

# REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8802010194 DOC. DATE: 88/01/25 NOTARIZED: NO DOCKET #  
 FACIL: 50-397 WPPSS Nuclear Project, Unit 2, Washington Public Powe 05000397  
 AUTH. NAME AUTHOR AFFILIATION  
 PICKERL, H. D. Marsh & McLennan, Inc.  
 RECIP. NAME RECIPIENT AFFILIATION  
 DINITZ, I. Office of Nuclear Reactor Regulation, Director (Post 870411)

SUBJECT: Forwards Endorsements 1,2,3 to NELIA Certificate NW-163 &  
 Endorsements 1,2,3 to MAELU Certificate MW-80.

DISTRIBUTION CODE: M001D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 25  
 TITLE: Insurance: Indemnity/Endorsement Agreements

## NOTES:

	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL	RECIPIENT ID CODE/NAME	COPIES LTTR ENCL
INTERNAL:	NRR/PMAS/PTSB	1 1	<u>REG FILE</u> 01	1 1
EXTERNAL:	LPDR	1 1	NRC PDR	1 1



**Marsh &  
McLennan**

M & M Nuclear Consultants  
222 South Riverside Plaza  
Chicago, Illinois 60606  
Telephone 312 648-6000

January 25, 1988

Mr. Ira Dinitz  
Director  
Office of Nuclear Reactor Regulation  
Mail Stop 128  
U. S. Nuclear Regulatory Commission  
Washington D.C. 20555

RE: WASHINGTON PUBLIC POWER SUPPLY SYSTEM  
ON-SITE WORKER NUCLEAR LIABILITY INSURANCE POLICY

Dear Ira:

On behalf of the captioned client, enclosed are two certified copies of each of the following insurance policy documents:

<u>Certificate No.</u>	<u>End No.</u>
NW-163	1,2,3
MW-80	1,2,3

American Nuclear Insurers will be the custodian for the Master Worker Policy and associated Certificates.

Very truly yours,

*Hanson D. Pickerl*

Hanson D. Pickerl  
Assistant Vice President  
M&M Nuclear Consultants

HDP/rg  
Enc.

cc: Ms. A. Marzette - Washington Public Power Supply System  
Mr. D. Ashburn - M&M Seattle

8802010194 880125  
PDR ADDCK 05000397  
J PDR

MOOI  
1/1



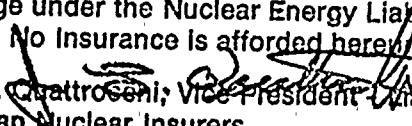
**Nuclear Energy Liability Insurance**  
**MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS**

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Washington Public Power Supply System's Project No. 2 including but not limited to the reactors known as WNP-1, WNP-2 and WNP-4, the H.J. Ashe Substation and the Benton Switching Station shown as being within the heavy black lines on the drawing designated as "NELIA/MAELU SITE DESCRIPTIONS" dated November 1, 1985 a copy of which is attached hereto and made a part hereof. The site consists of approximately 2,061 acres and is located on the U.S. Department of Energy's Hanford site in the southeastern part of the State of Washington. The site is approximately twelve (12) miles north of Richland, Washington and one hundred sixty (160) miles east-southeast of Seattle, Washington.

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, Vice President, Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-80  
12:01 A.M. Standard Time

