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ACCESSION NBR:8807150156 DOC.DATE: 88/07/01 NOTARIZED: NO DOCKET #
 FACIL:STN-50-528 Palo Verde Nuclear Station, Unit 1, Arizona Publi 05000528
 STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Publi 05000529
 STN-50-530 Palo Verde Nuclear Station, Unit 3, Arizona Publi 05000530
 AUTH.NAME AUTHOR AFFILIATION
 VAN BRUNT,E.E. Arizona Nuclear Power Project (formerly Arizona Public Serv
 RECIP.NAME RECIPIENT AFFILIATION
 Office of Nuclear Reactor Regulation, Director (Post 870411

SUBJECT: Forwards Endorsement 43 to NELIA Policy NF-266 & Endorsement
 25 to MAELU Policy MF-116.

DISTRIBUTION CODE: M001D COPIES RECEIVED:LTR 1 ENCL 1 SIZE: 15
 TITLE: Insurance: Indemnity/Endorsement Agreements

NOTES:Standardized plant. 05000528
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 Standardized plant. 05000530

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Arizona Nuclear Power Project

P.O. BOX 52034 • PHOENIX, ARIZONA 85072-2034

161-01147-EEVB/JRP

July 1, 1988

Docket Nos. STN 50-528/529/530

Director of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, D.C. 20555

Dear Sir:

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2 and 3
Nuclear Liability Coverage
File: 88-A-056-026

Pursuant to 10CFR 140.15, enclosed, please find two certified copies each of Endorsements for the following policies and/or certificates.

1. Endorsement No. 43 to Policy No. NF-266
2. Endorsement No. 25 to Policy No. MF-116
3. Endorsement No. 3 to Policy No. NW-160
4. Endorsement No. 3 to Policy No. MW-86
5. Endorsement No. 4 to Certificate No. N-114
6. Endorsement No. 4 to Certificate No. M-114

Should you have any questions please call.

Very truly yours,

E. E. Van Brunt, Jr.
Executive Vice President
Project Director

EEVB/JRP/pvk
Attachments

cc: G. W. Knighton (all w/attachments)
M. J. Davis
J. B. Martin
T. J. Polich

Mool
4/6

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is understood and agreed that this policy is hereby amended as indicated below.

1. The following are included as Additional Insureds. Except with respect to compliance with the obligations imposed upon the insured by Conditions 5, 6, 7, 8, 9, 10 and 11 of this policy, any obligation imposed upon the Named Insureds (including, without limitation, the liability to pay premiums) shall be the sole obligation of the Named Insureds and not that of any Additional Insured named hereunder.
 - a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware corporation, as their interests may appear, and

Palo Verde Leasing Corporation, a Delaware corporation, as its interests may appear under such Trust Agreement.
 - b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.
2. This policy is further amended as respects each of the above Additional Insureds' interests in Palo Verde Unit 3 as follows:
 - a. It is acknowledged that El Paso Electric Company has waived, as provided in Section 13(a) of the Participation Agreements between the above Additional Insureds and El Paso Electric Company, dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.
 - b. This insurance shall be primary without right of contribution of any other insurance carried by or on behalf of any of the above Additional Insureds, but this paragraph 2.b. does not apply
 - (1) to insurance issued by Mutual Atomic Energy Liability Underwriters which is concurrent with insurance afforded by this policy, or
 - (2) to other nuclear energy liability policies issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters which also applies to the loss.

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- c. Except with respect to the provisions of Condition 2, Inspection; Suspension, the companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of the policy, reduction in the limit of the companies' liability other than by payment of losses and expenses, or substantial reduction of the coverage which was in effect at policy issuance or anniversary date.

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~~ ^{provided} under.

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

Effective Date of
this Endorsement December 31, 1987 To form a part of Policy No NF-266
12:01 A.M. Standard Time

Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the subscribing companies

By *Thomas J. Hartley, Jr.*

General Manager

Endorsement No 43

Countersigned by *Thomas J. Hartley, Jr.*

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100

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT

It is understood and agreed that this policy is hereby amended as indicated below.

1. The following are included as Additional Insureds. Except with respect to compliance with the obligations imposed upon the insured by Conditions 5, 6, 7, 8, 9, 10 and 11 of this policy, any obligation imposed upon the Named Insureds (including, without limitation, the liability to pay premiums) shall be the sole obligation of the Named Insureds and not that of any Additional Insured named hereunder.

