



February 7, 1992

OCAN029204

U. S. Nuclear Regulatory Commission  
Document Control Desk  
Mail Station P1-137  
Washington, DC 20555

SUBJECT: Arkansas Nuclear One - Units 1&2  
Docket Nos. 50-313 and 50-368  
License Nos. DPR-51 and NPF-6  
Proof of Financial Protection

Gentlemen:

As required by 10CFR140.15(a)(1) and 10CFR140.15(e), certified true copies of Arkansas Nuclear One's (ANO) current liability insurance endorsements are submitted to the Commission as proof of financial protection.

The following list outlines the attached endorsements:

- Attachment A - Primary and secondary financial protection endorsements which reflect nuclear liability insurance coverage for 1992;
- Attachment B - Master Policy No. 1, endorsements which amend the Nuclear Energy Liability Insurance Secondary Financial Protection "Insuring Agreement II, Definitions"; and
- Attachment C - Entergy's Suppliers and Transporter's Form (information copy)

Should you have any questions regarding this submittal, do not hesitate to contact my office.

Very truly yours,

*James J. Fisicaro*  
James J. Fisicaro  
Director, Licensing

JJF/SAB/sjf

Attachments

*11/1*

cc: Mr. Robert Martin  
U. S. Nuclear Regulatory Commission  
Region IV  
611 Ryan Plaza Drive, Suite 400  
Arlington, TX 76011-8064

NRC Senior Resident Inspector  
Arkansas Nuclear One - ANO-1 & 2  
Number 1, Nuclear Plant Road  
Russellville, AR 72801

Mr. Thomas W. Alexion  
NRR Project Manager, Region IV/ANO-1  
U. S. Nuclear Regulatory Commission  
NRR Mail Stop 13-H-3  
One White Flint North  
11555 Rockville Pike  
Rockville, Maryland 20852

Ms. Sheri Peterson  
NRR Project Manager, Region IV/ANO-2  
U. S. Nuclear Regulatory Commission  
NRR Mail Stop 13-H-3  
One White Flint North  
11555 Rockville Pike  
Rockville, Maryland 20852

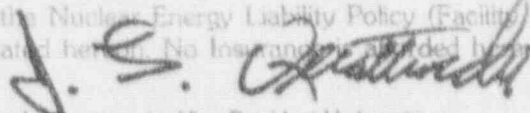
ATTACHMENT A  
[10CFR140.15(a)(1)]

- o Facility Form
  - ANI Policy No. NF-0210, Endorsement No. 30
  - MAELU Policy No. MF-0074, Endorsement No. 85
- o Facility Worker Form
  - ANI Policy No. NM-0116, Endorsement No. 10
  - MAELU Policy No. MW-0047, Endorsement No. 10
- o Secondary Financial Protection
  - ANI Policy Nos. N-0048 and N-0068, Endorsement No. 23
  - MAELU Policy Nos. M-0048 and M-0068, Endorsement No. 23

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$405,866.00**
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: **\$306,133.00**

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 des-  
ignated herein. No Insurance is provided hereunder.

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

Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

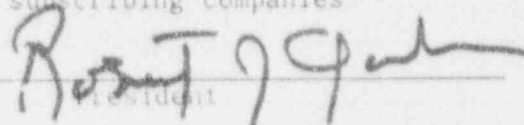
To form a part of Policy No. NF-0210

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: December 8, 1991

For the subscribing companies

By

  
President


Endorsement No: 96

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

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$117,832.00
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$88,877.00

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 attached hereunder.

  
John L. Santrocchi, Vice President-Underwriting  
American Nuclear Insurers

Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

To form a part of Policy No. MF-0074

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: December 8, 1991

For the subscribing companies

By



Endorsement No: 85

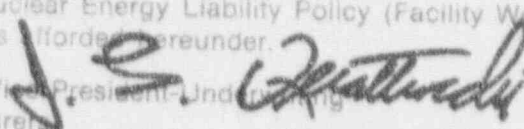
Countersigned by \_\_\_\_\_

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$35,805.00**
  
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is: **\$28,644.00**

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No Insurance is afforded hereunder.

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



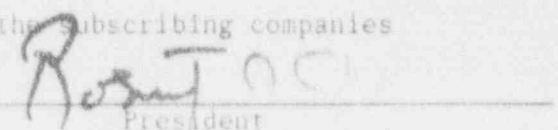
Effective Date of this Endorsement: **January 1, 1992** (12:01 A.M. Standard Time) To form a part of Certificate No. **NW-0116**

Issued to: **Entergy Operations, Inc. and Arkansas Power & Light Company**

Date of Issue: **November 22, 1991**

For the subscribing companies

By



President

Endorsement No: **10**

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



NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$10,395.00**
  
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is: **\$8,316.00**

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No Insurance is afforded hereunder.

