

The Light company

Houston Lighting & Power P.O. Box 1700 Houston, Texas 77001 (713) 228-9211

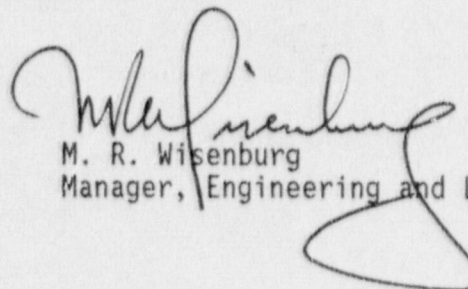
June 22, 1987
ST-HL-AE-2276
File No.: G-20
10CFR50

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498, STN 50-499
Secondary Financial Protection Certificates N-113 and M-113

Enclosed are two sets of certified copies of the Secondary Financial Protection Certificates N-113 and M-113 which are provided for the NRC's use in licensing of Unit 1.

If there are any questions, please contact Mr. J. N. Bailey at (713) 993-1335.


M. R. Wisenburg
Manager, Engineering and Licensing

AWH/ma

Attachments: N-113 (2)
M-113 (2)

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PDR ADOCK 0500049B
PDR

MOO!
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Houston Lighting & Power Company

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File No.: G-20
Page 2

cc:

Regional Administrator, Region IV
Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, TX 76011

M.B. Lee/J.E. Malaski
City of Austin
P.O. Box 1088
Austin, TX 78767-8814

N. Prasad Kadambi, Project Manager
U.S. Nuclear Regulatory Commission
7920 Norfolk Avenue
Bethesda, MD 20814

A. von Rosenberg/M.T. Hardt
City Public Service Board
P.O. Box 1771
San Antonio, TX 78296

Robert L. Perch, Project Manager
U.S. Nuclear Regulatory Commission
7920 Norfolk Avenue
Bethesda, MD 20814

Advisory Committee on Reactor Safeguards
U.S. Nuclear Regulatory Commission
1717 H Street
Washington, DC 20555

Dan R. Carpenter
Senior Resident Inspector/Operations
c/o U.S. Nuclear Regulatory
Commission
P.O. Box 910
Bay City, TX 77414

(*) Ira Dinitz
Office of State Programs
U. S. Nuclear Regulatory Commission
Washington, DC 20555

Claude E. Johnson
Senior Resident Inspector/Construction
c/o U.S. Nuclear Regulatory
Commission
P.O. Box 910
Bay City, TX 77414

M.D. Schwarz, Jr., Esquire
Baker & Botts
One Shell Plaza
Houston, TX 77002

J.R. Newman, Esquire
Newman & Holtzinger, P.C.
1615 L Street, N.W.
Washington, DC 20036

T.V. Shockley/R.L. Range
Central Power & Light Company
P. O. Box 2121
Corpus Christi, TX 78403

(*) Addition to standard carbon copy list.

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

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 LIABILITY UNDERWRITING
AMERICAN NUCLEAR INSURERS

Certificate No. N- 113

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Nuclear Energy Liability Insurance Association.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

Declarations

Item 1. Named insureds and addresses:

- (a) Houston Lighting & Power Company, P.O. Box 1700, Houston, Texas 77001
- (b) City Public Service Board of San Antonio, P.O. Box 1771, San Antonio, Texas 78296
- (c) Central Power & Light Company, P.O. Box 2121, Corpus Christi, Texas 78403
- (d) The City of Austin, P.O. Box 1088, Austin, Texas 78767

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor:

Unit 1 of the South Texas Project Nuclear Power Plant located in South Central Matagorda County, Texas.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF-	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF-	\$ 36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows: No Exceptions

- Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.
- Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.
- 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: \$3,875,000.
- Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1987 : The pro rata portion of \$5,812.50 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Nuclear Energy Liability Insurance Association subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

