

# Marsh & McLennan

Marsh & McLennan, Incorporated  
400 North Akard Street  
Dallas, Texas 75201  
Telephone 214 742-1941

December 20, 1982

Mr. Jerome Saltzman  
Assistant Director  
State & Licensee Relations  
Office of State Programs  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Alabama Power Company  
J. M. Farley Nuclear Plant  
ANI and MAELU Certificates

Dear Jerry:

Enclosed are the below listed items pertaining to the ANI and MAELU Secondary Financial Protection Certificates of Insurance N-62, N-73, M-62 and M-73 for the Alabama Power Company J. M. Farley Excess Binders previously submitted to the NRC.

1. Two certified copies each of ANI Certificate N-62 (Pages 1-6) and Endorsements 1, 2 and 3.
2. Two certified copies each of ANI Certificate N-73 (Pages 1-6) and Endorsements 1 and 2.
3. Two certified copies each of MAELU Certificate M-62 (Pages 1-6) and Endorsements 1, 2 and 3.
4. Two certified copies each of MAELU Certificate M-73 (Pages 1-6) and Endorsements 1 and 2.

In accordance with instructions received from ANI, these Certificates together with the Endorsements fulfill the NRC requirement to provide evidence of Secondary Financial Protection for J. M. Farley Nuclear Plant Units 1 and 2.

Should you have any questions, Jerry, please give me a call.

Very truly yours,

John R. Duck, Jr.  
Assistant Vice President  
M&M Nuclear Consultants

cc: N. Horsley  
J. L. Collins  
K. Alexander

jf/enclosures

8212280348 821220  
PDR ADOCK 05000348  
J PDR

*MOOI*

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY - NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATROCCHI  
VICE PRESIDENT-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Certificate No. M- 62

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE  
DECLARATIONS AND  
BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1  
of the Declarations are named insureds under the Master Policy -  
Nuclear Energy Liability Insurance (Secondary Financial Protection), herein  
called the "Master Policy", issued by Mutual Atomic Energy Liability  
Underwriters.

Such insurance as is provided by the Master Policy applies, through this  
certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
  - (1) with respect to which the primary financial protection  
described in Item 4 of the Declarations would apply but for  
exhaustion of its limit of liability as described in Condition  
6 of the Master Policy, and
  - (2) which is caused during the certificate period stated in Item  
6 of the Declarations by a nuclear incident arising out of  
or in connection with the nuclear reactor described in Item  
3 of the Declarations, and

## Declarations

(a) Alabama Power Company - 600 North 18th Street, Birmingham, Alabama 35291

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

\$ 31,500,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

Unit 2 of the Joseph M. Farley Nuclear Plant

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at 12:01 a.m. on the first day of August, 1977 and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$1,125,000

Item 8. Premium payable pursuant to Condition 1 of the Master Policy for the period from August 1, 1977 through December 31 following:  
\$ 565.65

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Mutual Atomic Energy Liability Underwriters subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective August 1, 1977 eastern standard time.

Emagrand Stator  
My Commission Expires 6/30/84

Alabama Power Company

(Named Insured - Type or Print)

By Irwin F. Bowden (SEAL)  
(Signature of Officer)

Vice President-Finance & Treasurer

(Type or Print Name & Title of Officer)

Date: August 3, 1982

\_\_\_\_\_  
(Named Insured - Type or Print)

By \_\_\_\_\_ (SEAL)  
(Signature of Officer)

\_\_\_\_\_  
(Type or Print Name & Title of Officer)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Named Insured - Type or Print)

By \_\_\_\_\_ (SEAL)  
(Signature of Officer)

\_\_\_\_\_  
(Type or Print Name & Title of Officer)

Date: \_\_\_\_\_

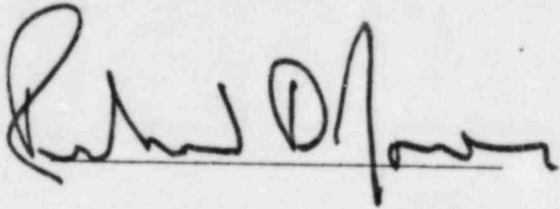


IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by Mutual Atomic Energy Liability Underwriters to be effective August 1, 1977 eastern standard time, and countersigned below by a duly authorized representative.