Issued to Washington Public Power Supply System

Date of Issue January 15, 1988

For the Subscribing Companies

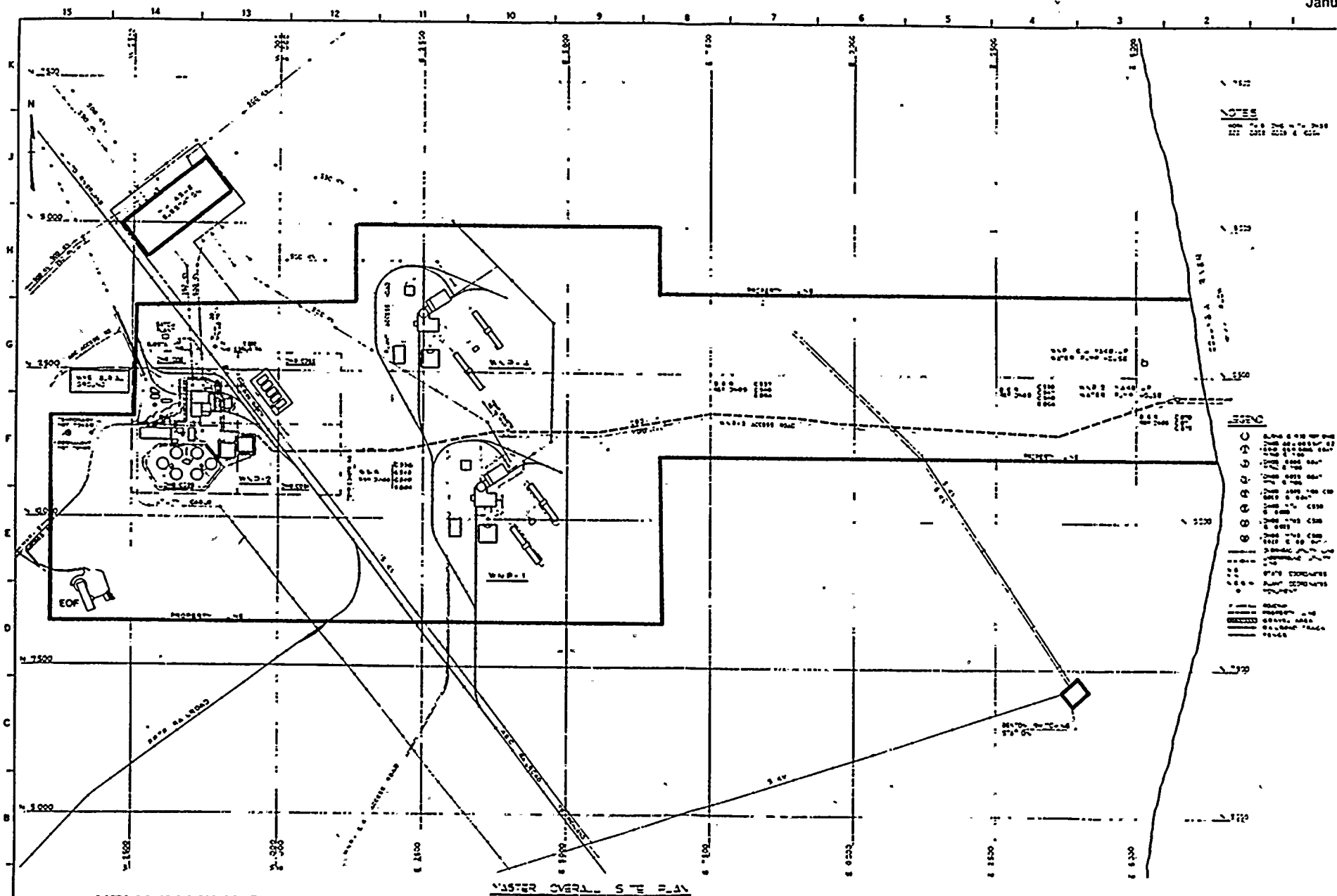
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Countersigned by 

Endorsement No. 3

John R. Galt  
President  
The Galt Company  
1000 North 1st Street  
St. Paul, Minnesota  
55101



NELIA/MAELU SITE DESCRIPTIONS  
NOVEMBER 1 1985

WASHINGTON PUBLIC POWER  
**SUPPLY SYSTEM**  
NUCLEAR PROJECT NO. 2

PLANT SITE ARRANGEMENT

FIGURE  
1.2-1a

100

100

100

100

100

100

100



Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 4,837.00

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium is:

\$ 3,870.00

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.

*[Signature]*  
John L. Quattrocchi, Vice President, Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. MW-80  
12:01 A.M. Standard Time

Issued to Washington Public Power Supply System

Date of Issue January 15, 1988

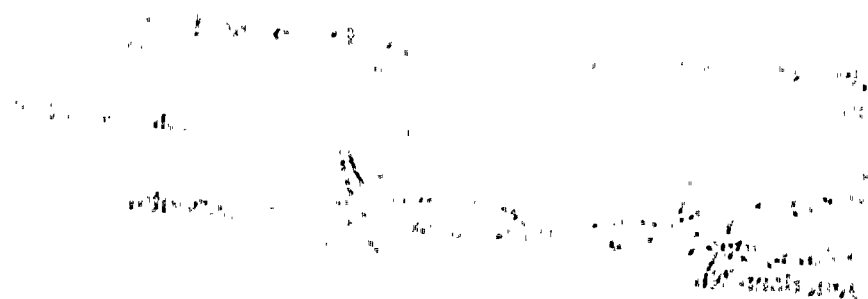
For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *[Signature]*

Countersigned by *[Signature]*

Endorsement No. 2



Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by MAELU;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by MAELU, and
- (2) reserves for losses and expenses as estimated by MAELU,



because of obligations assumed and expenses incurred in connection with such obligations by the members of MAELU under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of MAELU;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.



