



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

February 6, 2006
NOC-AE-06001972
File No.: G20
10CFR140.11(a)(4)
10CFR140.15
10CFR140.17
10CFR140.21

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

South Texas Project
Units 1 and 2
Docket Nos.: STN 50-498, STN 50-499
Evidence of Financial Protection

Pursuant to the requirements of 10CFR140.11(a)(4), 10CFR140.15, 10CFR140.17, and 10CFR140.21, STP Nuclear Operating Company submits the attached Nuclear Energy Liability Insurance policy endorsements from American Nuclear Insurers (ANI). This submittal contains the following endorsements:

Nuclear Energy Liability

Facility Form (NF-0307)
Master Worker Form (NW-0657)
Secondary Financial Protection (N-0113 / N-0116)

Should you have any questions, concerns, or require additional information on this matter, please contact Karen Wheaton at (361) 972-8698 or Ron Hyde at (361) 972-7992.

George R. Harrison
Manager,
Financial Services

KMW

Attachments: Endorsements:

Facility Form (NF-0307) - (7)
Master Worker Form (NW-0657) - (2)
Secondary Financial Protection (N-0113) - (2)
Secondary Financial Protection (N-0116) - (2)

MOOI

cc:

(paper copy)

**Bruce S. Mallett
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064**

**Jeffrey Cruz
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483**

**Richard A. Ratliff
Bureau of Radiation Control
Texas Department of State Health Services
1100 West 49th Street
Austin, TX 78756-3189**

**C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704**

**R. G. Hyde, w/o Electronic
R. D. Savage w/o Electronic
RMS N2002
File**

(electronic copy)

**A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP**

**Mohan C. Thadani
U. S. Nuclear Regulatory Commission**

**Steve Winn
Michael A. Reed
Texas Genco, LP**

**C. Kirksey
City of Austin**

**J. J. Nesrsta
R. K. Temple
E. Alarcon
City Public Service**

**Jon C. Wood
Cox Smith Matthews**

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

Endorsement Nos. 80 and 86, entitled "LIMITATION OF COVERAGE FOR TERRORIST ACTS (ONE SHARED INDUSTRY AGGREGATE LIMIT), are deleted and replaced with the following:

**LIMITATION OF COVERAGE FOR TERRORIST ACTS THAT ARE OUTSIDE THE
SCOPE OF THE TERRORISM RISK INSURANCE ACT OF 2002**

It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused by the nuclear energy hazard and arising out of a non-certified act(s) of terrorism:

1. the total aggregate liability of the companies shall be \$300,000,000 regardless of (i) the number of non-certified acts of terrorism 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 term "non-certified act(s) of terrorism" as used herein means a violent act or an act that is dangerous to human life, tangible or intangible property, or infrastructure that is committed by any individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the Terrorism Risk Insurance Act of 2002.

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, 2003
(12:01 A.M. Standard Time)

To form a part of Policy No. NF -0307


Issued to: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, Central Power and Light Company, City of Austin**

Date of Issue: **March 15, 2004**

For the subscribing companies

By 
President

Endorsement No.: **91**

Countersigned by 

NE-85a (1/1/03)

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

**CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR
PROPORTIONATE LIABILITY ENDORSEMENT
CALENDAR YEAR 2004**

1. It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage, environmental damage or evacuation of the public as designated below.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31, 2004 or to the time of the termination or cancellation of the policy, if sooner.

| | | |
|--|---------------------|---------|
| Continental Insurance Company | 9.880404 % | |
| Employers Mutual Casualty Company | 1.718331 % | |
| Federal Insurance Company | 34.366622 % | |
| Greenwich Insurance Company | 12.887484 % | |
| Motors Insurance Corporation | 0.766376 % | |
| Nat'l Union Fire Ins Co of Pitts, PA | 6.014159 % | |
| State Farm Mutual Automobile Insurance Company | 17.183312 % | |
| Zurich American Insurance Company | <u>17.183312 %</u> | |
| Total | <u>100.000000 %</u> | NE-2004 |