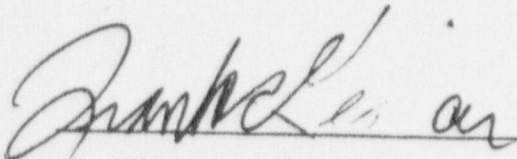
For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness

Named Insureds:



FRANK C. GEMAR

ASST. SECRETARY

Houston Lighting & Power Company

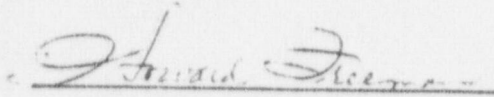
(Named Insured - Type or Print)

By J. H. Goldberg (SEAL)
(Signature of Officer)

J. H. Goldberg, Group Vice President-Nuclear

(Type or Print Name & Title of Officer)

Date: April 13, 1987



Howard L. Freeman
Secretary

City Public Service Board of San Antonio, Texas

(Named Insured - Type or Print)

By J. K. Spruce (SEAL)
(Signature of Officer)

J. K. Spruce, General Manager

(Type or Print Name & Title of Officer)

Date: April 15, 1987

Mary E. Hunt
ASSISTANT SECRETARY

Central Power and Light Company

(Named Insured - Type or Print)

By E. R. Brooks (SEAL)
(Signature of Officer)

E. R. BROOKS President

(Type or Print Name & Title of Officer)

Date: April 14, 1987

Attest or Witness

James E. Aldridge
City Clerk

Named Insureds:

The City of Austin

(Named Insured - Type or Print)

By Jorge Carrasco
(Signature of Officer)

Approved as 1
Form - 084
(SEAL) 88

Jorge Carrasco, City Manager
(Type or Print Name & Title of Officer)

Date: May 7, 1987

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

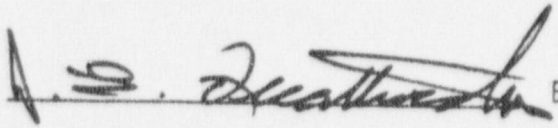
(Type or Print Name & Title of Officer)

Date: _____

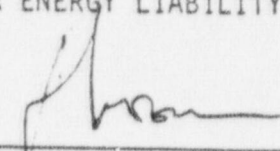
IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by the President of Nuclear Energy Liability Insurance Association to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest or Witness

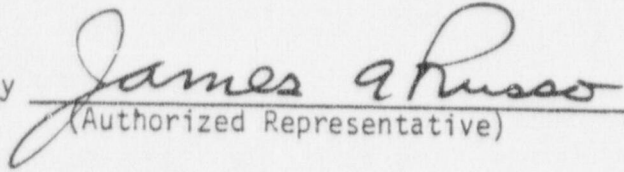
For the Subscribing Companies of
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION



BY:


Burt C. Proom, President

Countersigned by


(Authorized Representative)

Aetna Casualty & Surety Co.	10.961359X
Alliance Insurance Company	1.525059X
Allstate Insurance Company	5.337705X
American Home Assurance Co.	1.000820X
Continental Casualty Company	5.147073X
Continental Insurance Company	9.531616X
Federal Insurance Company	1.906323X
Fireman's Fund Insurance Co	3.050117X
General Accident Ins. Co. of Amer.	1.525059X
General Ins. Co of America	1.906323X
Hanover Insurance Company	.571897X
Hartford Accid. & Indemnity Co.	9.055036X
Hartford Steam Blr. Insp & Ins	.667213X
Highlands Insurance Company	.381265X
Home Indemnity Company	1.429742X
Ins. Co. of North America	6.481499X
Motors Insurance Corporation	.190632X
Ohio Casualty Insurance Company	.190632X
Pacific Indemnity Company	.571897X
Providence Washington Ins. Co.	.190632X
Reliance Insurance Company	.571897X
Royal Ins. Co. of America	4.003279X
St Paul Fire & Marine Ins Co.	5.779972X
State Farm Fire & Casualty Co	.953162X
Transamerica Insurance Co.	.953162X
Travelers Indemnity Company	12.391102X
U.S. Fidelity & Guaranty Co.	9.531616X
U.S. Fire Insurance Company	2.573537X
Universal Underwriters Ins Co	.190632X
Zurich Insurance Company	1.429742X

NE-87

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

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.