- a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware corporation, as their interests may appear, and

Palo Verde Leasing Corporation, a Delaware corporation, as its interests may appear under such Trust Agreement.

- b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.

2. This policy is further amended as respects each of the above Additional Insureds' interests in Palo Verde Unit 3 as follows:

- a. It is acknowledged that El Paso Electric Company has waived, as provided in Section 13(a) of the Participation Agreements between the above Additional Insureds and El Paso Electric Company, dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.

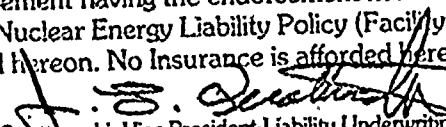
- b. This insurance shall be primary without right of contribution of any other insurance carried by or on behalf of any of the above Additional Insureds, but this paragraph 2.b. does not apply

(1) to insurance issued by Nuclear Energy Liability Insurance Association which is concurrent with insurance afforded by this policy, or

(2) to other nuclear energy liability policies issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters which also applies to the loss.

- c. Except with respect to the provisions of Condition 2, Inspection; Suspension, the companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of the policy, reduction in the limit of the companies' liability other than by payment of losses and expenses, or substantial reduction of the coverage which was in effect at policy issuance or anniversary date.

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, Vice President Liability Underwriting
American Nuclear Insurers

Effective Date of this Endorsement December 31, 1987 To form a part of Policy No MF-116

Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No 25

Countersigned by 
Authorized Representative

1000

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is understood and agreed that this Certificate is hereby amended as indicated below.

1. The following are included as Additional Insureds with respect to their interest under this Certificate. Except with respect to compliance with the obligations imposed on the Insured by provisions of the Master Worker Policy of which this Certificate forms a part, entitled "INSURED'S DUTIES IN CASE OF CLAIMS OR SUITS", "SUBROGATION" and "SUIT", any obligation imposed upon the Named Insureds, designated in the Declarations of this Certificate (including, without limitation, the liability to pay premiums) shall be the sole obligation of such Named Insureds and not that of any Additional Insured named hereunder.

- a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Emerson Capital Corporation (assignee of Emerson Finance Co.), a Delaware corporation, as their interests may appear, and

Emerson Capital Corporation (assignee of Emerson Finance Co.), a Delaware corporation, as its interest may appear under such Trust Agreement.

- b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.

- c. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Burnham Leasing Corporation, a New York corporation, as their interest may appear, and

Burnham Leasing Corporation, a New York corporation, as its interest may appear under such Trust Agreement.

- d. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Commercial Federal Investment Corporation, a Nebraska Corporation, as their interests may appear, and

Commercial Federal Investment Corporation, a Nebraska Corporation, as its interest may appear under such Trust Agreement.

- e. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Chrysler Financial Corporation, a Michigan corporation, as their interests may appear, and

Chrysler Financial Corporation, a Michigan corporation, as its interest may appear under such Trust Agreement.

- f. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Palatine Hills Leasing, Inc., an Illinois corporation, as their interests may appear, and

Palatine Hills Leasing, Inc., an Illinois corporation, as its interest may appear under such Trust Agreement.

- g. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Energy Investments, Inc., a Missouri corporation, as their interests may appear, and

Energy Investments, Inc., a Missouri corporation, as its interest may appear under such Trust Agreement.

- h. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Alexander Hamilton Life Insurance Company of America, a Michigan corporation, as their interests may appear, and

Alexander Hamilton Life Insurance Company of America, a Michigan corporation, as its interest may appear under such Trust Agreement.

- i. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of December 1, 1986, with Commercial Federal Investment Corporation, a Nebraska corporation, as their interests may appear, and

Commercial Federal Investment Corporation, a Nebraska corporation, as its interest may appear under such Trust Agreement.

- j. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of December 1, 1986, with Chrysler Financial Corporation, a Michigan corporation, as their interests may appear, and

Chrysler Financial Corporation, a Michigan corporation, as its interest may appear under such Trust Agreement.

- k. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware Corporation, as their interests may appear, and

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Palo Verde Leasing Corporation, a Delaware Corporation, as its interest may appear under such Trust Agreement.

1. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interests may appear under such Trust Agreement.