The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

### 3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

MAELU shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of MAELU subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of MAELU and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by MAELU to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

#### 4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
  - (2) due such insureds as a reserve premium refund,
- shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

#### 5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

#### 6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of MAELU under the Master Worker



Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of MAELU subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Washington Public Power Supply System  
(First Named Insured - Print or Type)

Date 12-1-87 By Richard A. Bresnahan  
(Signature of Authorized Officer)

R. A. Bresnahan, Corporate Controller  
(Print or Type Name and Title of Officer)

Bonneville Power Administration  
(Named Insured - Print or Type)

Date 12/24/87 By [Signature]  
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

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, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of of Certificate No. MW-80  
12:01 A.M. Standard Time

Issued to Washington Public Power Supply System

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By [Signature]

Endorsement No. 1

Countersigned by [Signature]  
Authorized Representative

THE UNIVERSITY OF CHICAGO  
LIBRARY  
540 EAST 57TH STREET  
CHICAGO, ILL. 60637  
TEL. 733-4331

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. MW-80

Date of Issue Jan. 15 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Mutual Atomic Energy Liability Underwriters on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

<sup>1</sup>  
DECLARATIONS

Item 1. Named Insureds and Addresses:  
Washington Public Power Supply System  
P.O. Box 968  
Richland, Washington 99352

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.

Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Washington Public Power Supply System

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 4,837.00

2

APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3

INDUSTRY RETROSPECTIVE RATING PLAN

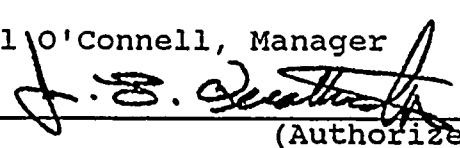
All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.

IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the Manager of Mutual Atomic Energy Liability Underwriters and duly countersigned by an authorized representative.

For the Subscribing Companies of  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

J. Michael O'Connell, Manager

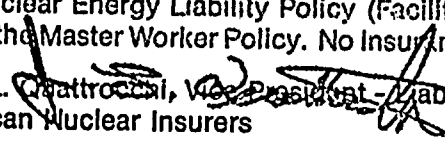
By

  
(Authorized Agent)

Countersigned by:

  
(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for Insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No Insurance is afforded by this copy.

  
John L. Mattiocco, Vice President - Liability Underwriting  
American Nuclear Insurers

THIS IS A COPY OF THE ORIGINAL DOCUMENT  
AND IS NOT A COPY OF THE COPY OF THE  
ORIGINAL DOCUMENT.

DATE: 10/10/10  
BY: [Signature]

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

DESCRIPTION OF THE FACILITY ENDORSEMENT

It is agreed that Item 3 of the Declarations the Description of the Facility "Location" is as follows:

All of the premises including the land and all buildings and structures of Washington Public Power Supply System's Project No. 2 including but not limited to the reactors known as WNP-1, WNP-2 and WNP-4, the H.J. Ashe Substation and the Benton Switching Station shown as being within the heavy black lines on the drawing designated as "NELIA/MAELU SITE DESCRIPTIONS" dated November 1, 1985 a copy of which is attached hereto and made a part hereof. The site consists of approximately 2,061 acres and is located on the U.S. Department of Energy's Hanford site in the southeastern part of the State of Washington. The site is approximately twelve (12) miles north of Richland, Washington and one hundred sixty (160) miles east-southeast of Seattle, Washington.