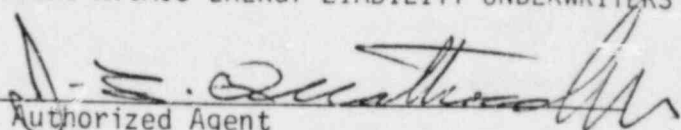
Attest or Witness

For the Subscribing Companies of

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS



BY:

  
Authorized Agent

Countersigned by

  
(Authorized Representative)

Subscribing Companies

PROPORTION OF 100%

American Mutual Liability Insurance Company, Wakefield, MA	15.0000000
Employers Insurance of Wausau, A Mutual Company, Wausau, WI	15.0000000
Liberty Mutual Insurance Company, Boston, MA	30.0000000
Lumbermens Mutual Casualty Company, Long Grove, IL	30.0000000
Michigan Mutual Insurance Company, Detroit, MI	5.0000000
Sentry Insurance, A Mutual Company, Stevens Point, WI	5.0000000

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-62

Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

It is agreed that Item 4.(a) of the Declarations is amended to read as follows:

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's  
Policy NF- 238 \$124,000,000

Mutual Atomic Energy Liability Underwriters'  
Policy MF- 93 \$36,000,000

Effective Date of this Endorsement May 1, 1979 To form a part of Certificate No. M-62

Issue to Alabama Power Company

Date of Issue December 15, 1982

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Endorsement No. 2

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

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 described hereon. No insurance is afforded hereunder.

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



NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1983

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 1,350.00.

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.

*J. L. Quattrocchi*

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

Effective Date of this Endorsement January 1, 1983 To form a part of Certificate No. M-62

Issue to Alabama Power Company

Date of Issue December 15, 1982

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. L. Quattrocchi*

Endorsement No. 3

Countersigned by \_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-62  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

### ANNUAL PREMIUM ENDORSEMENT

It is agreed that the Annual Premiums applicable to the periods designated below are as follows:

For Calendar Year 1978  
Effective Date January 1, 1978  
Annual Premium \$1,350.00

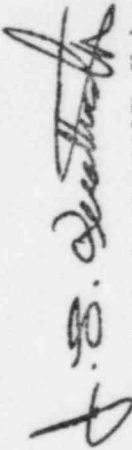
For Calendar Year 1979  
Effective Date January 1, 1979  
Annual Premium \$1,350.00

For Calendar Year 1980  
Effective Date January 1, 1980  
Annual Premium \$1,350.00

For Calendar Year 1981  
Effective Date January 1, 1981  
Annual Premium \$1,350.00

For Calendar Year 1982  
Effective Date January 1, 1982  
Annual Premium \$1,350.00

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 Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement as stated above To form a part of Certificate No. M-62  
Issue to Alabama Power Company  
Date of Issue December 15, 1982

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 1

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY - NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.  
JOHN L. QUATROCCHI  
VICE PRESIDENT-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Certificate No. M-73

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE  
DECLARATIONS AND  
BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Mutual Atomic Energy Liability Underwriters.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
  - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
  - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage 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.

#### Declarations

Item 1. Named insureds and addresses:

- (a) Alabama Power Company - 600 North 18th Street, Birmingham, Alabama 35291
- (b)

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 2 of the Joseph M. Farley Nuclear Plant located in Houston County, Alabama.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF-238	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF- 93	\$ 36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

Unit 1 of the Joseph M. Farley Nuclear Plant.

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at 12:01 a.m. on October 23, 1980 and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$1,125,000

Item 8. Premium payable pursuant to Condition 1 of the Master Policy for the period from October 23, 1980 through December 31 following:  
\$259.20

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Mutual Atomic Energy Liability Underwriters subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.



The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective October 23, 1980 eastern standard time.

  
Ernest A. Atkinson  
My Commission Expires 6/30/84

Alabama Power Company  
(Named Insured - Type or Print)  
By Frank J. Bowles (SEAL)  
(Signature of Officer)

Vice President-Finance & Treasurer  
(Type or Print Name & Title of Officer)  
Date: August 3, 1982

\_\_\_\_\_  
(Named Insured - Type or Print)  
By \_\_\_\_\_ (SEAL)  
(Signature of Officer)

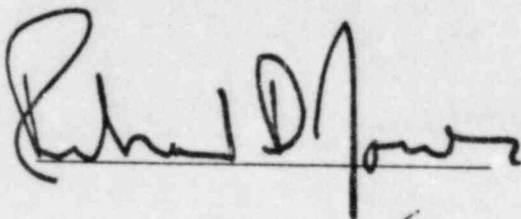
\_\_\_\_\_  
(Type or Print Name & Title of Officer)  
Date: \_\_\_\_\_

\_\_\_\_\_  
(Named Insured - Type or Print)  
By \_\_\_\_\_ (SEAL)  
(Signature of Officer)

\_\_\_\_\_  
(Type or Print Name & Title of Officer)  
Date: \_\_\_\_\_

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by Mutual Atomic Energy Liability Underwriters to be effective October 23, 1980 eastern standard time, and countersigned below by a duly authorized representative.

