



March 18, 2002

AEP:NRC:2691-05
10 CFR 50.54(w)(3)

Docket Nos.: 50-315
50-316

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Stop O-P1-17
Washington, DC 20555-0001

Donald C. Cook Nuclear Plant Units 1 and 2
ANNUAL REPORT OF PROPERTY INSURANCE

In accordance with 10 CFR 50.54(w)(3), the attachment to this letter details the sources and levels of insurance in effect for Donald C. Cook Nuclear Plant Units 1 and 2 as of April 1, 2002.

There are no new commitments in this submittal. Should you have any questions, please contact Mr. Gordon P. Arent, Manager of Regulatory Affairs, at (616) 697-5553.

Sincerely,

A handwritten signature in black ink, appearing to read "Scot A. Greenlee", with a long, sweeping horizontal line extending to the right.

Scot A. Greenlee
Director, Nuclear Technical Services

/bjb

Attachment

c: K. D. Curry, w/o attachment
J. E. Dyer
MDEQ – DW & RPD, w/o attachment
NRC Resident Inspector
R. Whale, w/o attachment

M001

ATTACHMENT TO AEP:NRC:2691-05

ANNUAL REPORT TO NRC 10 CFR 50.54(W)(3)

NUCLEAR PROPERTY INSURANCE

As required by law, all insurance coverage described herein is first dedicated to cover decontamination expenses at the site. Any residual funds under the policies described herein may be available for physical damage losses to the plant in an amount up to \$2,751,500,000. Where losses exceed \$500,000,000, the insurers then would indemnify for shortfalls in decommissioning trust funds for decommissioning which is a result of loss and for property damage less any amounts used for stabilization and decontamination.

The coverage provided on the Donald C. Cook Nuclear Plant for "All Risk" PROPERTY DAMAGE, DECONTAMINATION LIABILITY, and DECOMMISSIONING LIABILITY COVERAGE IN THE AMOUNT OF \$2,751,500,000 subject to a deductible of \$1,000,000 per occurrence are as follows:

- \$1,500,000 portion of the first \$501,500,000 under Energy Insurance (Bermuda) Limited Policy No. P03-00-01.
- \$500,000,000 portion of the first \$501,500,000 under Nuclear Electric Insurance Limited Policy No. P01-047.
- \$1,250,000,000 as 100% of loss in excess of \$501,500,000 under Nuclear Electric Insurance Limited Policy No. X01-019.
- \$1,000,000,000 as 100% of loss in excess of \$1,751,500,000 under Nuclear Electric Insurance Limited Policy No. BX01-007.

Policy BX01-007 is Blanket Excess Coverage jointly purchased by Indiana Michigan Power Company, STP Nuclear Operating Company, and Pacific Gas & Electric to protect their respective interests in Donald C. Cook Plant, South Texas Project, and Diablo Canyon. Indemnification in excess of \$1,751,500,000 could be reduced by any payments made under this policy for loss in excess of \$1,751,500,000 to either South Texas Project or Diablo Canyon.