

September 19, 1989

Docket No. 50-416

Mr. W. T. Cottle
Vice President, Nuclear Operations
System Energy Resources, Inc.
Post Office Box 469
Port Gibson, Mississippi 39150

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Dear Mr. Cottle:

SUBJECT: GRAND GULF NUCLEAR STATION, UNIT 1 - AMENDMENT TO INDEMNITY AGREEMENT

Enclosed is an amendment to your indemnity agreement reflecting the changes to 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," effective July 1, 1989. The amendments to Part 140 reflect the increase from \$160 million to \$200 million in the primary layer of nuclear energy liability insurance provided by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters. The amendments also conform to changes made to the Price-Anderson Act by "The Price-Anderson Amendments Act of 1988," which was enacted on August 20, 1988.

Please signify your acceptance of the amendment to your indemnity agreement in the space provided and return one signed copy to the Document Control Desk, ATTN: Ira Dinitz, Senior Insurance/Indemnity Specialist, U.S. Nuclear Regulatory Commission, Mail Stop 12E-4, Washington, D.C. 20555. If you have any questions about the foregoing, please contact Mr. Dinitz at (301) 492-1289.

Sincerely,

Ronnie Lo/for

Lester L. Kintner, Senior Project Manager
Project Directorate II-1
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

Enclosure:
Amendment to Indemnity
Agreement

cc w/enclosure:
See next page

OF 01
1/1

Document Name: INDEMNITY AMENDMENT - GGNS

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NAME	:PAnderson	:LKintner	:EAdensam	:	:	:	:
DATE	:9/19/89	:9/19/89	:9/19/89	:	:	:	:

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J PNU

Mr. W. T. Cottle
System Energy Resources, Inc.

Grand Gulf Nuclear Station (GGNS)

cc:
Mr. T. H. Cloninger
Vice President, Nuclear Engineering
& Support
System Energy Resources, Inc.
P. O. Box 31995
Jackson, Mississippi 39286

Mr. C. R. Hutchinson
GGNS General Manager
System Energy Resources, Inc.
P. O. Box 756
Port Gibson, Mississippi 39150

Robert B. McGehee, Esquire
Wise, Carter, Child, and
Caraway
P. O. Box 651
Jackson, Mississippi 39205

The Honorable William J. Guste, Jr.
Attorney General
Department of Justice
State of Louisiana
Baton Rouge, Louisiana 70804

Nicholas S. Reynolds, Esquire
Bishop, Cook, Purcell
and Reynolds
1400 L Street, N.W. - 12th Floor
Washington, D.C. 20005-3502

Office of the Governor
State of Mississippi
Jackson, Mississippi 39201

Mr. Ralph T. Lally
Manager of Quality Assurance
Entergy Services, Inc.
P. O. Box 31995
Jackson, Mississippi 39286

Attorney General
Gartin Building
Jackson, Mississippi 39205

Mr. John G. Cesare
Director, Nuclear Licensing
System Energy Resources, Inc.
P. O. Box 469
Port Gibson, Mississippi 39150

Mr. Jack McMillan, Director
Division of Solid Waste Management
Mississippi Department of Natural
Resources
P. O. Box 10385
Jackson, Mississippi 39209

Mr. C. B. Hogg, Project Manager
Bechtel Power Corporation
P. O. Box 2166
Houston, Texas 77252-2166

Alton B. Cobb, M.D.
State Health Officer
State Board of Health
P. O. Box 1700
Jackson, Mississippi 39205

Mr. H. O. Christensen
Senior Resident Inspector
U.S. Nuclear Regulatory Commission
Route 2, Box 399
Port Gibson, Mississippi 39150

President
Claiborne County Board of Supervisors
Port Gibson, Mississippi 39150

Regional Administrator, Region II
U. S. Nuclear Regulatory Commission
101 Marietta Street
Suite 2900
Atlanta, Georgia 30323



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

Docket No. 50-416

Amendment to Indemnity Agreement No. B-72
Amendment No. 3

Effective July 1, 1989, Indemnity Agreement No. B-72, between Mississippi Power and Light Company, Middle South Energy, Inc., South Mississippi Electric Power Association and the Nuclear Regulatory Commission dated July 15, 1981 as amended, is hereby further amended as follows:

The amount "\$160,000,000" is deleted wherever it appears and the amount "\$200,000,000" is substituted therefor.

The amount "\$124,000,000" is deleted wherever it appears and the amount "\$155,000,000" is substituted therefor.

The amount "\$36,000,000" is deleted wherever it appears and the amount "\$45,000,000" is substituted therefor.

Paragraph 1, Article I is modified to read as follows:

1. "Nuclear reactor," "byproduct material," "person," "source material," "special nuclear material," and "precautionary evacuation" shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.

The definition of "public liability" in paragraph 7, Article I is deleted, and the following is substituted therefor:

"Public liability" means any legal liability arising out of or resulting from a nuclear incident or precautionary evacuation (including all reasonable additional costs incurred by a State or a political subdivision of a State, in the course or responding to a nuclear incident or precautionary evacuation), 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.

Paragraph 4(c), Article II is revised to read as follows:

- (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.

In paragraph 1, Article VIII, the amount "\$5,000,000" is deleted and the amount "\$63,000,000" is substituted therefor.

Item 2a of the Attachment to the indemnity agreement is deleted in its entirety and the following substituted therefor:

Item 2 - Amount of financial protection

- | | |
|-------------------|--|
| a. \$1,000,000 | (From 12:01 a.m., July 15, 1981, to
12 midnight, June 15, 1982,
inclusive) |
| \$160,000,000* | (From 12:01 a.m., June 16, 1982, to
12 midnight, June 30, 1989
inclusive) |
| \$200,000,000* | (From 12:01 a.m., July 1, 1989) |

FOR THE UNITED STATES NUCLEAR REGULATORY COMMISSION

Cecil O. Thomas

Cecil O. Thomas, Chief
Policy Development and Technical Support Branch
Program Management, Policy Development
and Analysis Staff
Office of Nuclear Reactor Regulation

Accepted _____, 1989

Accepted _____, 1989

By _____
Mississippi Power and Light
Company

By _____
Middle South Energy, Inc.

Accepted _____, 1989

By _____
South Mississippi Electric
Power Association

*and, as of August 1, 1977, the amount available as secondary financial protection.



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