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, Vice President, Liability Underwriting  
American Nuclear Insurers

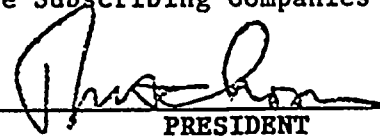
Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-163  
12:01 A.M. Standard Time

Issued to Washington Public Power Supply System

Date of Issue January 15, 1988

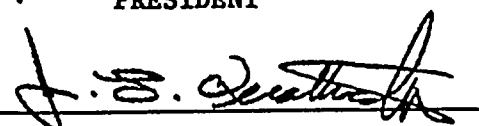
For the Subscribing Companies

By

  
PRESIDENT

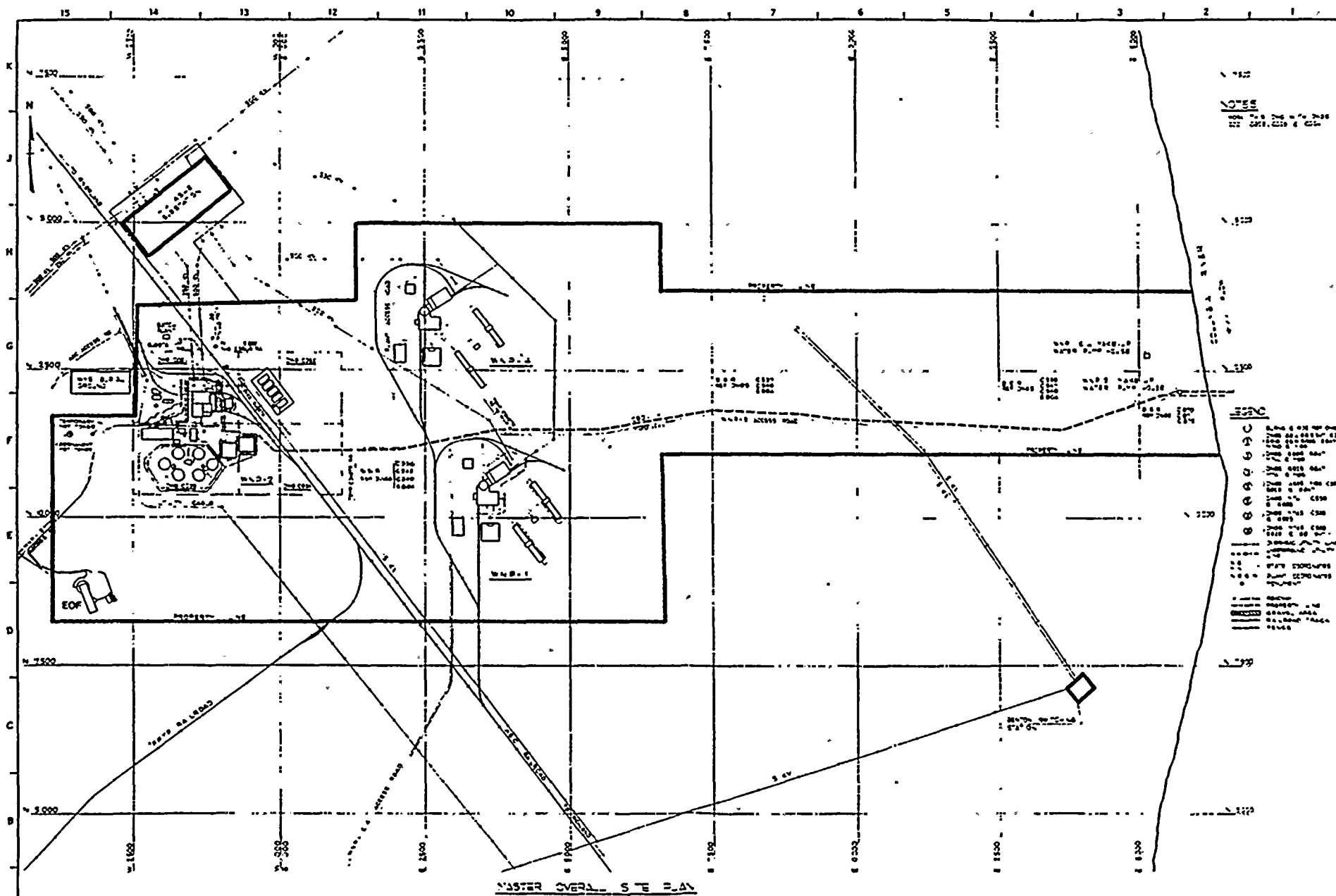
Endorsement No. 3

Countersigned by





[illegible]



NELIA/MAELU SITE DESCRIPTIONS  
NOVEMBER 1 1985



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

CALENDAR YEAR 1988

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 16,663.00.