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, 2004
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

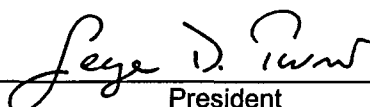
Issued to:

**STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board
of San Antonio, Central Power and Light Company, City of Austin**

Date of Issue:

March 26, 2004

For the subscribing companies

By 
President

Endorsement No.:

92

Countersigned by



CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

**ADDRESS OF NUCLEAR ENERGY LIABILITY
INSURANCE ASSOCIATION ENDORSEMENT**

It is agreed that the address of the Nuclear Energy Liability Insurance Association appearing in the "Company Representation" condition of the policy is amended to read:

95 Glastonbury Boulevard
Glastonbury, CT 06033

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:

February 1, 2004
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

Issued to:

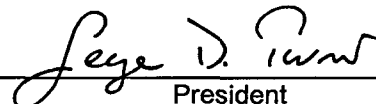
**STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board
of San Antonio, Central Power and Light Company, City of Austin**

Date of Issue:

March 26, 2004

For the subscribing companies

By


President

Endorsement No.:

93

Countersigned by



CERTIFIED COPY

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

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

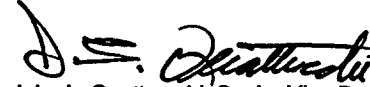
CALENDAR YEAR 2004

It is agreed that Items 1 and 2 of Endorsement No. 90 are amended to read:

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$861,182.00**
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: **\$660,691.00**

RETURN PREMIUM: \$20,977.00

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, 2004**
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

Issued To: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, Central Power and Light Company, City of Austin**

Date of Issue: **July 12, 2004**

For the subscribing companies

By  _____
President

Endorsement No: **94**

Countersigned by 

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

**CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR
PROPORTIONATE LIABILITY ENDORSEMENT
CALENDAR YEAR 2005**

1. It is agreed that with respect to bodily injury, property damage, environmental damage or evacuation of the public caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury, property damage, environmental damage or evacuation of the public as designated below.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31, 2005 or to the time of the termination or cancellation of the policy, if sooner.

| | | |
|--|---------------------|---------|
| AXIS Reinsurance Company | 14.826676 % | |
| Employers Mutual Casualty Company | 2.965335 % | |
| Federal Insurance Company | 34.101355 % | |
| Motors Insurance Corporation | 0.661271 % | |
| Nat'l Union Fire Ins Co of Pitts, PA | 14.826676 % | |
| State Farm Mutual Automobile Insurance Company | 17.792011 % | |
| Zurich American Insurance Company | <u>14.826676 %</u> | |
| Total | <u>100.000000 %</u> | NE-2005 |

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, 2005
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

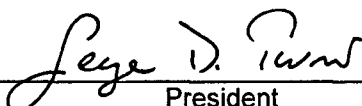
Issued to:

**STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board
of San Antonio, Central Power and Light Company, City of Austin**

Date of Issue:


February 28, 2005

For the subscribing companies

By 
President

Endorsement No.:

96

Countersigned by 

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is agreed that:

1. Item 1 of the Declarations, as amended by Endorsement Nos. 1, 58, 67 and 84, is further amended to read:

Item 1. Named Insured: STP Nuclear Operating Company,
Texas Genco, LP,
City Public Service Board of San Antonio,
City of Austin

Address: c/o STP Nuclear Operating Company
P.O. Box 289
Wadsworth, TX 77483

2. The Operator of the Facility designated in Item 3 of the Declarations is amended to read:
STP Nuclear Operating Company.

3. Condition 17, "Authorization of Named Insured", is amended to read:

17 AUTHORIZATION OF NAMED INSURED

Except with respect to compliance with the obligations imposed on the insured by Conditions 5, 6, 7, 8, 9, 10 and 11 of this policy, STP Nuclear Operating Company is authorized to act for every other insured in all matters pertaining to this insurance.

