder and the Draft Master Policy effective as of August 1, 1977.
- C. Such insurance as is provided by the Draft Master Policy applies, through this binder, only:

This is to certify that this is a true copy of the original binder, bearing the number designated hereon, for insurance coverage under the DRAFT MASTER POLICY-NUCLEAR ENERGY LIABILITY POLICY (Secondary Financial Protection) dated June 24, 1977. No insurance is afforded by this copy.

*Theodore Geras*  
Theodore Geras  
Secretary-Mutual  
Atomic Energy  
Liability Under-  
writers

- (1) to the insureds identified in Items 1 and 2 of the Declarations below,
- (2) to bodily injury or property damage
  - (a) with respect to which the primary financial protection described in Item 4 below would apply but for exhaustion of its limit of liability and
  - (b) which is caused during the binder period stated in Item 8 below by the radioactive, toxic, explosive or other hazardous properties of nuclear material and
  - (c) which is discovered and for which written claim is made against the insured not later than ten years after the end of such binder period; provided, however, that with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (c) 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 & Gas Company - P.O. Box 570, Newark, NJ 07101
- (b) Philadelphia Electric Company - P.O. Box 8699, Philadelphia, PA 19101
- (c) Delmarva Power & Light Company - P.O. Box 271, Wilmington, DE 19899
- (d) Atlantic City Electric Company - P.O. Box 567, Atlantic City, NJ 08404

Item 2. Additional insureds:

Any other person or organization who would be covered under primary financial protection described in Item 4 of this binder but for exhaustion of the limit of liability of such primary financial protection.

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

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

Nuclear Energy Liability Insurance Association Policy NF-230-\$108,500,000

Mutual Atomic Energy Liability Underwriters Policy MF- 90-\$ 31,500,000

Do other nuclear reactors share the limit of liability provided under the primary financial protection?

No, not at this time

Item 5. Maximum retrospective premium (exclusive of allowance for premium taxes) payable to the companies under the Draft Master Policy with respect to each nuclear incident: \$1,125,000.

- Item 6. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Draft Master Policy from the effective date hereof to the end of calendar year 1977: \$565.65.
- Item 7. Limits of liability: See Item 3 of the Declarations of the Draft Master Policy.
- Item 8. Binder period: Beginning on the first day of August, 1977, and continuing to the effective date and time of cancelation or termination of the Draft Master Policy or this binder, whichever first occurs, eastern standard time.

#### 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 Draft Master Policy described in the above Binder and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the subscribing members of Mutual Atomic Energy Liability Underwriters (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 terms of the Draft Master Policy with interest on such premiums and allowances for taxes to be computed at the rate provided in the Draft Master Policy from the date payment thereof is specified to be due the companies in a written notice to the named insured, as provided in Condition 1 of the Draft 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 or (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Draft 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 ABOVE BINDER, DECLARATIONS AND BOND FORM A PART OF THE DRAFT MASTER POLICY. CANCELATION OR TERMINATION OF THE DRAFT MASTER POLICY OR THE BINDER SHALL NOT AFFECT THE OBLIGATIONS OF THE NAMED INSURED UNDER THE DRAFT MASTER POLICY OR THE BOND TO PAY THE RETROSPECTIVE PREMIUMS AND ALLOWANCES FOR PREMIUM TAXES WITH RESPECT TO ANY BODILY INJURY OR PROPERTY DAMAGE WHICH IS CAUSED DURING THE BINDER PERIOD.

IN WITNESS WHEREOF, the named insureds have caused this Binder, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective August 1, 1977, eastern standard time.