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

Effective Date of  
this Endorsement: **January 1, 1992**  
(12:01 A.M. Standard Time)

To form a part of Certificate No. **MW-0047**

Issued to: **Entergy Operations, Inc. and Arkansas Power & Light Company**

Date of Issue: **November 22, 1991**

For the subscribing companies

By



Endorsement No: **10**

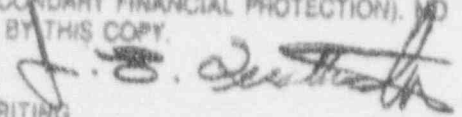
Countersigned by \_\_\_\_\_

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ANNUAL PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$5,813.00

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. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS



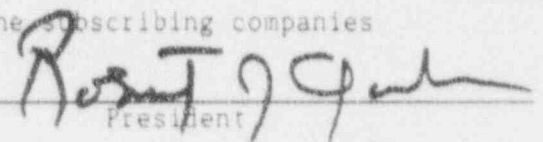
Effective Date of this Endorsement: January 1, 1992 (12:01 A.M. Standard Time) To form a part of Certificate No. N -0048

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: November 11, 1991

For the subscribing companies

By



President

Endorsement No: 23

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



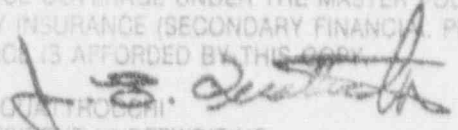
NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1992

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$5,813.00

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. G. TROVATI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

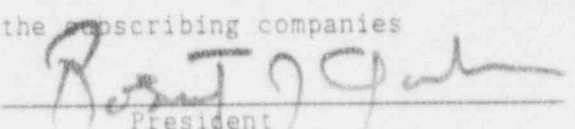
To form a part of Certificate No. N -0068

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: November 11, 1991

For the subscribing companies

By

  
President

Endorsement No: 23

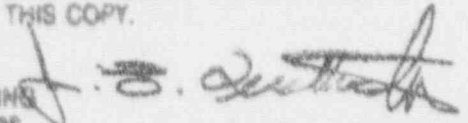
Countersigned by \_\_\_\_\_

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ANNUAL PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$1,687.00

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. QUATTROCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS



Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

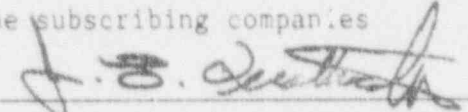
To form a part of Certificate No. M -0048

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: November 11, 1991

For the subscribing companies

By



Endorsement No: 23

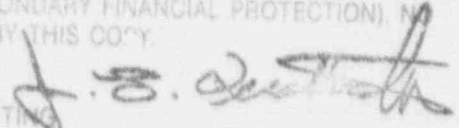
Countersigned by \_\_\_\_\_

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ANNUAL PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$1,687.00

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), AND INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS



Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

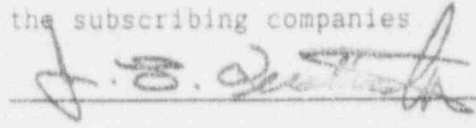
To form a part of Certificate No. M -0068

Issued to: Entergy Operations, Inc. and Arkansas Power & Light Company

Date of Issue: November 11, 1991

For the subscribing companies

By



Endorsement No: 23

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

ATTACHMENT B  
[10CFR140.15(e)]

- o Secondary Financial Protection
  - ANI Policy No. M-0068, Endorsement No. 22
  - ANI Policy No. N-0068, Endorsement No. 22

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT  
MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. INSURING AGREEMENT II, DEFINITIONS, is replaced by the following:

II. DEFINITIONS

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"certificate" means a Certificate of Insurance, including Declarations and Bond for Payment of Retrospective Premiums, issued to be a part of this Master Policy.

"common nuclear occurrence" means any occurrence or series of occurrences causing bodily injury, property damage or environmental damage arising out of the radioactive, toxic, explosive, or other hazardous properties of nuclear material

- (a) discharged or dispersed from a nuclear reactor described in Item 3 of a certificate over a period of days, weeks, months, or longer, or
- (b) discharged or dispersed from a nuclear reactor described in Item 3 of a certificate over a period of days, weeks, months or longer and also arising out of such properties of nuclear material so discharged or dispersed from one or more other nuclear reactors described in Item 3 of other certificates, or
- (c) in the course of transportation for which protection is afforded (or would be afforded but for exhaustion of its limit of liability) under the primary financial protection described in Item 4 of a certificate and also arising out of such properties of nuclear material in the course of transportation for which protection is afforded (or would be afforded but for exhaustion of its limit of liability) under the primary financial protection described in Item 4 of one or more other certificates.