2. This Certificate is further amended as follows as respects each of the above Additional Insureds in Palo Verde Units 2 and 3:

- a. It is acknowledged that Arizona Public Service Company and El Paso Electric Company have waived, as provided in Section 13(a) of the Participation Agreements between 1) certain of the above Additional Insureds and Arizona Public Service Company, dated as of August 1, 1986, 2) certain of the above Additional Insureds and El Paso Electric Company, dated as of August 1, 1986, 3) certain of the above Additional Insureds and El Paso Electric Company dated as of December 1, 1986, and 4) certain of the above Additional Insureds and El Paso Electric Company dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.
- b. This insurance shall be primary without right of contribution of any other insurance carried by or on behalf of any of the above Additional Insureds, but this paragraph 2.b. does not apply to insurance issued by Mutual Atomic Energy Liability Underwriters which is concurrent with insurance afforded by this policy.
- c. Except with respect to the provisions of Section XI, "INSPECTION AND SUSPENSION" of the Nuclear Energy Liability Policy (Facility Worker Form) of which this Certificate forms a part, the companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of this Certificate, reduction in the Policy Aggregate limit other than by payment of damages and claim cost, or substantial reduction of the coverage which was in effect at Certificate issuance or anniversary date.

Effective Date of
this Endorsement

January 1, 1988
12:01 A.M. Standard Time

To form a part of Certificate No. NW-160

Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the subscribing companies

By

General Manager

Endorsement No 3

Countersigned by

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. Quattracchi, Vice President - Underwriting
American Nuclear Insurers

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NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT

It is understood and agreed that this Certificate is hereby amended as indicated below.

1. The following are included as Additional Insureds with respect to their interest under this Certificate. Except with respect to compliance with the obligations imposed on the Insured by provisions of the Master Worker Policy of which this Certificate forms a part, entitled "INSURED'S DUTIES IN CASE OF CLAIMS OR SUITS", "SUBROGATION" and "SUIT", any obligation imposed upon the Named Insureds, designated in the Declarations of this Certificate (including, without limitation, the liability to pay premiums) shall be the sole obligation of such Named Insureds and not that of any Additional Insured named hereunder.

- a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Emerson Capital Corporation (assignee of Emerson Finance Co.), a Delaware corporation, as their interests may appear, and

Emerson Capital Corporation (assignee of Emerson Finance Co.), a Delaware corporation, as its interest may appear under such Trust Agreement.

- b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.

- c. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Burnham Leasing Corporation, a New York corporation, as their interest may appear, and

Burnham Leasing Corporation, a New York corporation, as its interest may appear under such Trust Agreement.

- d. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Commercial Federal Investment Corporation, a Nebraska Corporation, as their interests may appear, and

Commercial Federal Investment Corporation, a Nebraska Corporation, as its interest may appear under such Trust Agreement.

- e. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Chrysler Financial Corporation, a Michigan corporation, as their interests may appear, and

Chrysler Financial Corporation, a Michigan corporation, as its interest may appear under such Trust Agreement.

- f. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Palatine Hills Leasing, Inc., an Illinois corporation, as their interests may appear, and

Palatine Hills Leasing, Inc., an Illinois corporation, as its interest may appear under such Trust Agreement.

- g. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Energy Investments, Inc., a Missouri corporation, as their interests may appear, and

Energy Investments, Inc., a Missouri corporation, as its interest may appear under such Trust Agreement.

- h. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of August 1, 1986, with Alexander Hamilton Life Insurance Company of America, a Michigan corporation, as their interests may appear, and

Alexander Hamilton Life Insurance Company of America, a Michigan corporation, as its interest may appear under such Trust Agreement.

- i. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of December 1, 1986, with Commercial Federal Investment Corporation, a Nebraska corporation, as their interests may appear, and

Commercial Federal Investment Corporation, a Nebraska corporation, as its interest may appear under such Trust Agreement.

- j. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of December 1, 1986, with Chrysler Financial Corporation, a Michigan corporation, as their interests may appear, and

Chrysler Financial Corporation, a Michigan corporation, as its interest may appear under such Trust Agreement.

- k. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware Corporation, as their interests may appear, and

Palo Verde Leasing Corporation, a Delaware Corporation, as its interest may appear under such Trust Agreement.

1. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interests may appear under such Trust Agreement.