Attest or Witness

M. F. Reynolds  
MARION F. REYNOLDS  
Assistant Secretary

J. S. Lynch  
ASST. SECRETARY

D. C. Shawley  
SECRETARY

M. R. Meyer  
M. R. MEYER, ASSISTANT SECRETARY

Named Insureds:

Public Service Electric & 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: July 19, 1977

Philadelphia Electric Company

(Named Insured - Type or Print)

By C. V. Myers (SEAL)  
(Signature of Officer)

C. V. Myers, Vice President  
(Type or Print Name & Title of Officer)

Date: July 22, 1977

Delmarva Power & Light Company

(Named Insured - Type or Print)

By W. G. Price (SEAL)  
(Signature of Officer)  
W. G. Price, Senior Vice President  
Generation and Operation

(Type or Print Name & Title of Officer)

Date: July 26, 1977

Atlantic City Electric Company

(Named Insured - Type or Print)

By E. D. Hubbard (SEAL)  
(Signature of Officer)  
E. D. HUBBARD VICE PRESIDENT-CONTROL

(Type or Print Name & Title of Officer)

Date: July 27, 1977

IN WITNESS WHEREOF, the subscribing companies have caused the Binder and the Declarations to be signed on their behalf by the Manager of Mutual Atomic Energy Liability Underwriters, to be effective August 1, 1977, eastern standard time, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of  
Mutual Atomic Energy Liability  
Underwriters

Barbara Gehris

By Theodore Geras  
Theodore Geras - Secretary

Countersigned by A. P. Murro  
(Authorized Representative) B

<u>SUBSCRIBING COMPANIES</u>	<u>PROPORTION OF 100%</u>
American Mutual Liability Insurance Company, Wakefield, MA	15.0000000
Employers Mutual Liability Insurance Company, Wausau, Wisc.	15.0000000
Liberty Mutual Insurance Company, Boston, MA	45.0000000
Lumbermans Mutual Casualty Company, Long Grove, Illinois	15.0000000
Michigan Mutual Liability Company, Detroit, Michigan	5.0000000
Sentry Insurance, A Mutual Company, Stevens Point, Wisc.	5.0000000

BINDER,  
INCLUDING  
DECLARATIONS AND  
BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

BINDER NO. EB-60

BINDER

The members of Nuclear Energy Liability Insurance Association, hereinafter called the "companies", subscribing this binder, each for itself, severally and not jointly, and in the respective proportions set forth herein, and the insureds named in Item 1 of the Declarations below, agree as follows:

- A. The companies hereby bind insurance to the insureds named in Item 1 of the Declarations in accordance with the provisions of the Draft Master Policy. All rights and obligations of the parties to this binder are set forth in the provisions of the Draft Master Policy, as it may be amended from time to time pursuant to its conditions or paragraph B below.
- B. The term "Draft Master Policy" means the draft of the MASTER POLICY -- NUCLEAR ENERGY LIABILITY POLICY (SECONDARY FINANCIAL PROTECTION) dated June 24, 1977 in the custody of the Nuclear Regulatory Commission, a copy of which is attached hereto, and includes all binders issued by the companies in connection with such Draft Master Policy. The Master Policy, as subsequently issued by the companies, shall cancel and replace this binder and the Draft Master Policy effective as of August 1, 1977.
- C. Such insurance as is provided by the Draft Master Policy applies, through this binder, only:
- (1) to the insureds identified in Items 1 and 2 of the Declarations below,
  - (2) to bodily injury or property damage
    - (a) with respect to which the primary financial protection described in Item 4 below would apply but for exhaustion of its limit of liability and
    - (b) which is caused during the binder period stated in Item 8 below by the radioactive, toxic, explosive or other hazardous properties of nuclear material and
    - (c) which is discovered and for which written claim is made against the insured not later than ten years after the end of such binder period; provided, however, that with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (c) 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.

This is to certify that this is a true copy of the original binder, bearing the number designated hereon, for insurance coverage under the DRAFT MASTER POLICY-NUCLEAR ENERGY LIABILITY POLICY (Secondary Financial Protection) dated June 24, 1977. No insurance is afforded by this copy.

