

October 11, 1989

Docket Nos. 50-16/341

Mr. B. Ralph Sylvia
Sr. Vice President
Nuclear Operations
6400 North Dixie Highway
Newport, Michigan 48166

Dear Mr. Sylvia:

SUBJECT: FERMI UNITS 1 & 2 NUCLEAR PLANT - AMENDMENT TO INDEMNITY AGREEMENT

Enclosed is an amendment to your indemnity agreement reflecting the changes to 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," effective July 1, 1989. The amendments to Part 140 reflect the increase from \$160 million to \$200 million in the primary layer of nuclear energy liability insurance provided by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters. The amendment also conforms to changes made to the Price-Anderson Act by "The Price-Anderson Amendments Act of 1988," which was enacted on August 20, 1988.

Please signify your acceptance of the amendment to your indemnity agreement in the space provided and return one signed copy to the Document Control Desk, ATTN: Ira Dinitz, Senior Insurance/Indemnity Specialist, U.S. Nuclear Regulatory Commission, Mail Stop 12E-4, Washington, D.C. 20555. If you have any questions about the foregoing, please contact Mr. Dinitz at 301-492-1289.

Sincerely,

original signed by

John Stang, Project Manager
Division of Reactor Projects - III,
IV, V & Special Projects
Office of Nuclear Reactor Regulation

Enclosure:
Amendment to Indemnity
Agreement

cc w/enclosure:
See next page

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

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Sincerely,

A handwritten signature in cursive script that reads "John Stang".

John Stang, Project Manager
Division of Reactor Projects - III,
IV, V & Special Projects
Office of Nuclear Reactor Regulation

Enclosure:
Amendment to Indemnity
Agreement

cc w/enclosure:
See next page

Mr. B. Ralph Sylvia
Detroit Edison Company

Fermi-2 Facility

cc:

Mr. Ronald C. Callen
Adv. Planning Review Section
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Supervisor - Licensing
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Newport, Michigan 48166

John Flynn, Esq.
Senior Attorney
Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226

Nuclear Facilities and Environmental
Monitoring Section Office
Division of Radiological Health
P. O. Box 30035
Lansing, Michigan 48909

Mr. Thomas Randazzo
Director, Regulatory Affairs
Detroit Edison Company
Fermi Unit 2
6400 North Dixie Highway
Newport, Michigan 48166

Mr. Walt Rogers
U.S. Nuclear Regulatory Commission
Resident Inspector's Office
6450 W. Dixie Highway
Newport, Michigan 48166

Monroe County Office of Civil
Preparedness
963 South Raisinville
Monroe, Michigan 48161

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, Illinois 60137



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket Nos. 50-16
50-341

Amendment to Indemnity Agreement No. B-20
Amendment No. 28

Effective July 1, 1989, Indemnity Agreement No. B-20, between Detroit Edison Company, Wolverine Power Supply Cooperative, Inc. and the Atomic Energy Commission dated March 26, 1962, as amended, is hereby further amended as follows:

The amount "\$160,000,000" is deleted wherever it appears and the amount "\$200,000,000" is substituted therefor.

The amount "\$124,000,000" is deleted wherever it appears and the amount "\$155,000,000" is substituted therefor.

The amount "\$36,000,000" is deleted wherever it appears and the amount "\$45,000,000" is substituted therefor.

Paragraph 1, Article I is modified to read as follows:

1. "Nuclear reactor," "byproduct material," "person," "source material," "special nuclear material," and "precautionary evacuation" shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.

The definition of "public liability" in paragraph 7, Article I is deleted, and the following is substituted therefor:

"Public liability" means any legal liability arising out of or resulting from a nuclear incident or precautionary evacuation (including all reasonable additional costs incurred by a State or a political subdivision of a State, in the course or responding to a nuclear incident or precautionary evacuation), except (1) claims under State or Federal Workmen's Compensation Acts of employees of persons indemnified who are employed (a) at the location or, if the nuclear incident occurs in the course of transportation of the radioactive material, on the transporting vehicle, and (b) in connection with the licensee's possession, use or transfer of the radioactive material; (2) claims arising out of an act of war; and (3) claims for loss of, or damage to, or loss of use of (a) property which is located at the location and used in connection with the licensee's possession, use, or transfer of the radioactive material, and (b) if the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle, containers used in such transportation, and the radioactive material.

Paragraph 4(c), Article II is revised to read as follows:

- (c) 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 injury or damage and the cause thereof.

In paragraph 1, Article VIII, the amount "\$5,000,000" is deleted and the amount "\$63,000,000" is substituted therefor.

Item 2a of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 2 - Amount of financial protection

| | |
|----------------|---|
| a. \$1,000,000 | (From 12:01 a.m., January 25, 1961, to 12 midnight, July 10, 1963, inclusive) |
| \$1,500,000 | (From 12:01 a.m., July 11, 1963, to 12 midnight, December 16, 1965, inclusive) |
| \$3,500,000 | (From 12:01 a.m., December 17, 1965, to 12 midnight, March 21, 1966, inclusive) |
| \$12,100,000 | (From 12:01 a.m., March 22, 1966, to 12 midnight, July 5, 1966, inclusive) |
| \$18,000,000 | (From 12:01 a.m., July 6, 1966, to 12 midnight, August 6, 1967, inclusive) |
| \$22,200,000 | (From 12:01 a.m., August 7, 1967, to 12 midnight, October 8, 1970, inclusive) |
| \$29,600,000 | (From 12:01 a.m., October 9, 1970, to 12 midnight, October 15, 1970, inclusive) |
| \$44,400,000 | (From 12:01 a.m., October 16, 1970, to 12 midnight, December 31, 1972, inclusive) |
| \$1,000,000 | (From 12:01 a.m., January 1, 1973 to 12 midnight, March 19, 1985, inclusive) |
| \$160,000,000* | (From 12:01 a.m., March 20, 1985, to 12 midnight, June 30, 1989 inclusive) |
| \$200,000,000* | (From 12:01 a.m., July 1, 1989) |

*and, as of August 1, 1977, the amount available as secondary financial protection.

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION

Cecil O. Thomas

Cecil O. Thomas, Chief
Policy Development and Technical Support Branch
Program Management, Policy Development
and Analysis Staff
Office of Nuclear Reactor Regulation

Accepted _____, 1989

Accepted _____, 1989

By _____
Detroit Edison Company

By _____
Wolverine Power Supply
Cooperative, Inc.



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Program Management, Policy Development
and Analysis Staff
Office of Nuclear Reactor Regulation

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