



Pennsylvania Power & Light Company

Two North Ninth Street • Allentown, PA 18101 • 215 / 770-5151

70-2937

PDR

Return to
D. CRAMER
396-SS

Norman W. Curtis
Vice President-Engineering & Construction-Nuclear
215 / 770-5381

September 22, 1981

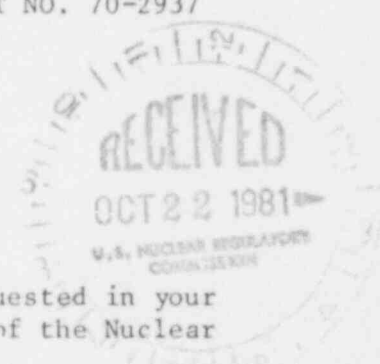


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Mr. R. G. Page, Chief
Uranium Fuel Licensing Branch
Division of Fuel Cycle and Material Safety
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

SUSQUEHANNA STEAM ELECTRIC STATION
INDEMNITY AGREEMENT NO. B-90 AND
NUCLEAR ENERGY LIABILITY INSURANCE POLICY
ER 100450 FILE 841-06
PLA-934

DOCKET NO. 70-2937



Dear Mr. Page:

Attached is a signed copy of Indemnity Agreement No. B-90 as requested in your September 10, 1981, letter. Also attached are eight (8) copies of the Nuclear Energy Liability Insurance Policy for Susquehanna.

If you have any questions regarding these documents, please contact W. E. Barberich (215-770-5833).

Very truly yours,

N. W. Curtis
Vice President-Engineering & Construction-Nuclear

WEB/mks

Attachment

FEE EXEMPT

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

Docket No. 70-2937

Indemnity Agreement No. B- 90

This Indemnity Agreement No. B-⁹⁰ is entered into by and between

PENNSYLVANIA POWER AND LIGHT COMPANY
ALLEGHENY ELECTRIC COOPERATIVE, INC.

(hereinafter referred to as the "licensee") and the United States Nuclear Regulatory Commission (hereinafter referred to as the "Commission") pursuant to subsection 170c of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

ARTICLE I

As used in this agreement:

1. "Nuclear reactor," "byproduct material," "person," "source material," and "special nuclear material" shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.
2. Except where otherwise specifically provided, "amount of financial protection" means the amount specified in Item 2a and b, of the Attachment annexed hereto, as modified by paragraph 8, Article II, with respect to common occurrences.
- 3.(a) "Nuclear incident" means any occurrence, including an extraordinary nuclear occurrence, or series of occurrences at the location or in the course of transportation causing bodily injury, sickness, disease, or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of the radioactive material.

(b) Any occurrence, including an extraordinary nuclear occurrence, or series of occurrences causing bodily injury, sickness, disease, or death, or loss of or damage to property, or loss of use of property,

arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of

i. The radioactive material discharged or dispersed from the location over a period of days, weeks, months or longer and also arising out of such properties of other material defined as "the radioactive material" in any other agreement or agreements entered into by the Commission under subsection 170c or k of the Act and so discharged or dispersed from "the location" as defined in any such other agreement, or

ii. The radioactive material in the course of transportation and also arising out of such properties of other material defined in any other agreement entered into by the Commission pursuant to subsection 170c or k of the Act as "the radioactive material" and which is in the course of transportation

shall be deemed to be a common occurrence. A common occurrence shall be deemed to constitute a single nuclear incident.

4. "Extraordinary nuclear occurrence" means an event which the Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

5. "In the course of transportation" means in the course of transportation within the United States, or in the course of transportation outside the United States and any other nation, including handling or temporary storage incidental thereto, of the radioactive material to the location or from the location provided that:

(a) With respect to transportation of the radioactive material to the location, such transportation is not by predetermination to be interrupted by the removal of the material from the transporting conveyance for any purpose other than the continuation of such transportation to the location or temporary storage incidental thereto;

(b) The transportation of the radioactive material from the location shall be deemed to end when the radioactive material is removed from the transporting conveyance for any purpose other than the continuance of transportation or temporary storage incidental thereto;

(c) "In the course of transportation" as used in this agreement shall not include transportation of the radioactive material to the

location if the material is also "in the course of transportation" from any other "location" as defined in any other agreement entered into by the Commission pursuant to subsection 170c or k of the Act.

6. "Person indemnified" means the licensee and any other person who may be liable for public liability.

7. "Public liability" means any legal liability arising out of or resulting from a nuclear incident, 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.

8. "The location" means the location described in Item 4 of the Attachment hereto.

9. "The radioactive material" means source, special nuclear, and byproduct material which (1) is used or to be used in, or is irradiated or to be irradiated by, the nuclear reactor or reactors subject to the license or licenses designated in the Attachment hereto, or (2) which is produced as the result of operation of said reactor(s).

10. "United States" when used in a geographical sense includes all Territories and possessions of the United States, the Canal Zone and Puerto Rico.

ARTICLE II

1. At all times during the term of the license or licenses designated in Item 3 of the Attachment hereto, the licensee will maintain financial protection in the amount specified in Item 2 of the Attachment and in the form of the nuclear energy liability insurance policy

designated in the Attachment. If more than one license is designated in Item 3 of the Attachment, the licensee agrees to maintain such financial protection until the end of the term of that license which will be the last to expire. The licensee shall, notwithstanding the expiration, termination, modification, amendment, suspension or revocation of any license or licenses designated in Item 3 of the Attachment, maintain such financial protection in effect until all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in subparagraph 5(b), Article I, or until the Commission authorizes the termination or the modification of such financial protection. The Commission will not unreasonably withhold such authorization.

2. In the event of any payment by the insurer or insurers under a policy or policies specified in Item 5 of the Attachment hereto which reduces the aggregate limit of such policy or policies below the amount of financial protection, the licensee will promptly apply to his insurers for reinstatement of the amount specified in Item 2a of the Attachment (without reference to paragraph b of Item 2) and will make all reasonable efforts to obtain such reinstatement. In the event that the licensee has not obtained reinstatement of such amount within ninety days after the date of such reduction, and in the absence of good cause shown to the contrary, the Commission may issue an order requiring the licensee to furnish financial protection for such amount in another form.