Charles R. Bardes,  
Manager-Liability Under-  
writing, Nuclear Energy  
Liability-Property  
Insurance Association

DECLARATIONS

Item 1. Named insureds and addresses:

- (a) Public Service Electric & Gas Company - P.O. Box 570, Newark, NJ 07101
- (b) Philadelphia Electric Company - P.O. Box 8699, Philadelphia, PA 19101
- (c) Delmarva Power & Light Company - P.O. Box 271, Wilmington, DE 19899
- (d) Atlantic City Electric Company - P.O. Box 567, Atlantic City, NJ 08404

Item 2. Additional insureds:

Any other person or organization who would be covered under primary financial protection described in Item 4 of this binder but for exhaustion of the limit of liability of such primary financial protection.

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

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

Nuclear Energy Liability Insurance Association Policy NF-230 -\$108,500,000

Mutual Atomic Energy Liability Underwriters Policy MF- 90 -\$ 31,500,000

Do other nuclear reactors share the limit of liability provided under the primary financial protection? No, not at this time

Item 5. Maximum retrospective premium (exclusive of allowance for premium taxes) payable to the companies under the Draft Master Policy with respect to each nuclear incident: \$3,875,000.



- Item 6. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Draft Master Policy from the effective date hereof to the end of calendar year 1977: \$1,948.35.
- Item 7. Limits of liability: See Item 3 of the Declarations of the Draft Master Policy.
- Item 8. Binder period: Beginning on the first day of August, 1977, and continuing to the effective date and time of cancelation or termination of the Draft Master Policy or this binder, whichever first occurs, eastern standard time.

#### 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 Draft Master Policy described in the above Binder and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the subscribing members of Nuclear Energy Liability Insurance Association (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 terms of the Draft Master Policy with interest on such premiums and allowances for taxes to be computed at the rate provided in the Draft Master Policy from the date payment thereof is specified to be due the companies in a written notice to the named insured, as provided in Condition 1 of the Draft 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 or (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Draft 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 ABOVE BINDER, DECLARATIONS AND BOND FORM A PART OF THE DRAFT MASTER POLICY. CANCELATION OR TERMINATION OF THE DRAFT MASTER POLICY OR THE BINDER SHALL NOT AFFECT THE OBLIGATIONS OF THE NAMED INSURED UNDER THE DRAFT MASTER POLICY OR THE BOND TO PAY THE RETROSPECTIVE PREMIUMS AND ALLOWANCES FOR PREMIUM TAXES WITH RESPECT TO ANY BODILY INJURY OR PROPERTY DAMAGE WHICH IS CAUSED DURING THE BINDER PERIOD.

IN WITNESS WHEREOF, the named insureds have caused this Binder, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective August 1, 1977, eastern standard time.

Attest or Witness

M. F. Reynolds

MARION F. REYNOLDS  
Assistant Secretary

J. D. Lynch  
ASST. SECRETARY

D. C. Hawley  
SECRETARY

M. R. Meyer  
M. R. MEYER ASSISTANT SECRETARY

Named Insureds:

Public Service Electric & 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: July 19, 1977

Philadelphia Electric Company

(Named Insured - Type or Print)

By C. V. Myers (SEAL)  
(Signature of Officer)

C. V. Myers, Vice President  
(Type or Print Name & Title of Officer)

Date: July 22, 1977

Delmarva Power & Light Company

(Named Insured - Type or Print)

By W. G. Price (SEAL)  
(Signature of Officer)

W. G. Price, Senior Vice President  
Generation and Operation

(Type or Print Name & Title of Officer)

Date: July 26, 1977

Atlantic City Electric Company

(Named Insured - Type or Print)

By E. D. Huggan (SEAL)  
(Signature of Officer)

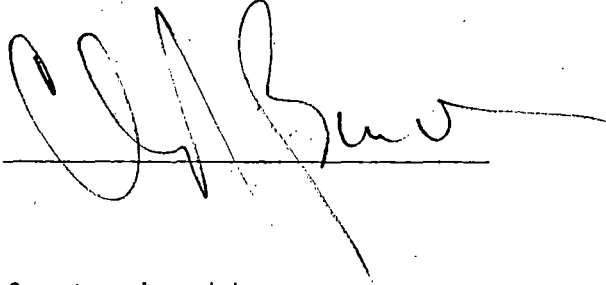
E. D. HUGGAN VICE PRESIDENT-CONTROL

(Type or Print Name & Title of Officer)

Date: July 27, 1977

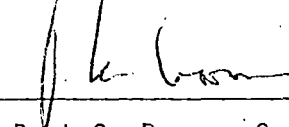
IN WITNESS WHEREOF, the subscribing companies have caused the Binder and the Declarations to be signed on their behalf by the General Manager of Nuclear Energy Liability Insurance Association, to be effective August 1, 1977, eastern standard time, and countersigned below by a duly authorized representative.

