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Docket No. 50-263

FEB 14 1972

Northern States Power Company  
ATTN: Mr. R. G. Johnson  
General Superintendent  
Insurance and Property Protection  
414 Nicollet Avenue  
Minneapolis, Minnesota 55401

Gentlemen:

We are enclosing herewith an amendment to 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," which will become effective March 1, 1972. The amendment is being forwarded to the Federal Register for publication as an effective rule.

This amendment gives effect to the recent increase, from \$82 million to \$95 million, in available nuclear energy liability insurance provided by Nuclear Energy Liability Insurance Association and Mutual Atomic Energy Liability Underwriters. Inasmuch as you are a licensee of a facility for which the amount of financial protection required under Section 170b. of the Atomic Energy Act of 1954, as amended, and Section 140.11(a)(4) of 10 CFR Part 140, shall be the maximum amount available from private sources, it will be necessary that you submit, by March 1, 1972, proof of financial protection in the amount of \$95 million. Such proof may be in the form of endorsements to your nuclear energy liability insurance policies.

An appropriate amendment to your indemnity agreement is currently being prepared and will be forwarded to you upon receipt of proof of financial protection in the revised amount as stated above.

Please contact us if you have any questions with regard to the foregoing.

Sincerely,

Original Signed by  
Lyll Johnson

Lyll Johnson, Director  
Division of State and  
Licensee Relations

Enclosure: SLR	OGC	SLR			
CRESS Amendment to 10 CFR Part 140					
T3061, R04					
T3062, R04	JSaltzman:dp	LJohnson			
2/7/72	2/7/72	2/7/72			
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Form AEC-318 (Rev. 9-53) AECM 0240

U.S. GOVERNMENT PRINTING OFFICE: 1971-446-154

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UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

Docket No. 50-263

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AMENDMENT TO INDEMNITY AGREEMENT NO. B-42

AMENDMENT NO. 3


Effective December 14, 1971, Indemnity Agreement No. B-42 between Northern States Power Company and the Atomic Energy Commission, dated October 3, 1969, as amended, is hereby further amended as follows:

Article II is amended by adding the following proviso at the end of subparagraph 5(c):

"Provided, however, that with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Atomic Energy Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

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


FOR THE UNITED STATES ATOMIC ENERGY COMMISSION



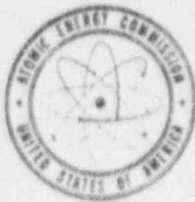
Lyall Johnson, Director  
Division of State and Licensee Relations

Accepted December 13th, 1971

By

  
RONALD G. JOHNSON  
Manager Insurance & Claims





57-263

UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

Docket No. 50-263

Indemnity Agreement No. B- 42

This Indemnity Agreement No. B-42 is entered into by and between

Northern States Power Company

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

ARTICLE I

As used in this agreement:

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

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

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

7. "Public liability" means any legal liability arising out of or resulting from a nuclear incident, except (1) claims under State or Federal Workmen's Compensation Acts of employees of persons indemnified who are employed (a) at the location or, if the nuclear incident occurs in the course of transportation of the radioactive material, on the transporting vehicle, and (b) in connection with the licensee's possession, use or transfer of the radioactive material; (2) claims arising out of an act of war; and (3) claims for loss of, or damage to, or loss of use of (a) property which is located at the location and used in connection with the licensee's possession, use, or transfer of the radioactive material, and (b) if the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle, containers used in such transportation, and the radioactive material.

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

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

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

## ARTICLE II

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

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

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

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

(c) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof, but in no event more than ten years after the date of the nuclear incident.

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

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

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

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

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



bears to the sum of the limits of liability of all nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Nuclear Energy Liability Insurance Association;

(b) If the sum of the limit of liability of any Mutual Atomic Energy Liability Underwriters policy designated in Item 5 of the Attachment and the limits of liability of all other nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Mutual Atomic Energy Liability Underwriters exceeds \$18,450,000, the amount of financial protection specified in Item 2a and b of the Attachment shall be deemed to be reduced by that proportion of the difference between said sum and \$18,450,000 as the limit of liability of the Mutual Atomic Energy Liability Underwriters policy designated in Item 5 of the Attachment bears to the sum of the limits of liability of all nuclear energy liability insurance policies (facility form) applicable to such common occurrence and issued by Mutual Atomic Energy Liability Underwriters;

(c) If any of the other applicable agreements is with a person who has furnished financial protection in a form other than a nuclear energy liability insurance policy (facility form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters, and if also the sum of the amount of financial protection established under this agreement and the amounts of financial protection established under all other applicable agreements exceeds \$82,000,000, the obligations of the licensee shall not exceed a greater proportion of \$82,000,000 than the amount of financial protection established under this agreement bears to the sum of such amount and the amounts of financial protection established under all other applicable agreements.

(d) As used in this paragraph 8, Article II, and in Article III, "other applicable agreements" means each other agreement entered into by the Commission pursuant to subsection 170c of the Act in which agreement the nuclear incident is defined as a "common occurrence." As used in this paragraph 8, Article II, "the obligations of the licensee" means the obligations of the licensee under subsection 53c(8) of the Act to indemnify the United States and the Commission from public liability, together with any public liability satisfied

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

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

(b) With respect to a common occurrence, the obligations of the Commission under this agreement shall apply only with respect to such public liability, such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article), and to such reasonable costs described in paragraph 3 of this Article, as in the aggregate exceed whichever of the following is lower: (1) The sum of the amounts of financial protection established under this agreement and all other applicable agreements; or (2) \$82,000,000.

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

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

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

UNITED STATES ATOMIC ENERGY COMMISSION

ATTACHMENT

Indemnity Agreement No. B-42

Item 1 - Licensee      Northern States Power Company

Address      414 Nicollet Mall  
Minneapolis, Minnesota 55401

Item 2 - Amount of financial protection

a. \$1,000,000.

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

Item 3 - License number or numbers

SNM-1144

Item 4 - Location

The fenced switchyard at the Monticello Nuclear Generating Plant which is located on the west bank of the Mississippi River approximately three miles northwest of Monticello in Wright County, Minnesota.



Item 5 - Insurance Policy No.(s)

Nuclear Energy Liability Policy (Facility Form) No. EP-174  
issued by the Nuclear Energy Liability Insurance Association.

Item 6 - The indemnity agreement designated above, of which this  
Attachment is a part, is effective as of 12:01 a.m., on the  
*third* day of *October* 1969.

FOR THE UNITED STATES ATOMIC ENERGY COMMISSION

*gtr*  
Eber R. Price, Director  
Division of State and Licensee Relations

FOR NORTHERN STATES POWER COMPANY

BY \_\_\_\_\_

Dated at Bethesda, Maryland,  
the *third* day of *October* 1969.

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