3. Any obligations of the licensee under subsection 53a(8) of the Act to indemnify the United States and the Commission from public liability, together with any public liability satisfied by the insurers under the policy or policies designated in the Attachment hereto, shall not in the aggregate exceed the amount of financial protection with respect to any nuclear incident, including the reasonable costs of investigating and settling claims and defending suits for damage.

4. With respect to any extraordinary nuclear occurrence to which this agreement applies, the Commission, and the licensee on behalf of itself and other persons indemnified, insofar as their interests appear, each agree to waive

(a) any issue or defense as to the conduct of the claimant or fault of persons indemnified, including, but not limited to

- (1) negligence;
- (2) contributory negligence;
- (3) assumption of the risk;
- (4) unforeseeable intervening causes, whether involving the conduct of a third person or an act of God.

As used herein, "conduct of the claimant" includes conduct of persons through whom the claimant derives his cause of action;

(b) any issue or defense as to charitable or governmental immunity;

(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, but in no event more than 20 years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waivers shall be judicially enforceable in accordance with their terms by the claimant against the person indemnified.

5. The waivers set forth in paragraph 4 of this Article:

(a) shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(b) shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

(c) shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law: Provided, however, That with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection

with the construction of a nuclear reactor with respect to which no operating license has been issued by the Atomic Energy Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the NRC with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

(d) shall not apply to any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law;

(e) shall be effective only with respect to those obligations set forth in this agreement;

(f) shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (1) the limit of liability provisions under subsection 170e of the Atomic Energy Act of 1954, as amended, and (2) the terms of this agreement and the terms of the nuclear energy liability insurance policy or policies designated in the attachment hereto.

6. The obligations of the licensee under this agreement shall apply only with respect to nuclear incidents occurring during the term of this agreement.

7. Upon the expiration or revocation of any license designated in Item 3 of the Attachment, the Commission will enter into an appropriate amendment of this agreement with the licensee reducing the amount of financial protection required under this Article; provided, that the licensee is then entitled to a reduction in the amount of financial protection under applicable Commission regulations and orders.

8. With respect to any common occurrence:

(a) If the sum of the limit of liability of any Nuclear Energy Liability Property Insurance Association policy designated in Item 5 of the Attachment and the limits of liability of all other nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Nuclear Energy Liability Property Insurance Association exceeds \$124,000,000, the amount of financial protection specified in Item 2a and b of the Attachment shall be deemed to be reduced by that proportion of the difference between said sum and \$124,000,000 as the limit of liability of the Nuclear Energy Liability Property Insurance Association policy designated in Item 5 of the Attachment bears to the sum of the limits of liability of all nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Nuclear Energy Liability Property Insurance Association.

(b) If the sum of the limit of liability of any Mutual Atomic Energy Liability Underwriters policy designated in Item 5 of the Attachment and the limits of liability of all other nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Mutual Atomic Energy Liability Underwriters exceeds \$36,000,000, the amount of financial protection specified in Item 2a and b of the Attachment shall be deemed to be reduced by that proportion of the difference between said sum and \$36,000,000 as the limit of liability of the Mutual Atomic Energy Liability Underwriters policy designated in Item 5 of the Attachment bears to the sum of the limits of liability of all nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Mutual Atomic Energy Liability Underwriters;

(c) If any of the other applicable agreements is with a person who has furnished financial protection in a form other than a nuclear energy liability insurance policy (facility form) issued by Nuclear Energy Liability Property Insurance Association or Mutual Atomic Energy Liability Underwriters, and if also the sum of the amount of financial protection established under this agreement and the amounts of financial protection established under all other applicable agreements exceeds an amount equal to the sum of \$160,000,000 and the amount available as secondary financial protection, the obligations of the licensee shall not exceed a greater proportion of an amount equal to the sum of \$160,000,000 and the amount available as secondary financial protection than the amount of financial protection established under this agreement bears to the sum of such amount and the amounts of financial protection established under all other applicable agreements.

(d) As used in this paragraph 8, Article II, and in Article III, "other applicable agreements" means each other agreement entered into by the Commission pursuant to subsection 170c of the Act in which agreement the nuclear incident is defined as a "common occurrence." As used in this paragraph 8, Article II, "the obligations of the licensee" means the obligations of the licensee under subsection 53e(2) of the Act to indemnify the United States and the Commission from public liability, together with any public liability satisfied by the insurers under the policy or policies designated in the Attachment, and the reasonable costs of investigating and settling claims and defending suits for damage.

9. The obligations of the licensee under this Article shall not be affected by any failure or default on the part of the Commission or the Government of the United States to fulfill any or all of its obligations under this agreement. Bankruptcy or insolvency of any person indemnified other than the licensee, or the estate of any person indemnified other than the licensee, shall not relieve the licensee of any of his obligations hereunder.

ARTICLE III

1. The Commission undertakes and agrees to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability.

2. With respect to damage caused by a nuclear incident to property of any person legally liable for the nuclear incident, the Commission agrees to pay to such person those sums which such person would have been obligated to pay if such property had belonged to another; provided, that the obligation of the Commission under this paragraph 2 does not apply with respect to:

(a) Property which is located at the location described in Item 4 of the Attachment or at the location described in Item 3 of the declarations attached to any nuclear energy liability insurance policy designated in Item 5 of the Attachment;

(b) Property damage due to the neglect of the person indemnified to use all reasonable means to save and preserve the property after knowledge of a nuclear incident;

(c) If the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicles and containers used in such transportation;

(d) The radioactive material.

3. The Commission agrees to indemnify and hold harmless the licensee and other persons indemnified as their interest may appear, from the reasonable costs of investigating, settling and defending claims for public liability.

4.(a) The obligations of the Commission under this agreement shall apply only with respect to such public liability, such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article), and such reasonable costs described in paragraph 3 of this Article as in the aggregate exceed the amount of financial protection.

(b) With respect to a common occurrence, the obligations of the Commission under this agreement shall apply only with respect to such public liability, such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article), and to such reasonable costs described in paragraph 3 of this Article, as in the aggregate exceed whichever the following is lower: (1) The sum of the amounts of financial protection established under this agreement and all other applicable agreements; or (2) an amount equal to the sum of \$160,000,000 and the amount available as secondary financial protection.

5. The obligations of the Commission under this agreement shall apply only with respect to nuclear incidents occurring during the term of this agreement.