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:

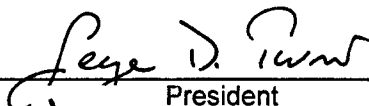
May 20, 2005
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**


Issued to: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **June 17, 2005**

For the subscribing companies

By 
President

Endorsement No.: **97**

Countersigned by 

CERTIFIED COPY

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

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 2006

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$967,880.00**
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: **\$742,627.00**

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

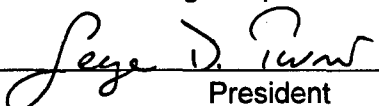
Effective Date of
this Endorsement: **January 1, 2006**
(12:01 A.M. Standard Time)

To form a part of Policy No. **NF -0307**

Issued To: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **October 11, 2005**

For the subscribing companies

By 
President

Endorsement No: **98**

Countersigned by 

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF NAMED INSUREDS AND ADDRESSES ENDORSEMENT

It is agreed that:

1. Item 1 of the Declarations, as amended by Endorsement Nos. 2 and 7, is further amended to read:

Item 1. Named Insureds and Addresses:

- (a) STP Nuclear Operating Company
 P.O. Box 289
 Wadsworth, TX 77483
- (b) Texas Genco, LP
 P.O. Box 4567
 Houston, TX 77210
- (c) City Public Service Board of San Antonio
 P.O. Box 1771
 San Antonio, TX 78296
- (d) City of Austin
 P.O. Box 1088
 Austin, TX 78767

2. Item 3 of the Declarations, "Operator of the Facility", is amended to read:

Operator of the Facility: STP Nuclear Operating Company

This is to certify that this is a true copy of the original endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Worker Form). No insurance is afforded hereunder.



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

Effective Date of
this Endorsement:

May 20, 2005
(12:01 A.M. Standard Time)

To form a part of Certificate No. **NW -0657**

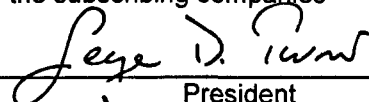
Issued to:

STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin

Date of Issue: **June 17, 2005**

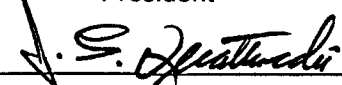
For the subscribing companies

By


President

Endorsement No.: **11**

Countersigned by



CERTIFIED COPY

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

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 2006

1. **ADVANCE PREMIUM:** It is agreed that the Advance Premium due the companies for the period designated above is: **\$85,108.00**
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: **\$65,175.00**

This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form). No insurance is afforded hereunder.



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

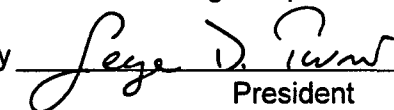
Effective Date of
this Endorsement: **January 1, 2006**
(12:01 A.M. Standard Time)

To form a part of Certificate No. NW -0657

Issued To: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **October 5, 2005**

For the subscribing companies

By 
President

Endorsement No: **12**

Countersigned by 

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N -0113
FORMING PART OF MASTER POLICY NO. 1
NUCLEAR ENERGY LIABILITY INSURANCE
(SECONDARY FINANCIAL PROTECTION)

It is agreed that:

1. Item 1 of the Declarations, as amended by Endorsement Nos. 9, 19, 28, 30 and 33, is further amended to read:

Item 1. Named insureds and addresses:

- (a) STP Nuclear Operating Company
 P.O. Box 289
 Wadsworth, Texas 77483
- (b) Texas Genco, LP
 P.O. Box 4567
 Houston, Texas 77210
- (c) City Public Service Board of San Antonio
 P.O. Box 1771
 San Antonio, Texas 78296
- (d) City of Austin
 P.O. Box 1088
 Austin, Texas 78767

2. This endorsement amends none of the other provisions of the "Certificate of Insurance, Declarations and Bond for Payment of Retrospective Premiums" of said Certificate No. N -0113.

