COOPER NUCLEAR STATION P.O. BOX 96, BROWNVILLE, NEBRASKA 68321 TELEPHONE (402)825-3811 FAX (402)825-5205

## Nebraska Public Power District

NLS960055 March 27, 1996

U.S. Nuclear Regulatory Commission ATTN: Document Control Desk Washington, DC 20555

Gentlemen:

Subject: NRC Rule on Property Insurance - 10 C.F.R.§50.54(w)(3) Cooper Nuclear Station NRC Docket No. 50-298, DPR-46

The purpose of this letter is to comply with the property insurance reporting requirements of 10 C.F.R. §50.54(w)(3) on property insurance coverage. The following list provides the required information detailing the property insurance coverage maintained by Nebraska Public Power District (NPPD) and MidAmerican Energy Company (MEC) for Cooper Nuclear Station at Brownville, Nebraska.

Type of Coverage	Policy -holder	Policy Number	Insurer	Expiration Date	Amount of Coverage
Primary Nuclear Property Insurance	NPPD	95135	ANI/MAELU	5/1/96	\$500,000,000
Decontamination Liability, Decommissioning Liability, and Excess Nuclear Property Insurance	NPPD	X95-086	NEIL II	11/15/96	\$700,000,000 part of \$1,400,000,000
	MEC	X95-071	NEIL II	11/15/96	\$700,000,000 part of \$1,400,000,000
Decontamination Liability, Decommissioning Liability, and Excess Nuclear Property Insurance	NPPD	UX95-086	NEIL III	11/15/96	\$425,000,000 part of \$850,000,000
010033		UX95-071 0327	NEIL III	11/15/96	\$425,000,000 part of \$850000,000
Total PDR ADD		\$2,750,000.000			

Under terms of a power sales contract with MidAmerican Energy Company, NPPD makes available one-half of the production of Cooper Nuclear Station to MidAmerican with the balance available to the NPPD Electric System. MidAmerican and the NPPD Electric System each pay a proportionate share of the nuclear fuel costs (based on energy actually delivered) plus one-half of all other costs of the facility. As a result, MidAmerican is also liable for 50 percent of the decontamination liability posed by operation of the nuclear power plant.

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With regard to the coverage outlined above, NPPD and MEC purchase NEIL II and NEIL III excess nuclear property insurance on a 50/50 quota share basis. This restructured approach was a result of NPPD and MEC reviewing options for the purchase of the excess nuclear property insurance, following ANI's decision to review their excess nuclear property insurance program and their decision, in late 1994, not to open their 1995 excess syndicate. In 1995, ANI restructured their property program to offer, effective January 1, 1996, \$500 million of basic property insurance which could be used as either primary or excess property insurance and also offer \$600 million of supplemental excess. NEIL agreed to offer NPPD their NEIL II and NEIL III coverage on a non-member/non-assessable basis, which addressed NPPD's prior legal obstacles involved with purchasing NEIL coverage on a member/assessable basis.

These changes in the available excess nuclear property insurance led the District to pursue NRC approval of the NPPD/MEC purchase of NEIL II and NEIL III coverage on the quota share basis. I have attached a copy of the NPPD letter of October 6, 1995, seeking approval of the purchase of excess nuclear property insurance on the quota share basis and a copy of the December 7, 1995, NRC letter which provided the requested approval.

The outline of currently maintained nuclear property insurance coverage noted above is that which is depicted as Option 2 in the NPPD letter of October 6, 1995. The NPPD/MEC NEIL II and NEIL III coverage was effective December 31, 1995. It should be noted that the policy expiration date for the Primary Nuclear Property Insurance policy is May 1, 1996. We are presently involved in the renewal process and the coverage will be renewed for the May 1, 1996 to May 1, 1997 policy period.

If you should have any questions or should require any additional information, please advise.

Sincerely,

J. H. Mueller Site Manager

Attachments

cc: Regional Administrator w/attachments USNRC - Region IV

> Senior Project Manager w/attachments USNRC - NRR Project Directorate IV-1

Senior Resident Inspector w/attachments Cooper Nuclear Station

NPG Distribution w/o attachments

Correspondence No: NLS960055

The following table identifies those actions committed to by the District in this document. Any other actions discussed in the submittal represent intended or planned actions by the District. They are described to the NRC for the NRC's information and are not regulatory commitments. Please notify the Licensing Manager at Cooper Nuclear Station of any questions regarding this document or any associated regulatory commitments.

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