

South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

October 19, 1998 NOC-AE-00333 STI No: 30737690 File No.: G20 10CFR140.11(a)(4) 10CFR140.15 10CFR140.17 10CFR140.21

U. S. Nuclear Regulatory Commission Attention: Document Control Clerk Washington, DC 20555

> South Texas Project (Units 1 and 2) Docket Nos: STN 50-498; STN 50-499 Evidence of Financial Protection

Pursuant to the requirements of 10CFR140.11(a)(4), 10CFR140.15, 10CFR140.17, and 10CFR140.21, STP Nuclear Operating Company submits the attached Nuclear Energy Liability Insurance policy endorsements from American Nuclear Insurers (ANI). This submittal contains the following endorsements:

Nuclear Energy Liability:

Facility Form – NF-307 Secondary Financial Protection – N-0113/N-0116 Master Worker Form – NW-0657

If you have any questions on this matter, please contact Gerald M. Wilson at (512) 972-8562 or me at (512) 972-7138.

2.00.3

Tendel W. W. S. L. Rosen
Manager

Risk Management & Industry Relations

KMW

Attachments:

a) Endorsements (14)

b) Houston Industries Incorporated - Annual Report

c) Houston Industries Incorporated - Form 10-K

d) Central and Southwest Corporation - Annual Report

e) Central and Southwest Corporation - Form 10-K
f) City of Austin - Comprehensive Annual Financial Report

g) City Public Service (San Antonio) - Annual Report

M 004

7810230088 781019 PDR ADOCK 05000498 I PDR

NOC-AE-000333 File No.: G20 Page 2

c: w/o Attachments except for those with "*"

Ellis W. Merschoff Regional Administrator, Region IV U. S. Nuclear Regulatory Commission 611 Ryan Plaza Drive, Suite 400 Arlington, TX 76011-8064

Thomas W. Alexion Project Manager, Mail Code 13H3 U. S. Nuclear Regulatory Commission Washington, DC 20555-0001

Cornelius F. O'Keefe Sr. Resident Inspector c/o U. S. Nuclear Regulatory Commission P. O. Box 910 Bay City, TX 77404-0910

J. R. Newman, Esquire Morgan, Lewis & Bockius 1800 M. Street, N.W. Washington, DC 20036-5869

M. T. Hardt/W. C. Gunst City Public Service P. O. Box 1771 San Antonio, TX 78296

A. Ramirez/C. M. Canady City of Austin Electric Utility Department 72! Barton Springs Road Austin, TX 78704 Jon C. Wood Matthews & Branscomb One Alamo Center 106 S. St. Mary's Street, Suite 700 San Antonio, TX 78205-3692

Institute of Nuclear Power Operations - Records Center 700 Galleria Parkway Atlanta, GA 30339-5957

Richard A. Ratliff Bureau of Radiation Control Texas Department of Health 1100 West 49th Street Austin, TX 78756-3189

D G. Tees/R. L. Balcom Houston Lighting & Power Co. P. O. Box 1700 Houston, TX 77251

Central Power and Light Company ATTN: G. E. Vaughn/C. A. Johnson P. O. Box 289, Mail Code: N5012 Wadsworth, TX 77483

*U. S. Nuclear Regulatory Commission Attention: Document Control Desk Washington, D.C. 20555-0001

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT CALENDAR YEAR 1997

- It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage, environmental damage or evacuation of the public as designated below.
- It is agreed that the effective period of this endorsement is from the beginning of the effective date of this
 endorsement stated below to the close of December 31, 1997, or to the time of the termination or cancellation
 of the policy, if sooner.



American Home Assurance Company	00.796823
Cincinnati Insurance Company	01.361073
Continental Insurance Company	17.933698
Federal Insurance Company	06.607152
Fireman's Fund Insurance Company	01.887758
General Accident Insurance Company	02.284187
General Insurance Company of America	01.963268
Great American Insurance Company	00.943879
Hartford Fire Insurance Company	15.102062
Maryland Casualty Company	03.209188
Motors insurance Corporation	00.471939
Royal Insurance Company of America	02.576789
St. Paul Fire & Marine Insurance Company	07.585577
State Farm Fire & Casualty Company	00.943879
TIG Insurance	00.943879
Tokio Marine & Fire Insurance Company LTD	00.566327
Travelers Indemnity Company of CT	21.575183
Universal Underwriters Insurance Company	00.207653
U. S. Fidelity & Guaranty Company	11.326546
Zurich Insurance Company	01.713140
Total	100.000000

NE-97

Effective Date of this Endorsement

January 1, 1997 12:01 A.M. Standard Time To form a part of Policy No.

NF -0307

Issued to See Endorsement No. 1

Date of Issue

March 10, 1997

For the subscribing companies

President!

Endorsement No.

62

Countersigned by.

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1996

It is agreed that Items 1 and 2 of Endorsement No. 55 are amended to read:

- 1. ADVANCE PP.EMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$513,086.00
- 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 r . Advance Premium and the Reserve Premium is: \$393,523.00

RETURN PREMIUM: \$29,193.00

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 berson Chasurance is effected harmonies.