This is to certify that this is a true copy of the original endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Secondary Financial Protection). No insurance is afforded hereunder.



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

Effective Date of
this Endorsement:

May 20, 2005
(12:01 A.M. Standard Time)

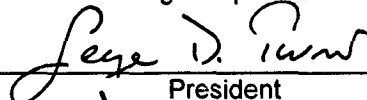
To form a part of Certificate No. N -0113

Issued to: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **June 17, 2005**

For the subscribing companies

By


President

Endorsement No.: **40**

Countersigned by



CERTIFIED COPY

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

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2006

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$9,492.00**

This is to certify that this is a true copy of the original Certificate, bearing the number designated heron, for insurance coverage under the Master Policy-Nuclear Energy Liability Insurance (Secondary Financial Protection). No insurance is afforded by this copy.



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

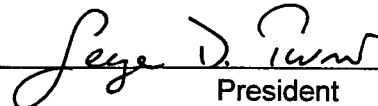
Effective Date of
this Endorsement: **January 1, 2006**
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0113

Issued To: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **October 20, 2005**

For the subscribing companies

By 
President

Endorsement No: **41**

Countersigned by 

CERTIFIED COPY

NUCLEAR ENERGY LIABILITY INSURANCE
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N -0116
FORMING PART OF MASTER POLICY NO. 1
NUCLEAR ENERGY LIABILITY INSURANCE
(SECONDARY FINANCIAL PROTECTION)

It is agreed that:

1. Item 1 of the Declarations, as amended by Endorsement Nos. 8, 17, 26, 28 and 31, is further amended to read:

Item 1. Named insureds and addresses:

- (a) STP Nuclear Operating Company
 P.O. Box 289
 Wadsworth, Texas 77483
- (b) Texas Genco, LP
 P.O. Box 4567
 Houston, Texas 77210
- (c) City Public Service Board of San Antonio
 P.O. Box 1771
 San Antonio, Texas 78296
- (d) City of Austin
 P.O. Box 1088
 Austin, Texas 78767

2. This endorsement amends none of the other provisions of the "Certificate of Insurance, Declarations and Bond for Payment of Retrospective Premiums" of said Certificate No. N -0116.

This is to certify that this is a true copy of the original endorsement having the endorsement number and being made part of the Certificate of Insurance bearing the number designated hereon for insurance coverage under the Nuclear Energy Liability Policy (Secondary Financial Protection). No insurance is afforded hereunder.



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

Effective Date of
this Endorsement:

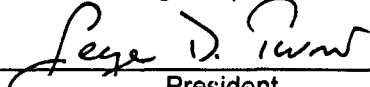
May 20, 2005
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0116


Issued to: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **June 17, 2005**

For the subscribing companies

By 
President

Endorsement No.: **38**

Countersigned by 

CERTIFIED COPY

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

ANNUAL PREMIUM ENDORSEMENT

CALENDAR YEAR 2006

1. **ANNUAL PREMIUM:** It is agreed that the Annual Premium due the companies for the period designated above is: **\$9,492.00**

This is to certify that this is a true copy of the original Certificate, bearing the number designated heron, for insurance coverage under the Master Policy-Nuclear Energy Liability Insurance (Secondary Financial Protection). No insurance is afforded by this copy.



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

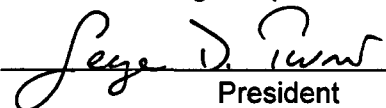
Effective Date of
this Endorsement: **January 1, 2006**
(12:01 A.M. Standard Time)

To form a part of Certificate No. N -0116

Issued To: **STP Nuclear Operating Company, Texas Genco, LP, City Public Service Board of San Antonio, City of Austin**

Date of Issue: **October 20, 2005**

For the subscribing companies

By 
President

Endorsement No: **39**

Countersigned by 

CERTIFIED COPY