

A CMS Energy Company

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January 9, 2002

Ira Dinitz  
US Nuclear Regulatory Commission  
Mail Stop 12E4  
Washington, DC 20555

ANI POLCIY NF-179  
DOCKET NO 50-255

Attached are copies of Endorsement 169 and 170 to ANI Policy NF-179 for Palisades Nuclear Plant. Endorsement 169 covers the limitation of coverage for terrorist acts and Endorsement 170 reflects the 2002 advance premium.

Should you have any questions on the endorsements, please feel free to contact me at the above numbers.



Faith A Rueckert  
Senior Insurance Analyst

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**NUCLEAR ENERGY LIABILITY INSURANCE**  
**NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

**LIMITATION OF COVERAGE FOR TERRORIST ACTS**  
**(ONE SHARED INDUSTRY AGGREGATE LIMIT)**

It is agreed that with respect to bodily injury, property damage or environmental damage caused by the nuclear energy hazard and arising out of a terrorist act:

1. the total aggregate liability of the companies shall be \$200,000,000 regardless of (i) the number of terrorist acts affecting this or any other nuclear energy liability policy (Facility Form or Supplier's and Transporter's Form) or (ii) the number of nuclear energy liability policies (Facility Form or Supplier's and Transporter's Form) issued by the Nuclear Energy Liability Insurance Association under which coverage may be sought.
2. the limit of liability shown in Item 4 of the policy Declarations or as amended by endorsement to this policy is subject to the industry aggregate limitation described in paragraph 1 above.
3. the companies may, at their option, reinstate the one shared industry aggregate limit of \$200,000,000, provided that any such reinstatement approved by the companies shall not exceed the balance in the Industry Credit Rating Plan reserve fund.
4. the term "terrorist act" as used herein means a violent or otherwise hostile act or an act dangerous to human life, tangible or intangible property or infrastructure by any person or group, whether acting alone or on behalf of any organization or government, which causes damage to property or injury to persons, or represents a threat thereof and appears to be intended to (i) intimidate or coerce a civilian population; or (ii) disrupt any segment of an economy; or (iii) influence the policy of a government by intimidation or coercion; or (iv) affect the conduct of a government by mass destruction, assassination, kidnapping or hostage-taking.

Effective Date of  
this Endorsement:

**January 1, 2002**  
(12:01 A.M. Standard Time)

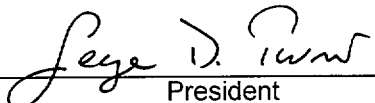
To form a part of Policy No. **NF -0179**

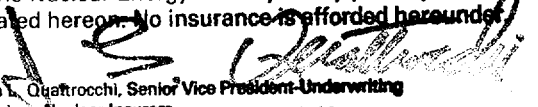
Issued to: **Consumers Energy Company**

Date of Issue: **December 17, 2001**


For the subscribing companies

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 des-  
ignated hereon. No insurance is afforded hereunder.

By   
President

  
John L. Quattrocchi, Senior Vice President-Underwriting  
American Nuclear Insurance

Endorsement No.: **169**

Countersigned by 

**NUCLEAR ENERGY LIABILITY INSURANCE  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION**

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 2002

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$305,528.00**
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: **\$229,201.00**

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 hereon. No insurance is afforded hereunder.



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

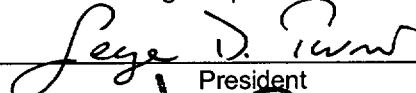
Effective Date of  
this Endorsement: **January 1, 2002**  
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0179**

Issued To: **Consumers Energy Company**

Date of Issue: **December 12, 2001**

For the subscribing companies

By   
President

Endorsement No: **170**

Countersigned by 