6. The obligations of the Commission under this and all other agreements and contracts to which the Commission is a party shall not, with respect to any nuclear incident, in the aggregate exceed whichever of the following is the lowest: (a) \$500,000,000; (b) \$560,000,000 less the amount of financial protection required under this agreement; or (c) with respect to a common occurrence, \$560,000,000 less the sum of the amount of financial protection established under this agreement and all other applicable agreements.

7. The obligations of the Commission under this agreement, except to the licensee for damage to property of the licensee, shall not be affected by any failure on the part of the licensee to fulfill its obligations under this agreement. Bankruptcy or insolvency of the licensee or any other person indemnified or of the estate of the licensee or any other person indemnified shall not relieve the Commission of any of its obligations hereunder.

ARTICLE IV

1. When the Commission determines that the United States will probably be required to make indemnity payments under the provisions of this agreement, the Commission shall have the right to collaborate with the licensee and other persons indemnified in the settlement and defense of any claim and shall have the right (a) to require the prior approval of the Commission for the settlement or payment of any claim or action asserted against the licensee or other person indemnified for public liability or damage to property of persons legally liable for the nuclear incident which claim or action the licensee or the Commission may be required to indemnify under this agreement; and (b) to appear through the Attorney General of the United States on behalf of the licensee or other person indemnified, take charge of such action and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by the Commission, the licensee shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

2. Neither this agreement nor any interest therein nor claim thereunder may be assigned or transferred without the approval of the Commission.

ARTICLE V

The parties agree that they will enter into appropriate amendments of this agreement to the extent that such amendments are required pursuant to the Atomic Energy Act of 1954, as amended, or licenses, regulations or orders of the Commission.

ARTICLE VI

The licensee agrees to pay to the Commission such fees as are established by the Commission pursuant to regulations or orders of the Commission.

ARTICLE VII

The term of this agreement shall commence as of the date and time specified in Item 6 of the Attachment and shall terminate at the time of expiration of that license specified in Item 3 of the Attachment, which is the last to expire; provided that, except as may otherwise be provided in applicable regulations or orders of the Commission, the term of this agreement shall not terminate until all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in subparagraph 5(b), Article I. Termination of the term of this agreement shall not affect any obligation of the licensee or any obligation of the Commission under this agreement with respect to any nuclear incident occurring during the term of this agreement.

ARTICLE VIII

1. If the licensee fails to pay assessed deferred premiums, the Commission reserves the right to pay those premiums on behalf of the licensee and to recover the amount of such premiums from the licensee.
2. The Commission shall require the immediate submission of financial statements by those licensees who indicate, after an assessment of the retrospective premium by the insurance pools, that they will not pay the assessment. Such financial statements shall include, as a minimum, exhibits indicating internally generated funds from operations and accumulated retained earnings. Subsequent submission of financial statements by such licensees may be requested by the Commission, as required.
3. If premiums are paid by the Commission as provided in paragraph 1, payment by the Commission shall create a lien in the amount paid in favor of the United States upon all property and rights to property, whether real or personal, belonging to such licensee. The lien shall arise at the time payment is made by the Commission and shall continue until the liability for the amount (or a judgment against the licensee arising out of such liability) is satisfied or becomes unenforceable. The Commission will issue a certificate of release of any such lien if it finds that the liability for the amount has been fully satisfied or has become legally unenforceable.
4. If the Commission determines that the licensee is financially able to reimburse the Commission for a deferred premium payment made in its behalf, and the licensee, after notice of such determination by the Commission fails to make such reimbursement within 120 days, the Commission will take appropriate steps to suspend the license for 30 days. The Commission may take any further action as necessary if reimbursement is not made within the 30-day suspension period including, but not limited to, termination of the operating license.

UNITED STATES NUCLEAR REGULATORY COMMISSION

ATTACHMENT

Indemnity Agreement No. B-90

Item 1 - Licensee Pennsylvania Power and Light Company
 Allegheny Electric Cooperative, Inc.

Address 2 North Ninth St.
 Allentown, PA 18101

Item 2 - Amount of Financial Protection

a. \$1,000,000

b. With respect to any nuclear incident, the amount specified in Item 2a of this Attachment shall be deemed to be (i) reduced to the extent that any payment made by the insurer or insurers under a policy or policies specified in Item 5 of this Attachment reduces the aggregate amount of such insurance policies below the amount specified in Item 2a and (ii) restored to the extent that, following such reduction, the aggregate amount of such insurance policies is reinstated.

Item 3 - License number or numbers

SNM-1878

Item 4 - Location

All of the premises including the land and all buildings and structures of Pennsylvania Power and Light Company's Susquehanna Steam Electric Station shown as being within the heavy black lines on a reduced copy of Pennsylvania Power and Light Company's drawing number E-105181-1 dated September 22, 1980, a copy of which is attached hereto and made a part hereof. The site also includes the river intake structure and associated piping and the Unit 2 switchyard, said switchyard being located approximately 500 feet south of the Unit 2 cooling tower.


The Susquehanna Steam Electric Station is located on the west bank of the Susquehanna River approximately four (4) miles south of Shickshinny and five (5) miles northeast of Berwick in Salem Township, Luzerne County, Pennsylvania.

Item 5 - Insurance Policy No(s).

Nuclear Energy Liability Policy (Facility Form) No. NF-262 issued by the Nuclear Energy Liability Property Insurance Association.

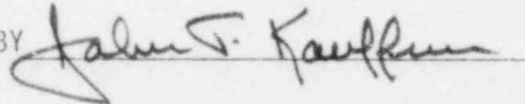
Item 6 - The indemnity agreement designated above, of which this Attachment is a part, is effective as of 12:01 a.m., on the 10 day of September, 1981.