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

Certificate No. M- 113

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Mutual Atomic Energy Liability Underwriters.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

Declarations

Item 1. Named insureds and addresses:

- (a) Houston Lighting & Power Company, P.O. Box 1700, Houston, Texas 77001
- (b) City Public Service Board of San Antonio, P.O. Box 1771, San Antonio, Texas 78296
- (c) Central Power & Light Company, P.O. Box 2121, Corpus Christi, Texas 78403
- (d) The City of Austin, P.O. Box 1088, Austin, Texas 78767

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor:
Unit 1 of the South Texas Project Nuclear Power Plant located in South Central Matagorda County, Texas.

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

Nuclear Energy Liability Insurance Association's	
Policy NF-	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF-	\$36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility,

(c) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows: No Exceptions

- Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.
- Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.
- 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: \$1,125,000
- Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1987 : The pro rata portion of \$1,687.50 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Mutual Atomic Energy Liability Underwriters subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

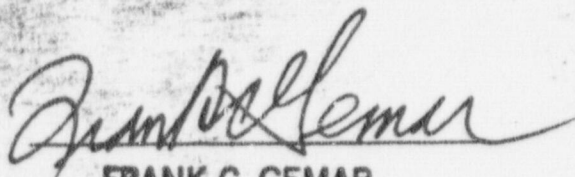
And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

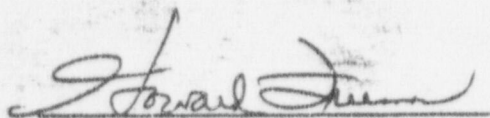
IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness

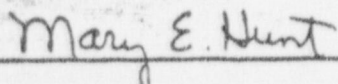


FRANK C. GEMAR

ASST. SECRETARY



Howard L. Freeman
Secretary

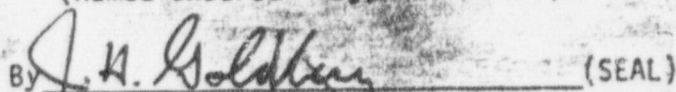


ASSISTANT SECRETARY

Named Insureds:

Houston Lighting & Power Company

(Named Insured - Type or Print)

By  (SEAL)

(Signature of Officer)

J. H. Goldberg, Group Vice President-Nuclear

(Type or Print Name & Title of Officer)

Date: April 13, 1987

City Public Service Board of San Antonio, Texas

(Named Insured - Type or Print)

By  (SEAL)

(Signature of Officer)

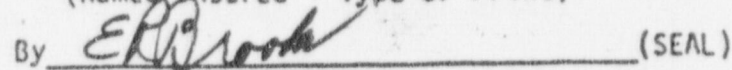
J. K. Spruce, General Manager

(Type or Print Name & Title of Officer)

Date: April 15, 1987

Central Power and Light Company

(Named Insured - Type or Print)

By  (SEAL)

(Signature of Officer)

E.R. BROOKS President

(Type or Print Name & Title of Officer)

Date: April 14, 1987

Attest or Witness

Jamez E. Aldridge
City Clerk

Named Insureds:

The City of Austin

(Named Insured - Type or Print)

Approved as
form - JEB
(SEAL)

By Jorge Carrasco
(Signature of Officer)

Jorge Carrasco, City Manager
(Type or Print Name & Title of Officer)

Date: May 7, 1987

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by Mutual Atomic Energy Liability Underwriters to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest of Witness

Robert D. Jones

For the Subscribing Companies of

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

BY: *J. S. [Signature]*
Authorized Agent

Countersigned by

James A. Russo
(Authorized Representative)

<u>(Subscribing Companies)</u>	<u>PROPORTION OF 100 %</u>
Liberty Insurance Corporation	50.000000
American Motorists Insurance Company	50.000000