

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. Tru

David C. Trimble Manager, Licensing

DCT:DVH:s1

Enclosures

5 \$105270317

No

MEMBER MIDDLE SOUTH UTILITIES SYSTEM

Nuclear Energy Liability Insurance NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1981 ENDORSEMENT

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

\$ 309,023.50

2. <u>STANDARD PREMIUM AND RESERVE PREMIUM</u>: 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 cartify that this for a boy of the ord final Endorsement having the endormal of and being have part of the Nuclear Energy Libbing Follo, (Facility Form, as designated hereon. No Insurance is affolded hereunder.

John 1.) Quattr ice President-Liability Und American Nuclear Insurers

Effective Date of this Endorsement	January 1, 1981	To form a part of Policy NoNF-210
issued to	12:01 A.M. Stand Arkansas Power & Ligh	ard Time
Date of Issue	December 22, 1980	For the supecribing companies
		By REBSAMEN INSURANCE anager
Endorsement No	44	Countersigned by Carto H. Harper
		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 polic affording the insured property insurance through American Nucl ar 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 Endorcement having a true copy of the original part of the Mailour Incorporation (Facility Form) as designated hereon. No Insurance is alforded hereunder.

American Nuclear Insurers

NE-51 Page 2 of 2 (1/1/81)

POOR Umiel Effective Date of NF-210 January 1, 1981 To form a part of Policy No_ this Endorsement_ 12:01 A.M. Standard Time Arkansas Power & Light Company Issued to For the supscribing companies December 22, 1980 Date of Issue _ + Danager 45 Countersigned by Endorsement No _

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.

CHARTOTAING COMPANYES

- 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.

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Effective Date of Januar		To form a part of Policy No	NF-210
12:01 Issued to Arkansas Power	A M. Standard Time & Light Company		
Date of Issue March 12, 1981		For the superribing companie	es
		By Mischoo	~
		REBOANJEN IN	General Manager
Endorsement No46		Countersigned by Ex Charles	A Harter
(1.01)	POO	K 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	ş	89,716.50	·
Reserve	Premium	Ş	67,509.54	

te of Issue	January 28, 19	91
5. A A -	39 .	For the Subscribing Companies
	74	MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS
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	39	Counterstand by
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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 ...e 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

Page 2 of 2

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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 one 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 this Endorsen	Tomitary 1, 1981	of Policy No. MF-74
Issued to	Arkansas Power and Light Company	
Date of Issue	March 20, 1981	
Endo reement	40 For the Subscribing Con 14 Mutual Atomic Energy 1 Watur By	Liability Underwriters
Endorsement	No Countersigner uy	
1/1/81 ME-805	FEBS av 12	Larles I. Darfer