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION


Jerome Saltzman, Chief
Utility Finance Branch
Office of Nuclear Reactor Regulation

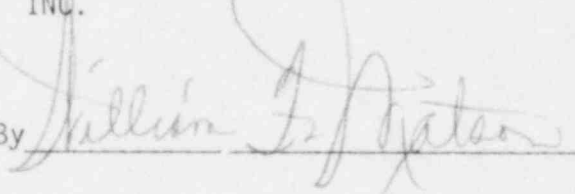
FOR PENNSYLVANIA POWER AND
LIGHT COMPANY

BY

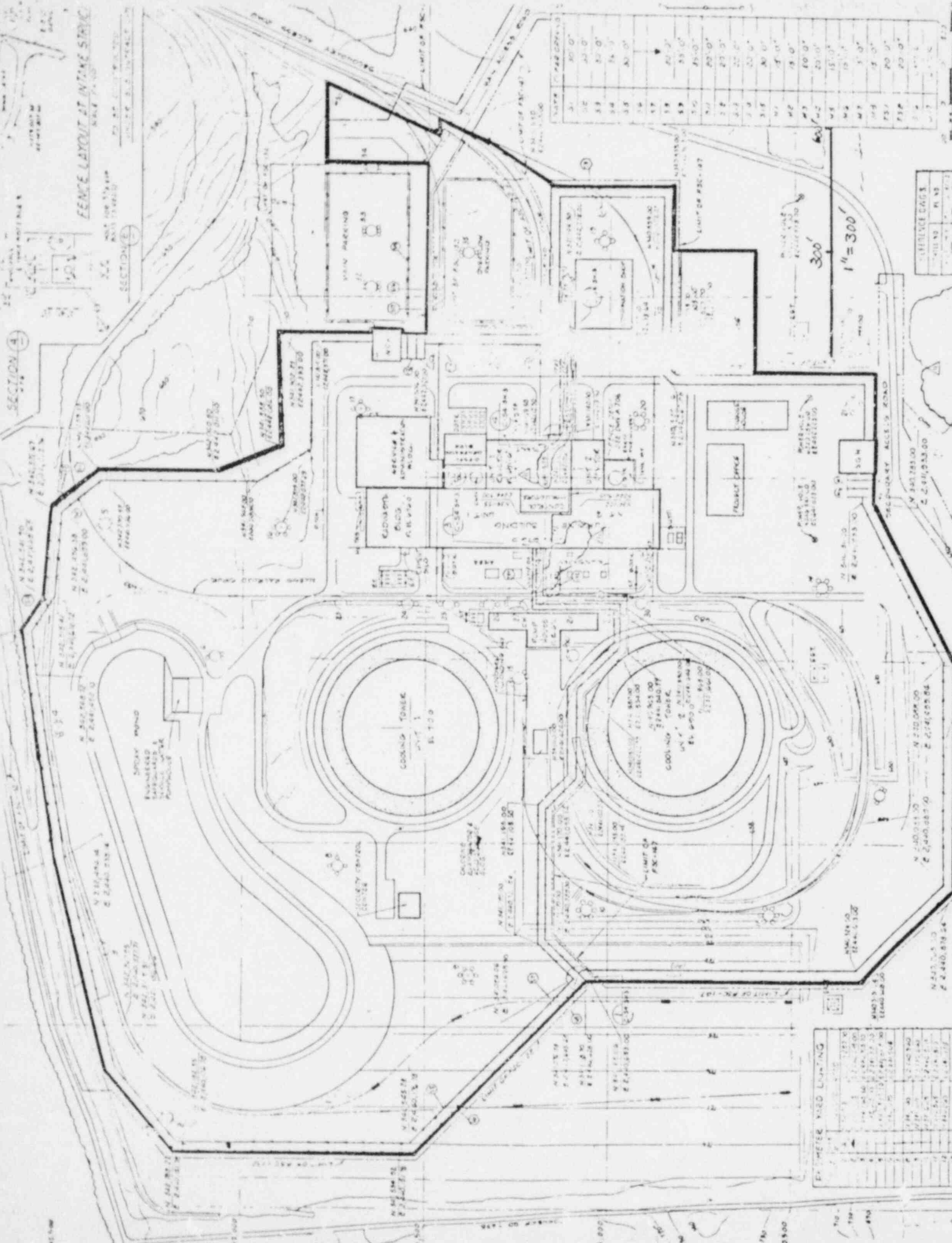


FOR ALLEGHENY ELECTRIC COOPERATIVE,
INC.

By



Dated at Bethesda, Maryland,
The 10 day of September, 1981.



FENCE LAYOUT AT INTAKE SERVICE

SECTION 4

300'

1" = 300'

UTILITY DATA

NO.	TYPE	DEPTH
1	WATER	48"
2	SEWER	48"
3	WATER	48"
4	SEWER	48"
5	WATER	48"
6	SEWER	48"
7	WATER	48"
8	SEWER	48"
9	WATER	48"
10	SEWER	48"

PERMETER YARD LISTING

NO.	DESCRIPTION	AREA
1	VEIN PARKING	1,233.00
2	PROPERTY OFFICE	1,233.00
3	PROPERTY ACCESS ROAD	1,233.00
4	COOKING TOWER	1,233.00
5	COOLING TOWER	1,233.00
6	SPOON ROOM	1,233.00
7	VEIN PARKING	1,233.00
8	PROPERTY OFFICE	1,233.00
9	PROPERTY ACCESS ROAD	1,233.00
10	COOKING TOWER	1,233.00
11	COOLING TOWER	1,233.00
12	SPOON ROOM	1,233.00

COOKING TOWER

COOLING TOWER

SPOON ROOM

VEIN PARKING

PROPERTY OFFICE

PROPERTY ACCESS ROAD

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT
(Facility Form)

It is agreed that:

I. In Insuring Agreement III, "DEFINITIONS"

- A. The first sentence of the definition of "nuclear facility" is amended to read:

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters.

- B. The definition of "indemnified nuclear facility" is replaced by the following:

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters, or

- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat;

II. Insuring Agreement IV is replaced by the following:

IV APPLICATION OF POLICY This policy applies only to bodily injury or property damage (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured, not later than ten years after the end of the policy period.

III. Condition 2 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. Neither the right to make inspections and

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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.

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 non-compliance 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 continuance of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend the 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.

IV. Condition 4 is replaced by the following:

4 LIMITATION OF LIABILITY; COMMON OCCURRENCE Any occurrence or series of occurrences resulting in bodily injury or property damage arising out of the radioactive, toxic, explosive or other hazardous properties of

- (a) nuclear material discharged or dispersed from the facility over a period of days, weeks, months or longer and also arising out of the properties of other nuclear material so discharged or dispersed from one or more other nuclear facilities insured under any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association, tion, or
- (b) source material, special nuclear material, spent fuel or waste in the course of transportation for which insurance is afforded under this policy and also arising out of such properties of other

source material, special nuclear material, spent fuel or waste in the course of transportation for which insurance is afforded under one or more other Nuclear Energy Liability Policies (Facility Form) issued by Nuclear Energy Liability Insurance Association,

shall be deemed to be a common occurrence resulting in bodily injury or property damage caused by the nuclear energy hazard.

