



ARKANSAS POWER & LIGHT COMPANY
POST OFFICE BOX 551 LITTLE ROCK, ARKANSAS 72203 (501) 371-4000

May 18, 1981



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Mr. Ira Dinitz, Indemnity Specialist
Antitrust & Indemnity Group
Nuclear Regulatory Commission
Washington, D. C. 20555

Subject: Arkansas Nuclear One - Units 1 & 2
Docket Nos. 50-313 and 50-368
License Nos. DPR-51 and NPF-6
Liability Insurance
(File: 0220, 2-0220)

Gentlemen:

Enclosed for your files are the following:

- (1) Policy NF-210 Two copies of Endorsement No. 44, 45 and 46.
- (2) Policy MF-74 Two copies of Endorsement No. 39 and 40.

Very truly yours,

David C. Trimble

David C. Trimble
Manager, Licensing

DCT:DVH:s1

Enclosures

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Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1981
ENDORSEMENT

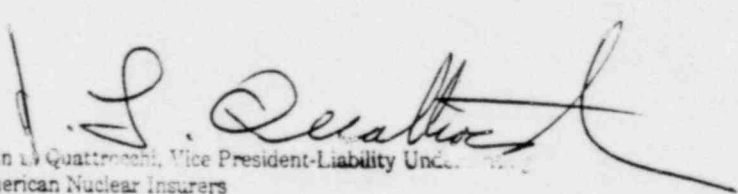
1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 309,023.50.

2. STANDARD PREMIUM AND RESERVE PREMIUM: In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:

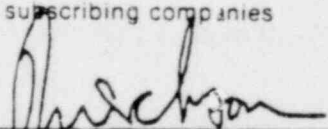
\$ 232,532.86.

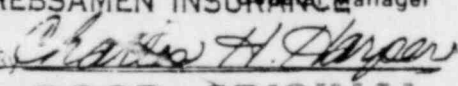
This is to certify that this is a true and correct copy of the original Endorsement having the same force and effect as if it were a part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is afforded hereunder.


John L. Quattrocchi, Vice President-Liability Underwriting
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No. NF-210
Issued to Arkansas Power & Light Company
Date of Issue December 22, 1980

For the subscribing companies

By 
REBSAMEN INSURANCE Manager

Countersigned by 

Endorsement No 44

POOR ORIGINAL

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF DEFINITION OF CONDITION 2 "INSPECTION; SUSPENSION" AND "INSURED SHIPMENT"
(Indemnified Nuclear Facility)

It is agreed that:

1.) Condition 2 "INSPECTION; SUSPENSION" is replaced by the following:

2 INSPECTION; SUSPENSION The companies shall at any time be permitted but not obligated to inspect the facility and all operations relating thereto and to examine the insured's books and records as far as they relate to the subject of this insurance and any property insurance afforded the insured through American Nuclear Insurers. If a representative of the companies discovers a condition which he believes to be unduly dangerous with respect to the nuclear energy hazard, a representative of the companies may request that such condition be corrected without delay. In the event of noncompliance with such request, a representative of the companies may, by notice to the named insured, to any other person or organization considered by the companies to be responsible for the continuation of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend this insurance with respect to the named insured and such other person or organization effective 12:00 midnight of the next business day of such Commission following the date that such Commission receives such notice. The period of such suspension shall terminate as of the time stated in a written notice from the companies to the named insured and to each such person or organization that such condition has been corrected.

Neither the right to make such inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation. In consideration of the issuance or continuation of this policy, the insured agrees that neither the companies nor any persons or organizations making such inspections or examinations on their behalf shall be liable with respect to injury to or destruction of property at the facility, or any consequential loss or expense resulting therefrom, or any loss resulting from interruption of business or manufacture, arising out of the making of or a failure to make any such inspection or examination, or any report thereon, or any such suspension of insurance, but this provision does not limit the contractual obligations of the companies under this policy or any policy affording the insured property insurance through American Nuclear Insurers.

- 2.) The definition of "insured shipment" in Insuring Agreement III, "DEFINITIONS", is replaced by the following:

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material", (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

This is to certify that this is a true copy of the original Endorsement having no other alterations and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is afforded hereunder.


John L. Quatrocchi, Vice President-Claims Underwriting
American Nuclear Insurers

POOR ORIGINAL

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-217
12:01 A.M. Standard Time
Issued to Arkansas Power & Light Company
Date of Issue December 22, 1980

For the subscribing companies

By 
REBSAMEN INSURANCE General Manager

Endorsement No 45
NE-51 Page 2 of 2 (1/1/81)

Countersigned by Charles H. Hannon

Nuclear Energy Liability Insurance NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT
Calendar Year 1981

1. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31, 1981, or to the time of of the termination or cancellation of the policy, if sooner.

