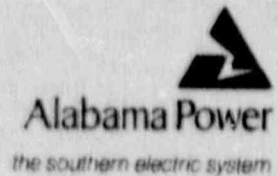


Alabama Power Company
40 Inverness Center Parkway
Post Office Box 1295
Birmingham, Alabama 35201
Telephone 205 868-5581

W. G. Hairston, III
Senior Vice President
Nuclear Operations



October 23, 1989

Docket Nos. 50-348
50-364

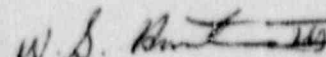
U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D. C. 20555

Gentlemen:

Joseph M. Farley Nuclear Plant - Units 1 and 2
Amendment 8 to Indemnity Agreement No. B-81

By letter of September 15, 1989 the NRC requested that Alabama Power Company signify its acceptance of the changes to its indemnity agreement due to revisions to 10CFR Part 140. Enclosed is the requested acceptance.

If you have any questions, please advise.


W. G. Hairston, III

WGH,III/JAR:md 10.09
Enclosure

cc: Mr. S. D. Ebnetter
Mr. E. A. Reeves
Mr. G. F. Maxwell
Mr. Ira Dinitz

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

Docket Nos. 50-348,
50-364

Amendment to Indemnity Agreement No. B-81
Amendment No. 8

Effective July 1, 1989, Indemnity Agreement No. B-81, between Alabama Power Company and the Nuclear Regulatory Commission, dated July 20, 1976 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., July 20, 1976 to 12 midnight, June 24, 1977, inclusive) |
| | \$140,000,000* | (From 12:01 a.m., June 25, 1977 to 12 midnight, April 30, 1979, inclusive) |
| | \$160,000,000* | (From 12:01 a.m., May 1, 1979, to 12 midnight, June 30, 1989 inclusive) |
| | \$200,000,000* | (From 12:01 a.m., July 1, 1989) |

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 10/23, 1989

By *W.S. Barrett*
Atabana Power Company

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