With respect to such bodily injury and property damage (1) the total aggregate liability of the members of the Nuclear Energy Liability Insurance Association under all Nuclear Energy Liability Policies (Facility Form), including this policy, applicable to such common occurrence shall be the sum of the limits of liability of all such policies, the limit of liability of each such policy being as determined by Condition 3 thereof, but in no event shall such total aggregate liability of such members exceed \$96,875,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of Nuclear Energy Liability Insurance Association, as stated in clause (1) above, which (a) the limit of liability of this policy, as determined by Condition 3, bears to (b) the sum of the limits of liability of all such policies issued by such members, the limit of liability of each such policy being as determined by Condition 3 thereof.

The provisions of this condition shall not operate to increase the limit of the companies' liability under this policy.

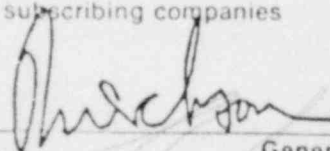
V. The second paragraph of Condition 12, "OTHER INSURANCE", is amended to read:

If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters to any person or organization) applicable to loss or expense covered by this policy, the insurance afforded by this policy shall be excess insurance over such other insurance; provided, with respect to any person who is not employed at and in connection with the facility, such insurance as is afforded by this policy for bodily injury to an employee of the insured arising out of and in the course of his employment shall be primary insurance under such other insurance.

VI. Paragraph (c) of Condition 16, "COMPANY REPRESENTATION", is amended to read:

(c) Nuclear Energy Liability Insurance Association is the agent of the companies with respect to all matters pertaining to this insurance. All notices or other communications required by this policy to be given to the companies may be given to such agent, at its office at The Exchange, Suite 245, 270 Farmington Avenue, Farmington, Connecticut 06032, with the same force and effect as if given directly to the companies. Any requests, demands or agreements made by such agent shall be deemed to have been made directly by the companies.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF- 262
12:01 A.M. Standard Time
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue February 20, 1981 For the subscribing companies

By  General Manager

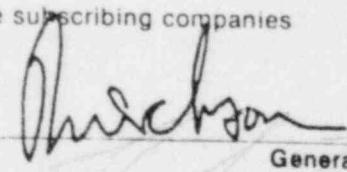
Endorsement No 7
NE-48 Page -4- of 4
(1/1/77)

Countersigned by KIRKBY & HIGGINS OF PENNSYLVANIA, INC.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Amendment of Condition 4 Endorsement

It is agreed that with respect to bodily injury or property damage caused on or after the effective date of this endorsement by the nuclear energy hazard, the figure \$96,875,000 stated in Condition 4 of the policy is amended to read \$124,000,000.

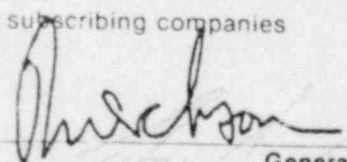
Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-262
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue February 20, 1981 For the subscribing companies
By  General Manager
Endorsement No 6 Countersigned by _____
NE-43F (1/1/79)

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

SUPPLEMENTARY ENDORSEMENT
WAIVER OF DEFENSES
REACTOR CONSTRUCTION AT THE FACILITY

It is agreed that in construing the application of paragraph 2(b) of the WAIVER OF DEFENSES ENDORSEMENT (NE-33a) with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-262
12:01 A.M. Standard Time
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue February 20, 1981 For the subscribing companies
By  General Manager
Endorsement No 5 Countersigned by JEFFERSON & HIGGINS OF PENNSYLVANIA, INC.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

WAIVER OF DEFENSES ENDORSEMENT
(Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of Nuclear Energy Liability Insurance Association agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
 - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
 - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of the insureds, including but not limited to:
 - (i) negligence,
 - (ii) contributory negligence,
 - (iii) assumption of risk, and
 - (iv) unforeseeable intervening causes, whether involving the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) 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 bodily injury or property damage and the cause thereof, but in no event more than twenty years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
 - (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
 - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law;
 - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.

3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however, that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy", shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) 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.

Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under

- (a) the provisions of the policy applicable to the financial protection required of the named insured;
- (b) the agreement of indemnification between the named insured and the the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and
- (c) the limit of liability provisions of Subsection 170e. of the Atomic Energy Act of 1954, as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.

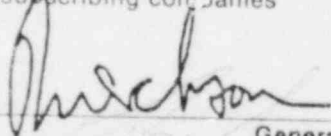
5. As used herein:

"extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

"financial protection" and "nuclear incident" have the meanings given them in the Atomic Energy Act of 1954, as amended.

"claimant" means the person or organization actually sustaining the bodily injury or property damage and also includes his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No. NF- 262
12:01 A.M. Standard Time
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue February 20, 1981 For the subscribing companies

By  General Manager

Endorsement No 4

Countersigned by WILSON & THOMAS OF PENNSYLVANIA, INC.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF DEFINITIONS OF
"Nuclear Energy Hazard" and "Insured Shipment"
(Indemnified Nuclear Facility)

It is agreed that:

I. In Insuring Agreement III, "DEFINITIONS"

A. solely with respect to an "insured shipment" to which this policy applies as proof of financial protection required by the Nuclear Regulatory Commission, Subdivision (2) of the definition of "nuclear energy hazard" is amended to read:

(2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including the handling and temporary storage incidental thereto, within

(a) the territorial limits of the United States of America, its territories or possessions, Puerto Rico or the Canal Zone; or

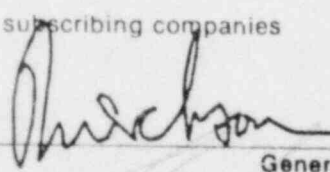
(b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within the territorial limits described in (a) above and there are no deviations in the course of the transportation for the purpose of going to any other country, state or nation, except a deviation in the course of said transportation for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

B. the definition of "insured shipment" is replaced with the following;

"insured shipment" means a shipment of source material, special nuclear material, spent fuel or waste, 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 prede-

termination 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.