"covered damages" means damages because of bodily injury or property damage to which a certificate applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"damages and claims expenses", "covered damages and claims expenses" and "covered environmental cleanup costs and claims expenses" include sums estimated by the companies to be payable under this policy and payments made by the companies under this policy:

- (a) in settlement of claims and in satisfaction of judgments against the insureds for damages, covered damages and covered environmental cleanup costs because of bodily injury, property damage or environmental damage;
- (b) for (1) costs taxed against an insured in any suit against the insured seeking damages, covered damages or covered environmental cleanup costs payable under the terms of this policy and interest on any judgment therein, (2) premiums on appeal bonds and bonds to release attachments in any such suit and (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request;
- (c) for expenses incurred in the investigation, negotiation, settlement and defense of any claim or suit including, but not limited to, the cost of such services by salaried employees of the companies, fees and expenses of independent adjusters, attorneys fees and disbursements, expenses for expert testimony, inspection and appraisal of property, examination, X-ray or autopsy or medical expenses of any kind;
- (d) for expenses incurred by the companies in investigating a nuclear incident or in minimizing its effects;
- (e) for all other expenses of the companies in fulfilling their obligations under this policy, provided that such expenses are reasonable and necessary.



"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (a) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (b) imposed by any governmental laws, regulations or ordinances.

"excess losses" means all

- (a) damages and claims expenses because of bodily injury to which a certificate applies and which are excess of all sums paid or payable as estimated by the companies under Master Worker Policies (Facility Worker Form) identified as primary financial protection in Item 4 of the Declarations, or
- (b) covered damages and claims expenses because of bodily injury or property damage, or covered environmental cleanup costs and claims expenses because of environmental damage, to which a certificate applies and which are in excess of all sums paid or payable as estimated by the companies under Facility Form Policies identified as primary financial protection in Item 4 of the Declarations.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"insured" means any person or organization identified in Items 1 or 2 of a certificate.

"nuclear incident" means

- (a) an extraordinary nuclear occurrence, or
- (b) a common nuclear occurrence, or if neither of these,
- (c) an occurrence or series of occurrences, including continuous or repeated exposure to substantially the same general conditions, causing bodily injury, property damage or environmental damage arising out of the radioactive, toxic, explosive, or other hazardous properties of nuclear material.

"nuclear material" means source material, special nuclear material or byproduct material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the location described in Item 3 of a certificate, whether the material is on, above or below the surface of the ground.

"primary financial protection" means the insurance policies or other contracts described in Item 4 of a certificate and includes any amendment thereto which is consented to by the companies pursuant to Condition 6 of this policy.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of such contamination.

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"transportation incident" means a discharge or dispersal of nuclear material in the course of transportation for which protection is afforded (or would be afforded but for the exhaustion of its limit of liability) under the primary financial protection described in Item 4 of a certificate, caused by collision or upset of the transporting conveyance, or an accident which breaks open, punctures or ruptures the shipping containers or containment therein; but only if both the discharge or dispersal and the collision, upset or accident takes place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling and temporary storage incidental thereto.

2. CONDITION 5, INVESTIGATION, DEFENSE OR SETTLEMENT OF CLAIMS OR SUITS, is replaced by the following:

5. INVESTIGATION, DEFENSE OR SETTLEMENT OF CLAIMS OR SUITS  
Subject to the provisions of any written agreement between the companies and the Nuclear Regulatory Commission, and the provisions of the following paragraph and endorsement ME-S-16 attached to this policy, the companies shall defend any claim or suit alleging bodily injury, property damage or environmental damage caused by a nuclear incident and seeking damages, covered damages, or covered environmental cleanup costs which are payable under this policy, and may make such investigation and settlement of any claim or suit as they deem expedient. In no event shall the companies be obligated to pay any claim or judgment or to defend any claim or suit after the companies have paid the amount of retrospective premium actually received for excess losses arising out of the nuclear incident plus the amount of their contingent liability, if any.

The companies' duty to defend shall be limited, as described in CONDITION 5A, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or

- (4) any other relief or recovery except payment of damages, covered damages or covered environmental cleanup costs.