Attest or Witness



For the Subscribing Companies of  
Nuclear Energy Liability Insurance  
Association

By

  
Burt C. Proom, General Manager

Countersigned by

(Authorized Representative)

SUBSCRIBING COMPANIES

PROPORTION OF 100%

Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	11.4807836
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.3753345
Allstate Insurance Co., 8324 Skokie Blvd., Skokie, IL 60076	4.7506691
American Home Assurance Co., 102 Maiden La., New York, NY 10005	.6730115
American Motorists Insurance Co., Long Grove, IL 60049	.3958891
Centennial Insurance Co., 45 Wall St., New York, NY 10005	.3958891
Commercial Union Insurance Co., One Beacon St., Boston, MA 02108	3.4838240
Continental Casualty Co., CNA Plaza, Chicago, IL 60685	4.4339578
Continental Insurance Co., The, 80 Maiden La., New York, NY 10038	6.3342254
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	1.2668451
Fireman's Fund Insurance Co., 3333 California St., San Francisco, CA 94119	4.3547800
General Accident Fire and Life Assurance Corp., Ltd. 414 Walnut St., Philadelphia, PA 19105	1.3460229
Great American Insurance Co., 580 Walnut St., Cincinnati, OH 45201	1.3301873
Gulf Insurance Co., 3015 Cedar Springs, Dallas, TX 75221	.1583556
Hanover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	.4750669
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.9177818
Hartford Steam Boiler Insp. & Ins. Co., The, 56 Prospect St., Hartford, CT 06102	.4354780
Home Indemnity Co., The, 59 Maiden La., New York, NY 10038	2.7712236
Insurance Co. of North America, 1600 Arch Street, Philadelphia, PA 19101	6.3342250
Maryland Casualty Co., P.O. BOX 1228, Baltimore, MD 21203	1.5835564
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10006	.2771224
Northwestern National Ins. Co., 731 No. Jackson St., Milwaukee, WI 53202	.5542447
Pacific Indemnity Co., 3200 Wilshire Blvd., Los Angeles, CA 90054	.3167113
Peerless Insurance Co., 62 Maple Ave., Keene, NH 03431	.0989723
Phoenix Assurance Co. of New York, 80 Maiden La., New York, NY 10038	.4750669
Protective Insurance Co., 3100 No. Meridian St., Indianapolis, IN 46208	.1583556
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	.0989723
Puritan Insurance Company, 1515 Summer St., Stamford, CT 06905	.2375335
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	1.2668451
Royal Globe Insurance Company, 150 William Street, New York, New York 10038	3.5630018
St. Paul Fire & Marine Ins. Co., 385 Washington St., St. Paul, MN 55102	3.9335540
Seaboard Surety Co., 90 William St., New York, NY 10038	.3167113
Security Insurance Company of Hartford, 1000 Asylum Ave., Hartford, CT 06101	1.0689005
State Farm Fire & Casualty Company, 112 East Washington St., Bloomington, IL 61701	.7917782
Transamerica Insurance Co., 1150 So. Olive St., Los Angeles, CA 90015	.6334225
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	11.2432501
United States Fidelity and Guaranty Co., P.O. BOX 1138, Baltimore, MD 21203	9.0262712
United States Fire Insurance Co., Madison Ave. at Canfield Rd., Morristown, NJ 07960	2.8504014
Zurich Insurance Co., 111 West Jackson Blvd., Chicago, IL 60604	.7917782