II. As used herein, "financial protection" has the meaning given it in the Atomic Energy Act of 1954, as amended.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No. NE- 262
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue February 20, 1981 For the subscribing companies
By  General Manager
Endorsement No. 3 Countersigned by _____

NE-45
(1/1/77)

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INDUSTRY CREDIT RATING PLAN
PREMIUM ENDORSEMENT

It is agreed that Condition 1 of the policy is replaced by the following:

CONDITION 1. PREMIUM

- (1) Definitions: With reference to the premium for this policy:

"advance premium", for any calendar year, is the estimated *standard premium* for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Credit Rating Plan), premiums and minimum premiums applicable to this insurance;

"reserve premium" means that portion of the *standard premium* paid to the companies and specifically allocated under the Industry Credit Rating Plan for *incurred losses*. The amount of the *"reserve premium"* for this policy for any calendar year during which this policy is in force is the amount designated as such in the Standard Premium Endorsement for that calendar year;

"industry reserve premium", for any calendar year, is the sum of the *reserve premiums* for that calendar year for all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"policy refund ratio", for any calendar year, is the ratio of the named insured's *reserve premium* for that calendar year to the *industry reserve premium* for that calendar year;

"incurred losses" means the sum of:

- (1) all losses and expenses paid by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters, and
- (2) all reserves for unpaid losses and expenses as estimated by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters

because of obligations assumed and the expenses incurred in connection with such obligations by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters under all Nuclear Energy Liability Policies issued by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"reserve for refunds", at the end of any calendar year, is the amount by which (1) the sum of all *industry reserve premiums* for the period from January 1, 1957 through the end of such calendar year exceeds (2) the total for the same period of (a) all *incurred losses*, valued as of the next following July 1, and (b) all *reserve premium refunds* made under the Industry Credit Rating Plan by members of Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters;

"industry reserve premium refund", for any calendar year, is determined by multiplying the *reserve for refunds* at the end of the ninth calendar year thereafter by the ratio of the *industry reserve premium* for the calendar year for which the premium refund is being determined to the sum of such amount and the total *industry reserve premiums* for the next nine calendar years thereafter, provided that the *industry reserve premium refund* for any calendar year shall in no event be greater than the *industry reserve premium* for such calendar year.

- (2) *Payment of Advance and Standard Premiums* The named insured shall pay the companies the *advance premium* stated in the declarations, for the period from the effective date of this policy through December 31 following. Thereafter, at the beginning of each calendar year while this policy is in force, the named insured shall pay the *advance premium* for such year to the companies. The *advance premium* for each calendar year shall be stated in the Advance Premium Endorsement for such calendar year issued to the named insured as soon as practicable prior to or after the beginning of such year.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

As soon as practicable after each December 31 and after the termination of this policy, the *standard premium* for the preceding calendar year shall be finally determined and stated in the Standard Premium Endorsement for that calendar year. If the *standard premium* so determined exceeds the *advance premium* previously paid for such calendar year, the named insured shall pay the excess to the companies; if less, the companies shall return to the named insured the excess portion paid by such insured.

The named insured shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the policy period and at such other times during the policy period as the company may direct.

- (3) *Use of Reserve Premiums* All *reserve premiums* paid or payable for this policy may be used by the members of Nuclear Energy Liability Insurance Association to discharge their obligations with respect to *incurred losses* whether such losses are incurred under this policy or under any other policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters.
- (4) *Reserve Premium Refunds* A portion of the *reserve premium* for this policy for the first calendar year of any group of ten consecutive calendar years shall be returnable to the named insured provided there is a *reserve for refunds* at the end of the tenth calendar year.
- (5) *Computation of Reserve Premium Refunds* The *reserve premium refund* due the name insured for any calendar year shall be determined by multiplying any *industry reserve premium refund* for such calendar year by the *policy refund ratio* for such calendar year. The *reserve premium refund* for any calendar year shall be finally determined as soon as practicable after July 1 of the tenth calendar year thereafter.
- (6) *Final Premium* The final premium for this policy shall be the sum of the *standard premiums* for each calendar year, or portion thereof, during which this policy remains in force less the sum of all refunds of *reserve premiums* due the named insured under the provisions of this Condition 1.
- (7) *Reserve Premium Refund Agreement* Each member of Nuclear Energy Liability Insurance Association subscribing this policy for any calendar year, or portion thereof, thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under this policy for that calendar year, to return to the named insured that portion of any *reserve premium refund* due the named insured for that calendar year, determined in accordance with the provisions of this Condition 1.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No. NF-262

Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
12:01 A.M. Standard Time

Date of Issue February 20, 1981

For the subscribing companies

By 

General Manager

Endorsement No. 2

Countersigned by 
J. WILSON & COMPANY OF PENNSYLVANIA, INC.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1981

It is agreed that Item 5 of the Declarations "Advance Premium" is amended to read:

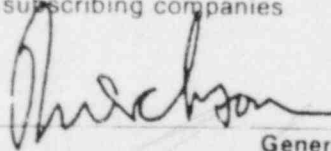
ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$ 100.00.

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: \$ 67.00.

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-262

Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
12:01 A.M. Standard Time

Date of Issue February 20, 1981 For the subscribing companies

By  General Manager

Endorsement No 1

Countersigned by _____

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

127 John Street, New York, New York 10038

Nuclear Energy Liability Policy No. NF-262
(Facility Form)

DECLARATIONS

Item 1. Named Insured Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Address Two North Ninth Street, Allentown, Pennsylvania 18101
(No. Street Town or City State)

Item 2. Policy Period: Beginning at 12:01 A.M. on the 1st day of January, 1981, and continuing through the effective date of the cancellation or termination of this policy, standard time at the address of the named insured as stated herein.

Item 3. Description of the Facility:

Location All of the premises including the land and all buildings and structures of Pennsylvania Power & Light Company's Susquehanna Steam Electric Station shown as being within the heavy black lines on a reduced copy of Pennsylvania Power & Light Company Drawing No. E-105181-1 dated September 22, 1980, a copy of which is attached hereto and made a part hereof. The site also includes the river intake structure and associated piping and the Unit 2 switchyard, said switchyard being located approximately 500 feet south of the Unit 2 Cooling Tower.
The Susquehanna Steam Electric Station is located on the west bank of the Susquehanna River approximately 4 miles south of Shickshinny and 5 miles north-east of Berwick in Salem Township, Luzerne County, Pennsylvania.