3. The following CONDITION is added after CONDITION 5 of this policy:

5A LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by CONDITION 5:

- (1) The companies will defend the claim or suit unless the companies and the first named insured under the certificate which provides the applicable primary financial protection mutually agree on a different defense arrangement. By making such a defense the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.
- (2) As soon as practicable such first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
- (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
- (4) The companies shall have a right to contribution from such first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by such first named insured of all such excess costs paid by the companies.

4. In CONDITIONS 2, 4, 8, 11 and 19, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".



5. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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 COMPANY.  
*J.S. Quattrocchi*  
JOHN QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement: **January 1, 1990** To form a part of Certificate No. M -0068  
12:01 A.M. Standard Time

Issued to: **Entergy Operations, Inc. and Arkansas Power & Light Company**

Date of Issue: **October 25, 1991**

For the Subscribing Companies

By *J.S. Quattrocchi*

Endorsement No: **22**

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

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT  
MASTER POLICY NO. 1  
NUCLEAR ENERGY LIABILITY INSURANCE  
(Secondary Financial Protection)

1. INSURING AGREEMENT II, DEFINITIONS, is replaced by the following:

II. DEFINITIONS

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"certificate" means a Certificate of Insurance, including Declarations and Bond for Payment of Retrospective Premiums, issued to be a part of this Master Policy.

"common nuclear occurrence" means any occurrence or series of occurrences causing bodily injury, property damage or environmental damage arising out of the radioactive, toxic, explosive, or other hazardous properties of nuclear material

- (a) discharged or dispersed from a nuclear reactor described in Item 3 of a certificate over a period of days, weeks, months, or longer, or
- (b) discharged or dispersed from a nuclear reactor described in Item 3 of a certificate over a period of days, weeks, months or longer and also arising out of such properties of nuclear material so discharged or dispersed from one or more other nuclear reactors described in Item 3 of other certificates, or
- (c) in the course of transportation for which protection is afforded (or would be afforded but for exhaustion of its limit of liability) under the primary financial protection described in Item 4 of a certificate and also arising out of such properties of nuclear material in the course of transportation for which protection is afforded (or would be afforded but for exhaustion of its limit of liability) under the primary financial protection described in Item 4 of one or more other certificates.



"covered damages" means damages because of bodily injury or property damage to which a certificate applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"damages and claims expenses", "covered damages and claims expenses" and "covered environmental cleanup costs and claims expenses" include sums estimated by the companies to be payable under this policy and payments made by the companies under this policy:

- (a) in settlement of claims and in satisfaction of judgments against the insureds for damages, covered damages and covered environmental cleanup costs because of bodily injury, property damage or environmental damage;
- (b) for (1) costs taxed against an insured in any suit against the insured seeking damages, covered damages or covered environmental cleanup costs payable under the terms of this policy and interest on any judgment therein, (2) premiums on appeal bonds and bonds to release attachments in any such suit and (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request;
- (c) for expenses incurred in the investigation, negotiation, settlement and defense of any claim or suit including, but not limited to, the cost of such services by salaried employees of the companies, fees and expenses of independent adjusters, attorneys' fees and disbursements, expenses for expert testimony, inspection and appraisal of property, examination, X-ray or autopsy or medical expenses of any kind;
- (d) for expenses incurred by the companies in investigating a nuclear incident or in minimizing its effects;
- (e) for all other expenses of the companies in fulfilling their obligations under this policy, provided that such expenses are reasonable and necessary.

"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (a) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (b) imposed by any governmental laws, regulations or ordinances.

"excess losses" means all

- (a) damages and claims expenses because of bodily injury to which a certificate applies and which are excess of all sums paid or payable as estimated by the compar s under Master Worker Policies (Facility Worker Form) identified as primary financial protection in Item 4 of the Declarations, or
- (b) covered damages and claims expenses because of bodily injury or property damage, or covered environmental cleanup costs and claims expenses because of environmental damage, to which a certificate applies and which are in excess of all sums paid or payable as estimated by the companies under Facility Form Policies identified as primary financial protection in Item 4 of the Declarations.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"insured" means any person or organization identified in Items 1 or 2 of a certificate.

"nuclear incident" means

- (a) an extraordinary nuclear occurrence, or
- (b) a common nuclear occurrence, or if neither of these,
- (c) an occurrence or series of occurrences, including continuous or repeated exposure to substantially the same general conditions, causing bodily injury, property damage or environmental damage arising out of the radioactive, toxic, explosive, or other hazardous properties of nuclear material.