No. NF -0007

this Endorsement:	January 1, 1996	To form a part of Policy
	(12:01 A.M. Standard Time)	

Issued to: See Endorsement No. 1

Effective Date of

Date of Issue:	April 15, 1997	For the subscribing companies
		By President
Endorsement No:	83	Countersigned by

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT

(After Prior Increase)

It is agreed that:

- The limit of the companies' liability stated in Item 4 of the declarations as amended by the Increase of Limit of Liability Endorsement(s) listed below is further amended to read \$200,000,000; but in the event that any payments have heretofore been made by the companies for loss or expense covered by the policy, each of those limits of liability including the limit of liability as amended by this endorsement is reduced in accordance with Condition 3 of the policy by the total amount of those payments, except to the extent that any such reduced limit of liability may have been previously restored in accordance with a Restoration of Limit of Liability Endorsement.
- 2. The increase in the limit of liability provided by this endorsement applies only with respect to obligations assumed or expenses incurred because of bodily injury, property damage, environmental damage or evacuation of the public caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.
- 3. The original limit of liability stated in Item 4 of the declarations, the limit(s) of liability stated in the Increase of Limit of Liability Endorsement(s) listed below and the amended limit of liability stated in paragraph 1 above shall not be cumulative, and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment each of those limits of liability, regardless of which limit of liability applies with respect to the bodily injury, property damage, environmental damage or evacuation of the public out of which such loss or expense arises.

Previous Increase of Limit of Liability Endorsement(s) Endorsement No.(s): 11, 22 and 59

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 biability Policy (Facility Form) as dealignated hereon. No insurance is afforced per a deal.

John L. Quettrocchi, Senior Vice President-Underwriting American Nuclear Insurers

Effective Date of this Endorsement:

January 1, 1998 (12:01 A.M. Standard Time) To form a part of Policy No.

NF -0307

Issued to:

See Endorsement No. 1

Date of Issue:

December 15, 1997

For the subsortking companies,

/ Dresident

Countersigned by

Endorsement No:

AMENDMENT OF CONDITION 4

It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused after the effective date of this endorsement by the nuclear energy hazard, the figure "\$183,480,000" stated in Condition 4 of this policy is amended to read "\$200,000,000".

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Naclear Energy Liability Policy (Facility Form) as designated hereon. To insurance is affolded hereunder.

John L. Qualificachi, Senior Vice President-Underuntsing American Nuclear Insures

Effective Date of

this Endorsement:

January 1, 1998 (12:01 A.M. Standard Time) To form a part of Policy No.

NF -0307

Issued to:

See Endorsement No. 1

Date of Issue:

December 15, 1997

For the subspribing companies,

// Dreside

Countersigned by

Endorsement No:

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1998

- 1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$395,401.00
- 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: \$303,010.00

Effective Date of

this Endorsement: January 1, 1998

(12:01 A.M. Standard Time)

To form a part of Policy No. NF -0307

Issued to: See Endorsement No. 1

Date of Issue:

December 2, 1997

By President

Countersigned by A. Fogtman.

AMENDATORY ENDORSEMENT

It is agreed that Item 1 of the Declarations, as amended by Endorsement Nos. 1 and 58, is further amended to read:

Item 1.

Named Insured

STP Nuclear Operating Company

P. O. Box 289

Wadsworth, TX 77483

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Naclear Energy Liability Policy (Facility Form) as designated thereon the maurance is afforded because.

Effective Date of

this Endorsement:

November 1, 1997 (12:01 A.M. Standard Time) To form a part of Policy No.

NF-0307

1cm

Issued to:

STP Nuclear Operating Company

Date of Issue:

January 29, 1998

For the subscribing companies

President

Endorsement No:

67

Countersigned by _____

ENDORSEMENT TO CERTIFICATE NO. N -0113

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

It is agreed that effective January 1, 1998:

- I.) Item 4. (a) of the certificate is amended to read as follows:
 - Item 4. (a) Identification of <u>primary financial protection</u> applicable to the nuclear reactor and limit(s) of liability thereof:
 - (1) Facility Form Policy:

Nuclear Energy Liability Insurance Association's Policy NF-0307 \$200,000,000

(2) Master Worker Policy (Facility Worker Form):

Nuclear Energy Liability Insurance Association's
Master Worker Policy NMWP-2 \$200,000,000

- II.) Item 7. of the certificate is amended to read as follows:
 - Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each <u>nuclear incident</u>: \$79,275,000. THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL

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 SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

this Endorsement: January 1, 1998
(12:01 A.M. Standard Time)

To form a part of Certificate No.

N-0113

Portnanh

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue:

Effective Date of

December 15, 1997

For the subscribing companies

President

Endorsement No:

22

Countersigned by

NE-S-22 (1/1/98)

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1998

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$7,500.00

> 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). THO INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATTROCCHI SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

Effective Date of

this Endorsement: January 1, 1998

(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0113

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central

Power & Light Company, City of Austin

Date of Issue: August 5, 1997

ENDORSEMENT TO CERTIFICATE NO. N -0113

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

It is agreed that effective August 20, 1998, Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each <u>nuclear incident</u>: \$88,095,000.