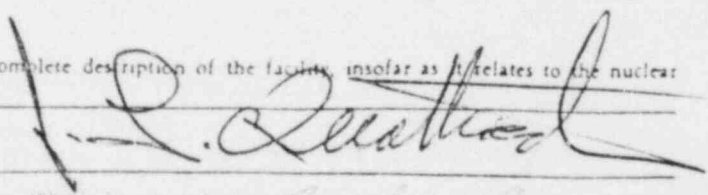
Type Power Reactor This is to certify that this is a true copy of the original Declarations being made part of the Nuclear Energy Liability Policy (Facility Form) having the number designated hereon and including Endorsements numbered 1 through 7. No insurance is afforded hereunder.

The Operator of the facility is Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.

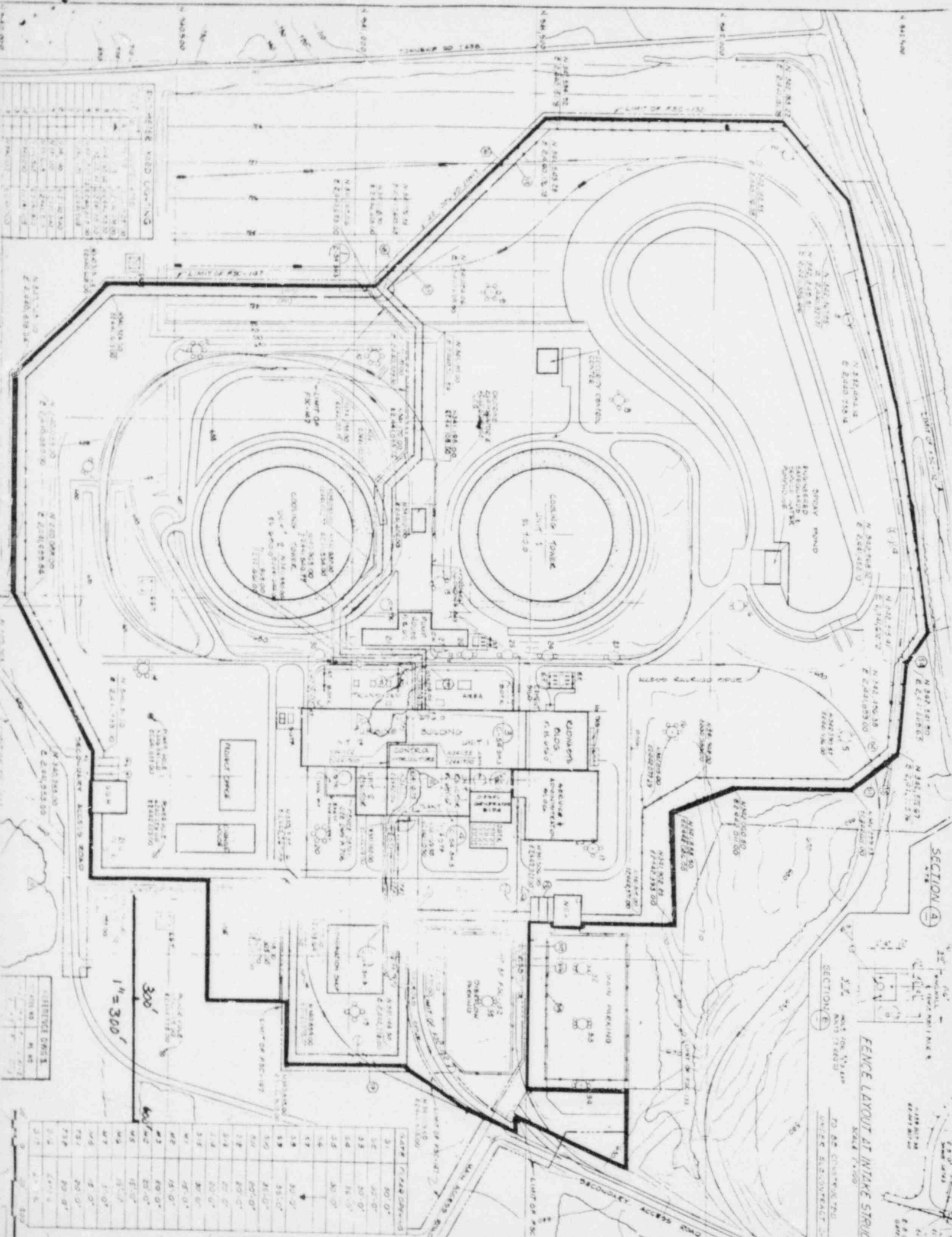
Item 4. The limit of the companies' liability is \$ 1,000,000.00 subject to all the terms of this policy having reference thereto.

Item 5. Advance Premium \$ 100.00

Item 6. These declarations and the schedules forming a part hereof give a complete description of the facility, insofar as it relates to the nuclear energy hazard, except as noted No exceptions


J. R. DeLoach
Vice President - Liability Underwriting
American Nuclear Insurers

Date of Issue February 20, 1981, 19____ Countersigned by _____
Authorized Representative



GENERAL NOTES

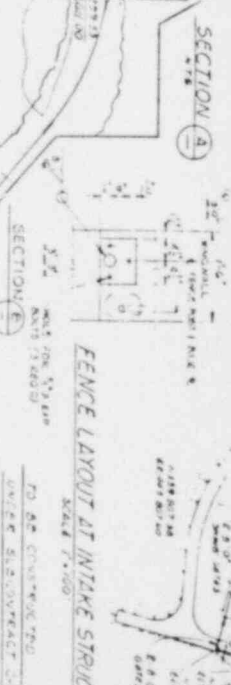
1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
4. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
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10. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.