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 Retrospective Rating Plan, the Standard Premium is said Advance Premium and the estimated Reserve Premium element of the Standard Premium. ~~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.

\$ 13,330.00

John A. Quattrocchi, Vice President, Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No. NW-163  
12:01 A.M. Standard Time

Issued to Washington Public Power Supply System

Date of Issue January 15, 1988

For the Subscribing Companies

By

Thurston  
PRESIDENT

Endorsement No. 2

Countersigned by

J. S. Quattrocchi

[illegible]

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INDUSTRY RETROSPECTIVE RATING PLAN PREMIUM ENDORSEMENT

It is agreed that:

1. DEFINITIONS

With reference to the premium for the Certificate of which this endorsement forms a part:

"Master Worker Policy" means the Master Worker Policy issued by NELIA;

"Certificate Holder" means the first Named Insured in a Certificate issued to form a part of the Master Worker Policy;

"advance premium", for any calendar year, is the estimated standard premium for that calendar year;

"standard premium", for any calendar year, is the premium for that calendar year computed in accordance with the companies' rules, rates, rating plans (other than the Industry Retrospective Rating Plan), premiums and minimum premiums applicable to this insurance. Standard premium includes elements for premium taxes, expenses, profit and contingencies, guaranteed cost insurance and estimated reserve premium. The elements of standard premium, other than for premium taxes and estimated reserve premium, are not subject to retrospective adjustment;

"reserve premium" means that portion of the premium for a Certificate (including reserve premium charges paid) that is specifically allocated under the Industry Retrospective Rating Plan for ratable incurred losses;

"industry reserve premium", for any period, is the sum of the reserve premiums for that period for all Certificates issued to form a part of the Master Worker Policy;

"retrospective adjustment ratio", for any period, is the ratio of the reserve premium for this Certificate for that period to the industry reserve premium for the same period;

"incurred losses" means the sum of all:

- (1) losses and expenses paid by NELIA, and
- (2) reserves for losses and expenses as estimated by NELIA,



because of obligations assumed and expenses incurred in connection with such obligations by the members of NELIA under the Master Worker Policy;

"ratable incurred losses" means 95% of incurred losses. Ratable incurred losses are the portion of incurred losses which are not covered by the guaranteed cost insurance element of standard premiums;

"non-ratable incurred losses" means 5% of incurred losses. Non-ratable incurred losses are the portion of incurred losses which are covered by the guaranteed cost insurance element of standard premiums;

"reserve for refunds", as of any date, is the algebraic difference between:

- (1) all industry reserve premium for the period from January 1, 1988 through such date, minus
- (2) the total for the same period of (a) all ratable incurred losses and (b) all industry reserve premium refunds made under the Industry Retrospective Rating Plan by members of NELIA;

"industry reserve premium charge", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for payment by the Named Insureds under Certificates;

"reserve premium charge" means the portion of an industry reserve premium charge payable by the Named Insureds under this Certificate;

"industry reserve premium refund", for any period, means the amount determined pursuant to the provisions of Section 4 of this endorsement for return to the Named Insureds under Certificates;

"reserve premium refund" means the portion of an industry reserve premium refund returnable to the Named Insureds under this Certificate.

## 2. PAYMENT OF ADVANCE AND STANDARD PREMIUMS

The Named Insureds shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this Certificate through December 31 following. Thereafter, at the beginning of each calendar year while this Certificate is in force, the Named Insureds shall pay the advance premium for such year to the companies.

The advance premium for each calendar year shall be stated in the Advance and Standard Premium Endorsement



for the year issued by the companies as soon as practicable prior to or after the beginning of the year.

As soon as practicable after the end of a calendar year or the Certificate Coverage Period, the standard premium for the preceding year shall be finally determined and stated in the Advance and Standard Premium Endorsement for that year. If the standard premium exceeds the advance premium paid for that year, the Named Insureds shall pay the excess to the companies; if less, the companies shall return to the Named Insureds the excess portion paid.

The Named Insureds shall maintain records of the information necessary for premium computation and shall send copies of such records to the companies as directed, at the end of each calendar year, at the end of the Certificate Coverage Period and at such other times as the companies may direct.