"nuclear material" means source material, special nuclear material or byproduct material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the location described in Item 3 of a certificate, whether the material is on, above or below the surface of the ground.

"primary financial protection" means the insurance policies or other contracts described in Item 4 of a certificate and includes any amendment thereto which is consented to by the companies pursuant to Condition 6 of this policy.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of such contamination.

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"transportation incident" means a discharge or dispersal of nuclear material in the course of transportation for which protection is afforded (or would be afforded but for the exhaustion of its limit of liability) under the primary financial protection described in Item 4 of a certificate, caused by collision or upset of the transporting conveyance, or an accident which breaks open, punctures or ruptures the shipping containers or containment therein; but only if both the discharge or dispersal and the collision, upset or accident takes place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling and temporary storage incidental thereto.

2. CONDITION 5, INVESTIGATION, DEFENSE OR SETTLEMENT OF CLAIMS OR SUITS, is replaced by the following:

5. INVESTIGATION, DEFENSE OR SETTLEMENT OF CLAIMS OR SUITS  
Subject to the provisions of any written agreement between the companies and the Nuclear Regulatory Commission, and the provisions of the following paragraph and endorsement NE-S-16 attached to this policy, the companies shall defend any claim or suit alleging bodily injury, property damage or environmental damage caused by a nuclear incident and seeking damages, covered damages, or covered environmental cleanup costs which are payable under this policy, and may make such investigation and settlement of any claim or suit as they deem expedient. In no event shall the companies be obligated to pay any claim or judgment or to defend any claim or suit after the companies have paid the amount of retrospective premium actually received for excess losses arising out of the nuclear incident plus the amount of their contingent liability, if any.

The companies' duty to defend shall be limited, as described in CONDITION 5A, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or



- (4) any other relief or recovery except payment of damages, covered damages or covered environmental cleanup costs.

3. The following CONDITION is added after CONDITION 5 of this policy:

5A LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by CONDITION 5:

- (1) The companies will defend the claim or suit unless the companies and the first named insured under the certificate which provides the applicable primary financial protection mutually agree on a different defense arrangement. By making such a defense the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.
- (2) As soon as practicable such first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
- (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
- (4) The companies shall have a right to contribution from such first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by such first named insured of all such excess costs paid by the companies.

4. In CONDITIONS 2, 4, 8, 11 and 19, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are amended to read "bodily injury, property damage or environmental damage".

5. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under the policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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 ENDORSEMENT.

*J. S. Quattrocchi*  
JOHN QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

Effective Date of  
this Endorsement: **January 1, 1990** To form a part of Certificate No. **N -0038**  
12:01 A.M. Standard Time

Issued to: **Entergy Operations, Inc. and Arkansas Power & Light Company**

Date of Issue: **October 25, 1991**

For the Subscribing Companies

BY

*Robert J. Quinn*  
PRESIDENT

Endorsement No: **22**

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



ATTACHMENT C

o Supplier's and Transporter's Coverage

- ANI Policy No. NS-0507, Endorsement No. 14
- MAELU Policy No. MS-0128, Endorsement No. 15

NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$35,427.00
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$25,441.00

Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

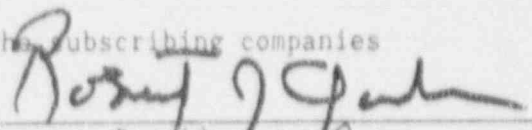
To form a part of Policy No. NS-0507

Issued to: Entergy Operations, Inc.

Date of Issue: December 8, 1991

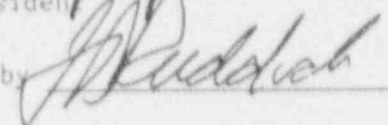
For the subscribing companies

By

  
President

Endorsement No: 14

Countersigned by



NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS  
ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT  
CALENDAR YEAR 1992

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: \$10,285.00
  
2. **STANDARD PREMIUM AND RESERVE PREMIUM:** In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is: \$7,386.00

Effective Date of  
this Endorsement: January 1, 1992  
(12:01 A.M. Standard Time)

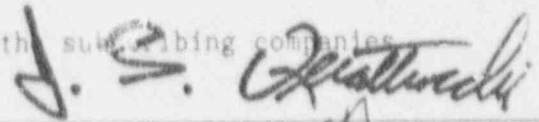
To form a part of Policy No. MS-0128

Issued to: Entergy Operations, Inc.

Date of Issue: December 8, 1991

For the subscribing companies

By



Endorsement No: 15

Countersigned by