SUBSCRIBING COMPANIES

PROPORTION OF 100

Central Casualty and Surety Co., Inc., 151 Farmington Ave., Hartford, CT 06156	9.330569
Central Insurance Company, 65 Elm St., Hartford, CT 06115	2.648162
Continental Insurance Co., 21 Wendell Park, P.O. Box 1530, Johnston, RI 02919	2.48264
Continental Insurance Company, 641 W. Main St., St. Louis, MO 63101	1.374076
Continental Insurance Co., 100 State St., New York, NY 10038	1.965284
Continental Insurance Co., 100 State St., New York, NY 10038	86.8925
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	2.48264
Continental Insurance Co., 100 State St., New York, NY 10038	3.210190
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	4.137737
Continental Insurance Co., 100 State St., New York, NY 10038	7.454814
Continental Insurance Co., 100 State St., New York, NY 10038	1.499585
Continental Insurance Co., 100 State St., New York, NY 10038	5.126203
Continental Insurance Co., 100 State St., New York, NY 10038	7.224076
Continental Insurance Co., 100 State St., New York, NY 10038	1.374076
Continental Insurance Co., 100 State St., New York, NY 10038	4.96528
Continental Insurance Co., 100 State St., New York, NY 10038	7.334153
Continental Insurance Co., 100 State St., New York, NY 10038	4.96528
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	2.641209
Continental Insurance Co., 100 State St., New York, NY 10038	1.655095
Continental Insurance Co., 100 State St., New York, NY 10038	3.31019
Continental Insurance Co., 100 State St., New York, NY 10038	1.820604
Continental Insurance Co., 100 State St., New York, NY 10038	8.82018
Continental Insurance Co., 100 State St., New York, NY 10038	1.65509
Continental Insurance Co., 100 State St., New York, NY 10038	3.31019
Continental Insurance Co., 100 State St., New York, NY 10038	1.24132
Continental Insurance Co., 100 State St., New York, NY 10038	2.48264
Continental Insurance Co., 100 State St., New York, NY 10038	10.3443
Continental Insurance Co., 100 State St., New York, NY 10038	9.93057
Continental Insurance Co., 100 State St., New York, NY 10038	3.31019
Continental Insurance Co., 100 State St., New York, NY 10038	4.687229
Continental Insurance Co., 100 State St., New York, NY 10038	41.3774
Continental Insurance Co., 100 State St., New York, NY 10038	8.27547
Continental Insurance Co., 100 State St., New York, NY 10038	8.27547
Continental Insurance Co., 100 State St., New York, NY 10038	10.758116
Continental Insurance Co., 100 State St., New York, NY 10038	10.427097
Continental Insurance Co., 100 State St., New York, NY 10038	2.974171
Continental Insurance Co., 100 State St., New York, NY 10038	1.241321

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-210
 Issued to Arkansas Power & Light Company
 Date of Issue March 12, 1981

For the subscribing companies

By [Signature] General Manager
 REBOAMEN INSURANCE

Countersigned by [Signature] By [Signature]

Endorsement No 46

POOR ORIGINAL

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM ENDORSEMENT

and

STANDARD PREMIUM ENDORSEMENT

Calendar Year 1981

1. ADVANCE PREMIUM

It is agreed that the Advance Premium due the companies for the calendar year designated above is \$ 89,716.50.

2. STANDARD PREMIUM AND RESERVE PREMIUM

In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium and Reserve Premium are:

Standard Premium \$ 89,716.50.

Reserve Premium \$ 67,509.54.

Effective Date of
this Endorsement January 1, 1981

To form a part
of Policy No. MF-74

Issued to Arkansas Power and Light Company

Date of Issue January 28, 1981

39
74
For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By _____

Endorsement No. 39 Countersigned by _____

AUTHORIZED REPRESENTATIVE

REBSAMEN INSURANCE

By Charles H. Hays

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF CONDITION 2 "INSPECTION; SUSPENSION" AND DEFINITION OF "INSURED SHIPMENT" (Indemnified Nuclear Facility)

It is agreed that:

1. Condition 2 "INSPECTION; SUSPENSION" is replaced by the following:

2. INSPECTION;SUSPENSION The companies shall at any time be permitted but not obligated to inspect the facility and all operations relating thereto and to examine the insured's books and records as far as they relate to the subject of this insurance and any property insurance afforded the insured through any company who is a member of Mutual Atomic Energy Reinsurance Pool. If a representative of the companies discovers a condition which he believes to be unduly dangerous with respect to the nuclear energy hazard, a representative of the companies may request that such condition be corrected without delay. In the event of noncompliance with such request, a representative of the companies may, by notice to the named insured, to any other person or organization considered by the companies to be responsible for the continuation of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend this insurance with respect to the named insured and such other person or organization effective 12:00 midnight of the next business day of such Commission following the date that such Commission receives such notice. The period of such suspension shall terminate as of the time stated in a written notice from the companies to the named insured and to each such person or organization that such condition has been corrected.

Neither the right to make such inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation. In consideration of the issuance or continuation of this policy, the insured agrees that neither the companies nor any persons or organizations making such inspections or examinations on their behalf shall be liable with respect to injury to or destruction of property at the facility, or any consequential loss or expense resulting therefrom, or any loss resulting from interruption of business or manufacture, arising out of the making of or a failure to make any such inspection or examination, or any report thereon, or any such suspension of

insurance, but this provision does not limit the contractual obligations of the companies under this policy or any policy affording the insured property insurance through any company who is a member of Mutual Atomic Energy Reinsurance Pool.

2. The definition of "insured shipment" in Insuring Agreement III, "DEFINITIONS" is replaced by the following:

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material," (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No. ME-74
12:01 A.M. Standard Time

Issued to Arkansas Power and Light Company

Date of Issue March 20, 1981

For the Subscribing Companies

Mutual Atomic Energy Liability Underwriters

By _____

Endorsement No. 40

Countersigned by _____

1/1/81
ME-805

FEESAMEN INSURANCE

By Charles H. Harper