### 3. SPECIAL RESERVE ACCOUNT; USE OF RESERVE PREMIUMS

NELIA shall maintain on behalf of its members a Special Reserve Account for holding collectively all reserve premiums paid for all Certificates issued to form a part of the Master Worker Policy. Such premiums, together with any undistributed net income realized thereon after taxes and investment expenses, shall be used for the following purposes only:

- (1) to pay ratable incurred losses or, in the event ratable incurred losses are paid under the Master Worker Policy from funds advanced by the members of NELIA subscribing the policy, to reimburse such members as a matter of first priority for the funds advanced;
- (2) to refund any amounts so held to the Named Insureds, as provided in Section 4.

No members of NELIA and no Named Insureds shall have any individual interest in or claim upon amounts held in the Special Reserve Account, except to participate proportionally in any refund or reimbursement provided for above.

All reserve premiums paid or payable for this Certificate may be used by NELIA to discharge the obligations of its members under the Master Worker Policy with respect to the above purposes and arising out of claims made under any Certificate issued to form a part of the Master Worker Policy.

#### 4. PAYMENT OF RESERVE PREMIUM CHARGES AND REFUNDS

As soon as practicable after each December 31 the companies will review the status of the reserve for refunds and report their findings to all Certificate Holders.

If, at any time, the companies find that there is a negative balance in the reserve for refunds and that such condition is likely to prevail, they shall determine an appropriate industry reserve premium charge. Similarly, if the companies find that there is a surplus positive balance, they shall determine an appropriate industry reserve premium refund.

The portion of an industry reserve premium charge or an industry reserve premium refund that is:

- (1) payable by the Named Insureds as a reserve premium charge, or
- (2) due such insureds as a reserve premium refund, shall be determined by multiplying the industry reserve premium charge or the industry reserve premium refund by the retrospective adjustment ratio applicable to this Certificate.

The amount of any reserve premium charge shall be stated in a Retrospective Reserve Premium Charge Endorsement. The charge shall be paid promptly after receipt of the endorsement.

When all claims covered by the Master Worker Policy are closed the companies shall make a final review and report, and shall determine a final industry reserve premium charge or industry reserve premium refund equal to the amount of the balance.

#### 5. FINAL PREMIUM

The final premium for this Certificate shall be (a) the sum of the standard premiums for each calendar year, or portion thereof, during which the Certificate remains in force plus (b) the sum of all reserve premiums, including all reserve premium charges, minus (c) the sum of all reserve premium refunds.

#### 6. RESERVE PREMIUM CHARGE AGREEMENT

In consideration of (a) the participation of Named Insureds in other Certificates subject to the Industry Retrospective Rating Plan, (b) the undertaking of such Named Insureds to pay their appropriate share of any industry reserve premium charge and (c) the obligations assumed by the members of NELIA under the Master Worker

Policy, the Named Insureds, by acceptance of the Master Worker Policy, agree:

- (1) That the insurance provided by the Master Worker Policy applies collectively to all claims covered by the policy through any and all Certificates issued to form a part of the policy.
- (2) That the right of each Named Insured under a Certificate to receive reserve premium refunds and the obligation of each such insured to pay reserve premiums charges applies to all claims covered by the Master Worker Policy and continues until all such claims are closed, whether or not such claims were before the inception of the Certificate or after its termination.
- (3) To pay all reserve premium charges due promptly after receipt of the Retrospective Reserve Premium Charge Endorsement, whether or not the Certificate is terminated. Any reserve premium charge shall be overdue if not paid within 60 days of the date of the invoice for the charge.

Overdue reserve premium charges shall bear interest from the due date until paid at an annual rate equal to the sum of (a) 3% plus (b) a rate of interest equal to Moody's Average Public Utility Bond Yield described in the issue of Moody's Bond Survey current on the due date. Any reserve premium refund due to Named Insureds under a Certificate shall be used to pay any overdue reserve premium charges to such Named Insureds.

#### 7. RESERVE PREMIUM REFUND AGREEMENT

Each member of NELIA subscribing the Master Worker Policy for any calendar year, or portion thereof, with respect to which an industry reserve premium refund is determined to be payable thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under the Master Worker Policy for that calendar year, to return promptly to the Named Insureds that portion of such refund due such Insureds, as determined in accordance with the provisions of this endorsement.