GENERAL DIMS

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GENERAL DIMS

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46	10' 0"
47	10' 0"
48	10' 0"
49	10' 0"
50	10' 0"



FENCE LAYOUT AT INTAKE STRUCTURE

SCALE 1" = 100'

TO BE CONSTRUCTED UNDER SUPERVISOR'S CONTROL

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%
Aetna Casualty and Surety Co., The, 151 Farmington Ave., Hartford, CT 06156	9.930569
Aetna Insurance Company, 55 Elm St., Hartford, CT 06115	2.648152
Affiliated FM Insurance Co., Allendale Park, P.O. Box 7500, Johnston, RI 02919	.248264
Alliantz Insurance Company, 6435 Wilshire Blvd., Los Angeles, CA 90054	1.324076
Allstate Insurance Co., Allstate Plaza South - 61, Northbrook, IL 60062	4.955284
American Home Assurance Co., 102 Maiden La., New York, NY 10005	.868925
American Motorists Insurance Co., Long Grove, IL 60049	.413774
Bituminous Casualty Corporation, 220-13th St., Rock Island, IL 61201	.413774
Centennial Insurance Co., Atlantic Building, 45 Wall St., New York, NY 10005	.248264
Commercial Union Insurance Co., The Beacon St., Boston, MA 02108	3.310190
Connecticut Indemnity Company, The, 9 Farm Springs Rd., Farmington, CT 06032	.413774
Continental Casualty Co., CNA Plaza, Chicago, IL 60685	4.137737
Continental Insurance Co., The, 80 Maiden La., New York, NY 10038	7.854814
Federal Insurance Co., 51 John F. Kennedy Pkwy., Short Hills, NJ 07078	1.489585
Fireman's Fund Insurance Companies, P.O. Box 1395, San Francisco, CA 94119	5.296303
General Accident Fire and Life Assurance Corp., Ltd., 418 Walnut St., Philadelphia, PA 19105	7.324076
Great American Insurance Co., P.O. Box 2578, Cincinnati, OH 54201	1.324076
Handover Insurance Co., The, 440 Lincoln St., Worcester, MA 01605	.496528
Hartford Accident and Indemnity Co., Hartford Plaza, Hartford, CT 06115	7.034153
Hartford Steam Boiler Insp. & Ins. Co., The, 56 Prospect St., Hartford, CT 06102	.496528
Highlands Insurance Co., 600 Jefferson St., Houston, TX 77002	.413774
Home Indemnity Co., The, 59 Maiden La., New York, NY 10038	3.641209
Insurance Co. of North America, P.O. Box 7728, Philadelphia, PA 19101	1.655095
Monarch Insurance Co. of Ohio, The, 19 Rector St., New York, NY 10006	.331019
Northern Insurance Company of New York, P.O. Box 1228, Baltimore, MD 21203	1.820604
Northwestern National Ins. Co., 731 No Jackson St., Milwaukee, WI 53201	.662038
Ohio Casualty Insurance Company, The, 136 North Third St., Hamilton, OH 45025	.165509
Pacific Indemnity Co., 51 John F. Kennedy Parkway, Short Hills, NJ 07078	.331019
Fearless Insurance Co., 82 Maple Ave., Keene, NH 03431	.124132
Protective Insurance Co., 3100 No. Meridian St., Indianapolis, IN 46208	.248264
Providence Washington Insurance Co., 20 Washington Place, Providence, RI 02903	.103443
Reliance Insurance Company, 4 Penn Center Plaza, Philadelphia, PA 19103	.993057
Royal Insurance Company of America, 150 William Street, New York, NY 10038	3.310190
St. Paul Fire & Marine Ins. Co., 385 Washington St., St. Paul, MN 55102	4.682228
Seaport Surety Co., 90 William St., New York, NY 10038	.413774
State Farm Fire & Casualty Company, 112 East Washington St., Bloomington, IL 61701	.827547
Transamerica Insurance Company, P.O. Box 54258, Los Angeles, CA 90054	.827547
Travelers Indemnity Company, The, One Tower Square, Hartford, CT 06115	10.758116
United States Fidelity and Surety Co., 100 Light St., Baltimore, MD 21202	10.427097
United States Fire Insurance Co., P.O. Box 2307, Morristown, NJ 07960	2.978171
Union Insurance Co., 231 N. LaSalle St., Schaumburg, IL 60196	1.241321

This is to certify that this is a true and correct copy of the original
 policy and endorsement as they appear in the original policy and
 endorsement (Facility Form) as des-
 cribed herein. No alterations or additions are authorized hereunder.

J. S. Deatwood
 General Manager

Effective Date of this Endorsement January 1, 1981 To form a part of Policy No NF-262
 Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
 Date of Issue March 12, 1981

For the subscribing companies
 By [Signature] General Manager
 Countersigned by [Signature] V.P.

Endorsement No 2
 (1/31)

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 the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated herein. No insurance is afforded hereunder.

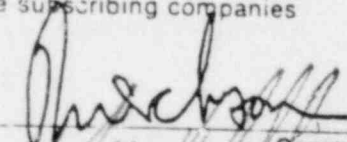

John L. Quattrocchi, Vice President-Liability Group
American Nuclear Insurers

Effective Date of this Endorsement June 1, 1981 To form a part of Policy No NF-262
12:01 A.M. Standard Time

Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.

Date of Issue May 19, 1981

For the subscribing companies

By 
General Manager

Endorsement No 9

Countersigned by JOHNSON & WIGGINS
of Pennsylvania, Inc.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

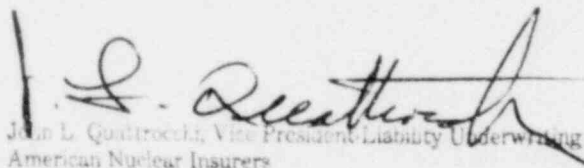
INFORMATION TO BE PROVIDED TO THE COMMONWEALTH OF PENNSYLVANIA
OF SUSPENSION OR CANCELATION

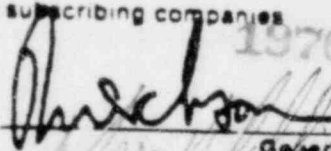
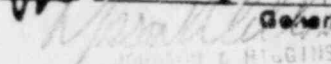
It is agreed that if the companies suspend the insurance or cancel the policy they shall at the time they provide notice thereof to the United States Nuclear Regulatory Commission, advise the office of the Commonwealth of Pennsylvania designated below of the action they have taken. Such information may be provided in writing or orally, and if done orally will be confirmed promptly in writing by the companies.

Commonwealth Office:

The Office of the Director
Bureau of Radiation Protection
Pennsylvania Dept. of Environmental Resources
P.O. Box 2063
Harrisburg, Pennsylvania 17120
Tel. (717) 787-2480

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made 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 June 1, 1981 To form a part of Policy No NF-262
12 01 A M Standard Time
Issued to Pennsylvania Power & Light Company and Allegheny Electric Cooperative, Inc.
Date of Issue May 21, 1981
For the subscribing companies
By  ¹⁹⁷⁰⁸ General Manager
Countersigned by  ^{JOHN L. HIGGINS}
Endorsement No 10
NE-55 (6/81)