Attest or Witness



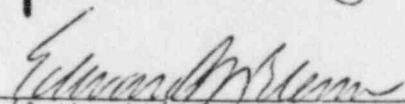
For the Subscribing Companies of

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

BY:

  
Authorized Agent

Countersigned by

  
(Authorized Representative)

<u>Subscribing Companies</u>	<u>PROPORTION OF 100%</u>
American Mutual Liability Insurance Company, Wakefield, MA	15.0000000
Employers Insurance of Wausau, A Mutual Company, Wausau, WI	15.0000000
Liberty Mutual Insurance Company, Boston, MA	30.0000000
Lumbermens Mutual Casualty Company, Long Grove, IL	30.0000000
Michigan Mutual Insurance Company, Detroit, MI	5.0000000
Sentry Insurance, A Mutual Company, Stevens Point, WI	5.0000000

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1983

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 1,350.00.

This is to certify that this is a 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.

*J. S. Quattrocchi*

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

Effective Date of this Endorsement January 1, 1983 To form a part of Certificate No. M-73

Issue to Alabama Power & Light Company

Date of Issue December 15, 1982

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Endorsement No. 2

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

# NUCLEAR ENERGY LIABILITY INSURANCE

## MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-73  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

### ANNUAL PREMIUM ENDORSEMENT

It is agreed that the Annual Premiums applicable to the periods designated below are as follows:

For Calendar Year 1978  
Effective Date January 1, 1978  
Annual Premium N/A

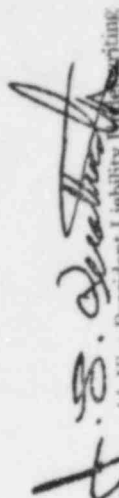
For Calendar Year 1979  
Effective Date January 1, 1979  
Annual Premium N/A

For Calendar Year 1980  
Effective Date October 23, 1980  
Annual Premium \$ 259.20

For Calendar Year 1981  
Effective Date January 1, 1981  
Annual Premium \$1,350.00

For Calendar Year 1982  
Effective Date January 1, 1982  
Annual Premium \$1,350.00

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. Quatrochi, Vice President-Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement as stated above To form a part of Certificate No. M-73

Issue to Alabama Power Company

Date of Issue December 15, 1982

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 1

Countersigned by \_\_\_\_\_

AUTHORIZED REPRESENTATIVE

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY - NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATROCCHI  
VICE PRESIDENT-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

# NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Certificate No. N-62

Forming Part of Master

Policy No. 1

## CERTIFICATE OF INSURANCE DECLARATIONS AND BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

### Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Nuclear Energy Liability Insurance Association.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
  - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
  - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

- (3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage 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.

#### Declarations

Item 1. Named insureds and addresses:

- (a) Alabama Power Company - 600 North 18th Street, Birmingham, Alabama 35291  
(b)

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 1 of the Joseph M. Farley Nuclear Plant located in Houston County, Alabama.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF-238	\$108,500,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF-93	\$ 31,500,000



(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

Unit 2 of the Joseph M. Farley Nuclear Plant

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at 12:01 a.m. on the first day of August, 1977 and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$3,875,000.

Item 8. Premium payable pursuant to Condition 1 of the Master Policy for the period from August 1, 1977 through December 31 following:  
\$ 1,948.35

## BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Nuclear Energy Liability Insurance Association subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective August 1, 1977 eastern standard time.

Emagran Station

(Type or Print Name & Title of Officer)  
Date:

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by the President of Nuclear Energy Liability Insurance Association to be effective August 1, 1977 eastern standard time, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

J. E. Quent... BY: Burt C. Proom  
Burt C. Proom, President

Countersigned by

Edward P. Proom  
(Authorized Representative)

**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ENDORSEMENT TO CERTIFICATE NO. N-62  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

ANNUAL PREMIUM ENDORSEMENT

It is agreed that the Annual Premiums applicable to the periods designated below are as follows:

For Calendar Year 1978  
Effective Date January 1, 1978  
Annual Premium \$4,650.00

For Calendar Year 1979  
Effective Date January 1, 1979  
Annual Premium \$4,650.00

For Calendar Year 1980  
Effective Date January 1, 1980  
Annual Premium \$4,650.00

For Calendar Year 1981  
Effective Date January 1, 1981  
Annual Premium \$4,650.00

For Calendar Year 1982  
Effective Date January 1, 1982  
Annual Premium \$4,650.00

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.

*J. S. Quattrocchi*

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

Effective Date of  
this Endorsement as stated above

To form a part of Certificate No. N-62

Issued to Alabama Power Company

Date of Issue December 15, 1982

For the subscribing companies.

By *Richardson*  
General Manager

Endorsement No 1

Countersigned by \_\_\_\_\_

## NE-S-2



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1983

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 4,650.00.

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.