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 TO INSURANCE S AFFORDED BY THIS COPY.

JOHN QUATTROCCH!
SENIOR VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of

this Endorsement:

August 20, 1998 (12:01 A.M. Standard Time)

To form a part of Certificate No.

N-0113

Issued to:

Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light

Company, City of Austin

Date of Issue:

August 26, 1998

For the subscribing companies

President

Endorsement No:

24

Countersigned by

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1998

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$7.500.00

> 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 ISECONDARY FINANCIAL PROTECTION). THE INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATTROCCHI SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

Effective Date of

this Endorsement: January 1, 1998

To form a part of Certificate No. N -0113

(12:01 A.M. Standard Time)

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central

Power & Light Company, City of Austin

Date of Issue: August 5, 1997

ENDORSEMENT TO CERTIFICATE NO. N -0113

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

It is agreed that effective August 20, 1998, Item 7. of the certificate is amended to read as follows:

Maximum retrospective premium (exclusive of allowance for premium taxes) payable Item 7. pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$88,095,000.

> 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)S AFFORDED BY THIS COPY.

JOHN QUATTROCCH SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement:

August 20, 1998 (12:01 A.M. Standard Time)

To form a part of Certificate No.

N-0113

Issued to:

Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light

Company, City of Austin

Date of Issue:

August 26, 1998

For the subscribing companies

President

Endorsement No:

ENDORSEMENT TO CERTIFICATE NO. N -0116

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

It is agreed that effective January 1, 1998:

- 1.) Item 4. (a) of the certificate is amended to read as follows:
 - Item 4. (a) Identification of <u>primary financial protection</u> applicable to the nuclear reactor and limit(s) of liability thereof:
 - (1) Facility Form Policy:

Nuclear Energy Liability Insurance Association's Policy NF-0307 \$200,000,000

(2) Master Worker Policy (Facility Worker Form):

Nuclear Energy Liability Insurance Association's
Master Worker Policy NMWP-2 \$200,000,000

II.) Item 7. of the certificate is amended to read as follows:

Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each <u>nuclear</u>

incident: \$79,275,000.

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 & QUATTROCCHI
SENIOR VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement:

January 1, 1998 (12:01 A.M. Standard Time) To form a part of Certificate No.

N -0116

Issued to:

Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue:

December 15, 1997

For the subscriping companies

President

Endorsement No:

20

Countersigned by

1). Togtman

NE-S-22 (1/1/98)

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 1998

1. ANNUAL PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$7,500.00

> 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 E QUATTROCCHI SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

Effective Date of

this Endorsement: January 1, 1998

To form a part of Certificate No. N -0116

(12:01 A.M. Stanuard Time)

Issued to: Houston Lighting & Power Company, San Antonio Public Service Board, Central

Power & Light Company, City of Austin

Date of Issue: August 5, 1997

ENDORSEMENT TO CERTIFICATE NO. N -0116 Forming Part of Master Policy No. 1 Nuclear Energy Liability Insurance

(Secondary Financial Protection)

It is agreed that effective August 20, 1998, Item 7. of the certificate is amended to read as follows:

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: \$88,095,000.

> 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 COUNTROCCHI SENIOR VICE PRESIDENT-UNDERWRITING AMERICAN NUCLEAR INSURERS

Effective Date of this Endorsement:

August 20, 1998 (12:01 A.M. Standard Time)

To form a part of Certificate No.

N-0116

Issued to:

Houston Lighting & Power Company, San Antonio Public Service Board, Central Power & Light Company, City of Austin

Date of Issue:

August 26, 1998

For the subscribing companies

President

Endorsement No:

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1998

- 1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is: \$46,200.00
- 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: \$34,650.00

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

John L. Obsttrocchi, Senier Vice President-Ur

American Nuclear Insurers

Effective Date of

this Endorsement: January 1, 1998

To form a part of Certificate No. NW -0657

(12:01 A.M. Standard Time)

Issued to: Houston Lighting & Power Company, et al

Date of Issue: December 4, 1997

Endorsement No: 1

For the subscribing companies

By President

Countersigned by A. L. Hytrann

NE-36

AMENDATORY ENDORSEMENT

It is agreed that Item 1 of the Declarations is amended to read:

Item 1. Named Insureds and Addresses:

STP Nuclear Operating Company P. O. Box 289 Wadsworth, TX 77483

Houston Lighting & Power P. O. Box 4567 Houston, TX 77210

City Public Service Board of San Antonio P. O. Box 1771 San Antonio, TX 78296

Central Power & Light Company P. O. Box 2121 Corpus Christi, TX 78403

The City of Austin P. O. Box 1088 Austin, TX 78767

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 Morkers Form). No insurance is afforded hereunder.

John L. Quattrocchi, Serier Vice President Order White American Nuclear Insurers

Effective Date of this Endorsement:

January 1, 1998 12:01 A.M. Standard Time To form a part of Certificate No. NW -0657

Issued to:

STP Nuclear Operating Company, et al

Date of Issue:

January 29, 1998

For the subscribing companies

PRESIDENT

Endorsement No:

7

Countersigned by _____