Accepted and agreed by the first Named Insured in behalf of itself and every other Named Insured stated in the Declarations of the Certificate of which this endorsement forms a part.

Washington Public Power Supply System  
(First Named Insured - Print or Type)

Date 12-1-87 By Richard A. Bresnahan  
(Signature of Authorized Officer)

R. A. Bresnahan, Corporate Controller  
(Print or Type Name and Title of Officer)

Bonneville Power Administration  
(Named Insured - Print or Type)

Date 12/24/87 By John L. Quattrocchi  
(Signature of Authorized Officer)

(Print or Type Name and Title of Officer)

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, Vice President - Liability Underwriting  
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of  
12:01 A.M. Standard Time of Certificate No. NW-163

Issued to Washington Public Power Supply System

Date of Issue October 19, 1987

For the subscribing companies

By [Signature]  
General Manager

Endorsement No. 1

Countersigned by J. S. Quattrocchi

[illegible]

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

NUCLEAR ENERGY LIABILITY POLICY  
(Facility Worker Form)

herein called the  
MASTER WORKER POLICY

C E R T I F I C A T E O F I N S U R A N C E

Certificate No. NW-163

Date of Issue Jan. 15 19 88

This is to certify that the insureds named in Item 1 of the Declarations hereof, hereinafter called the "Named Insureds", have obtained insurance under the Master Worker Policy issued by Nuclear Energy Liability Insurance Association on behalf of its members. The insurance is subject to all of the provisions of this "Certificate" and the Master Worker Policy.

1

DECLARATIONS

Item 1. Named Insureds and Addresses:

Washington Public Power Supply System  
P.O. Box 968  
Richland, Washington 99352

Item 2. Certificate Coverage Period:

Beginning at 12:01 a.m. January 1, 1988 and ending at the close of December 31, 1992, Eastern Standard Time, or at the time and date this Certificate is cancelled or terminated, whichever first occurs.



Item 3. Description of the Facility:

Location: See Endorsement No. 3

Type: Power Reactor

Operator of the Facility: Washington Public Power Supply System

Item 4. Amount of Insurance Available:

The amount of insurance afforded by the Master Worker Policy through this Certificate shall be determined by Section VIII of the Master Worker Policy and all of the other provisions of the policy relating thereto.

Item 5. Advance Premium: \$ 16,663.00

2  
APPLICATION OF CERTIFICATE

This Certificate applies only to bodily injury to a new worker (1) which is caused during the Certificate Coverage Period by the nuclear energy hazard and (2) which is discovered and for which written claim is first made against an insured under the Certificate within the discovery period of the Master Worker Policy.

3  
INDUSTRY RETROSPECTIVE RATING PLAN

All insurance under the Master Worker Policy is subject to the Industry Retrospective Rating Plan in use by the companies. No insurance is provided under this Certificate unless and until the first Named Insured has accepted in writing the Industry Retrospective Rating Plan Premium Endorsement and a copy of the signed endorsement has been issued by the companies to form a part of this Certificate.



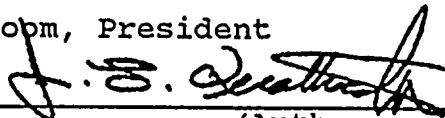


IN WITNESS WHEREOF, the companies subscribing the Master Worker Policy have caused this Certificate to be executed and attested on their behalf by the President of Nuclear Energy Liability Insurance Association and duly countersigned by an authorized representative.

For the Subscribing Companies of  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

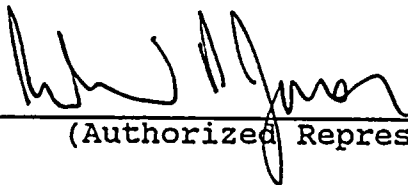
Burt C. Propp, President

By



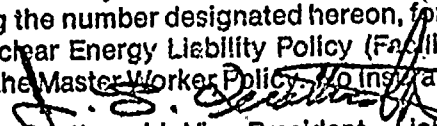
(Authorized Agent)

Countersigned by:



(Authorized Representative)

This is to certify that this is a true copy of the original Certificate bearing the number designated hereon, for insurance coverage under the Nuclear Energy Liability Policy (Facility Workers Form) herein called the Master Worker Policy. No insurance is afforded by this copy.

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

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PART 1  
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