



MISSISSIPPI POWER & LIGHT COMPANY

Helping Build Mississippi

P. O. BOX 1640, JACKSON, MISSISSIPPI 39215-1640

April 24, 1986

O. D. KINGSLEY, JR.
VICE PRESIDENT - NUCLEAR OPERATIONS

U. S. Nuclear Regulatory Commission
Office of Nuclear Reactor Regulation
Washington, D. C. 20555

Attention: Mr. Harold R. Denton, Director

Dear Mr. Denton:

SUBJECT: Grand Gulf Nuclear Station
Units 1 and 2
Docket Nos. 50-416 and 50-417
License No. NPF-29
File: 0260/16684/0240
Ref: AECM-86/0085
Nuclear Property Insurance
AECM-86/0104

In the referenced letter, dated March 31, 1986 Mississippi Power & Light Company (MP&L) reported the nuclear property insurance coverage in effect at Grand Gulf Nuclear Station as required by 10 CFR 50.54(w). MP&L also transmitted certificates documenting that coverage with the exception of that provided by Nuclear Mutual Limited (NML).

As a certificate of coverage could not be obtained from NML in time to meet the April 1, 1986 requirement of 10 CFR 50.54(w), MP&L notified the Nuclear Regulatory Commission of the amount of coverage and stated that the NML certificate would be transmitted by May 1, 1986.

Please find attached the current certificate of coverage by NML.

If you have any questions please advise.

Yours truly,

ODK:rg
Attachment

cc: See next page

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PDR ADOCK 05000416
J PDR

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Member Middle South Utilities System

MOOL
1/1

cc: Mr. T. H. Cloninger (w/a)
Mr. R. B. McGehee (w/a)
Mr. N. S. Reynolds (w/a)
Mr. H. L. Thomas (w/o)
Mr. R. C. Butcher (w/a)

Mr. James M. Taylor, Director (w/a)
Office of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dr. J. Nelson Grace, Regional Administrator (w/a)
U. S. Nuclear Regulatory Commission
Region II
101 Marietta St., N. W., Suite 2900
Atlanta, Georgia 30323

Nuclear Mutual Limited

P.O. Box HM 2083
Hamilton 5
Bermuda

Telephone: 809-(29) 5-5447
Telex: 3674 NMLTD BA

CERTIFICATE OF INSURANCE

INSURED TO: U. S. Nuclear Regulatory Commission

ADDRESS: Washington, D. C. 20555

THIS IS TO CERTIFY that insurance has been effected with NUCLEAR MUTUAL LIMITED, P. O. Box HM2083, Hamilton 5, Bermuda, under Policy No. C86-026 as follows:

MEMBER INSURED: Middle South Energy, Inc.

ADDRESS: Box 61000, New Orleans, Louisiana 70161

PROPERTY INSURED: Grand Gulf Nuclear Station, East of the Mississippi River, Approximately 25 miles south of Vicksburg and 37 miles northeast of Nathez, Clairborne County Mississippi.

ADDITIONAL NAMED INSUREDS: Middle South Energy, Inc. Middle South Utilities, Inc. Mississippi Power & Light, South Mississippi Electric Power Association, Bechtel Corporation and Bechtel Power Corporation, Bechtel Corporation, and all subsidiary and affiliated entities now in existence or hereafter to be constituted. All persons, firms or corporations with whom a Named Insured has entered into any agreement which requires that the Named Insured maintain for the benefit of such person, firm or corporation, such insurance as is afforded by this policy.

COVERAGE: Radioactive Contamination and all other risks of direct physical loss, except as excluded.

AMOUNT OF INSURANCE: \$500,000,000

DEDUCTIBLE: Unit 1 - \$1,000,000 Unit 2 - \$100,000

POLICY TERM: 12:01 a.m. on April 1, 1986 to 12:01 a.m. on April 1, 1987, Standard Time in Hamilton, Bermuda.

Nuclear Mutual Limited

LOSSES: If any, under this policy shall be adjusted with Middle South Energy, Inc. and payable (except as any loss as respects material and supplies and except any loss where the aggregate amount to be paid by insurers in respect of such loss is less than \$100,000 which is payable to Middle South Energy, Inc.) to United States Trust Company of New York as its interests may appear in accordance with the mortgage and deed of trust between Middle South Energy, Inc. and United States Trust Company of New York and Malcolm J. Hood, trustees; and the receipt of the payee so designated shall constitute a release in full of all liability with respect to such loss.

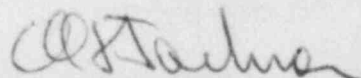
This Certificate is not transferable and may be cancelled by NUCLEAR MUTUAL LIMITED by giving 10 days written notice to the party to whom this Certificate is issued prior to cancellation of the insurance described herein.

THIS CERTIFICATE is for information only; it is not a contract of insurance but attests that a policy as numbered herein, and as it stands at the date of this Certificate, has been issued by the Company. Said policy is subject to change by endorsement and cancellation in accordance with its terms.

EFFECTIVE DATE OF THIS CERTIFICATE: April 1, 1986

Certificate expires: April 1, 1987, unless cancelled sooner.

Signed by:
NUCLEAR MUTUAL LIMITED



General Manager