*J. S. Quattrocchi*

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

Effective Date of this Endorsement January 1, 1983 To form a part of Certificate N-62  
12:01 A.M. Standard Time  
Issued to Alabama Power Company  
Date of Issue December 15, 1982  
For the subscribing companies  
By *Richardson* General Manager  
Endorsement No 3 Countersigned by \_\_\_\_\_

**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ENDORSEMENT TO CERTIFICATE NO. N-73  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

ANNUAL PREMIUM ENDORSEMENT

It is agreed that the Annual Premiums applicable to the periods designated below are as follows:

For Calendar Year 1978  
Effective Date January 1, 1978  
Annual Premium N/A

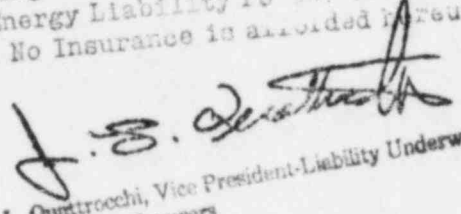
For Calendar Year 1979  
Effective Date January 1, 1979  
Annual Premium N/A

For Calendar Year 1980  
Effective Date October 23, 1980  
Annual Premium \$ 892.80

For Calendar Year 1981  
Effective Date January 1, 1981  
Annual Premium \$4,650.00

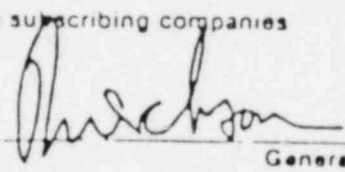
For Calendar Year 1982  
Effective Date January 1, 1982  
Annual Premium \$4,650.00

This is to certify that this is a copy of the original Endorsement having the endorsement (Policy Form) as designated hereon. No Insurance is afforded hereunder.

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

Effective Date of this Endorsement as stated above To form a part of Certificate No. N-73  
12:01 A.M. Standard Time  
Issued to Alabama Power Company  
Date of Issue December 15, 1982

For the subscribing companies

By  General Manager

Endorsement No 1

Countersigned by \_\_\_\_\_

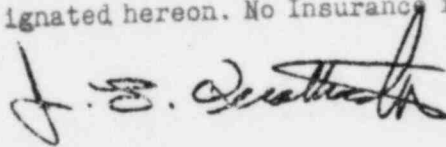
**Nuclear Energy Liability Insurance**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ANNUAL PREMIUM ENDORSEMENT

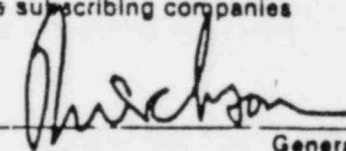
Calendar Year 1983

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 4,650.00.

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 January 1, 1983 To form a part of Certificate N-73  
12:01 A.M. Standard Time  
Issued to Alabama Power & Light Company  
Date of Issue December 15, 1982  
For the subscribing companies  
By  General Manager

Endorsement No 2

Countersigned by \_\_\_\_\_

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY - NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATRECCHI  
VICE PRESIDENT-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

# NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Certificate No. N- 73

Forming Part of Master

Policy No. 1

## CERTIFICATE OF INSURANCE DECLARATIONS AND BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

### Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Nuclear Energy Liability Insurance Association.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
  - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
  - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

- (3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage 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.

#### Declarations

Item 1. Named insureds and addresses:

- (a) Alabama Power Company - 600 North 18th Street, Birmingham, Alabama 35291  
(b)

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 2 of the Joseph M. Farley Nuclear Plant located in Houston County, Alabama.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF- 238	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF- 93	\$ 36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

Unit 1 of the Joseph M. Farley Nuclear Plant.

Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.

Item 6. Certificate Period: Beginning at 12:01 a.m. on October 23, 1980 and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$3,875,000.

Item 8. Premium payable pursuant to Condition 1 of the Master Policy for the period from October 23, 1980 through December 31 following:  
\$892.80



## BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Nuclear Energy Liability Insurance Association subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective October 23, 1980 eastern standard time.

*Emerson Station*  
My Commission Expires 6/30/84

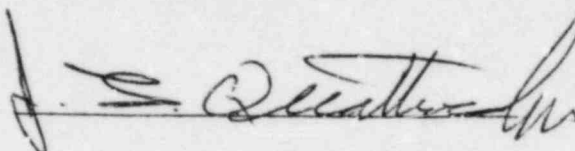
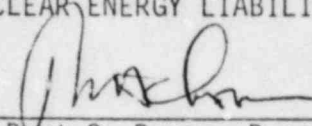
Date: \_\_\_\_\_

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by the President of Nuclear Energy Liability Insurance Association to be effective October 23, 1980 eastern standard time, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

 BY:   
Burt C. Proom, President

Countersigned by

  
(Authorized Representative)