2. This Certificate is further amended as follows as respects each of the above Additional Insureds in Palo Verde Units 2 and 3:

- a. It is acknowledged that Arizona Public Service Company and El Paso Electric Company have waived, as provided in Section 13(a) of the Participation Agreements between 1) certain of the above Additional Insureds and Arizona Public Service Company, dated as of August 1, 1986, 2) certain of the above Additional Insureds and El Paso Electric Company, dated as of August 1, 1986, 3) certain of the above Additional Insureds and El Paso Electric Company dated as of December 1, 1986, and 4) certain of the above Additional Insureds and El Paso Electric Company dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.
- b. This insurance shall be primary without right of contribution of any other insurance carried by or on behalf of any of the above Additional Insureds, but this paragraph 2.b. does not apply to insurance issued by Nuclear Energy Liability Insurance Association which is concurrent with insurance afforded by this policy.
- c. Except with respect to the provisions of Section XI, "INSPECTION AND SUSPENSION" of the Nuclear Energy Liability Policy (Facility Worker Form) of which this Certificate forms a part, the companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of this Certificate, reduction in the Policy Aggregate limit other than by payment of damages and claim cost, or substantial reduction of the coverage which was in effect at Certificate issuance or anniversary

Effective Date of date.

this Endorsement January 1, 1988 To form a part of Certificate No. MW-86

Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Authorized Representative

Endorsement No. 3

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. Quattrone, Vice President, Facility Underwriting
American Nuclear Insurers

Handwritten text, possibly a signature or initials, oriented vertically on the right side of the page.

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is understood and agreed that this certificate is hereby amended as indicated below.

1. The following are included as Additional Insureds with respect to their interest under primary financial protection. Except with respect to compliance with the obligations imposed upon the insured by Conditions 8, 9, 10 and 11 of Master Policy No. 1, any obligation imposed upon the Named Insureds (including, without limitation, the liability to pay premiums) shall be the sole obligation of the Named Insureds and not that of any Additional Insured named hereunder.

- a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware corporation, as their interests may appear, and

Palo Verde Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.

- b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.

2. This certificate is further amended as respects each of the above Additional Insureds' interest under primary financial protection as follows:

- a. It is acknowledged that El Paso Electric Company has waived, as provided in Section 13(a) of the Participation Agreements between the above Additional Insureds and El Paso Electric Company, dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.

- b. The companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of this certificate, reduction in the Contingent Liability limit other than by payment of losses and expenses, or substantial reduction of the coverage which was in effect at certificate issuance or anniversary date.

Handwritten signature or scribble, possibly reading "A. J. Smith" or similar, located in the center of the page.

- c. If the Additional Insureds listed above have other valid and collectible insurance (other than primary financial protection or concurrent insurance) applicable to excess losses covered by this Master Policy, the insurance afforded by this Master Policy shall be primary insurance under such other 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.

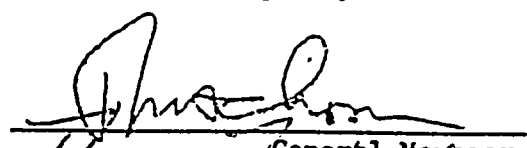

John L. Quattrocchi, Vice President-Liability Underwriting
American Nuclear Insurers

Effective Date of
this Endorsement December 31, 1987 To form a part of Certificate No. N-114
12:01 A.M. Standard Time

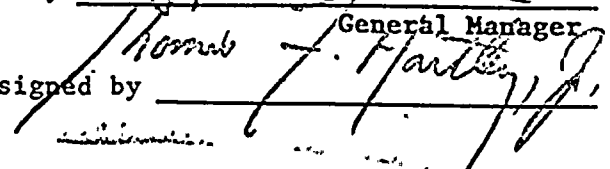
Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the subscribing companies

By 
General Manager

Endorsement No 4

Countersigned by 

Handwritten signature or text, possibly "H. H. H."

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT

It is understood and agreed that this certificate is hereby amended as indicated below.

1. The following are included as Additional Insureds with respect to their interest under primary financial protection. Except with respect to compliance with the obligations imposed upon the insured by Conditions 8, 9, 10 and 11 of Master Policy No. 1, any obligation imposed upon the Named Insureds (including, without limitation, the liability to pay premiums) shall be the sole obligation of the Named Insureds and not that of any Additional Insured named hereunder.
 - a. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Palo Verde Leasing Corporation, a Delaware corporation, as their interests may appear, and

Palo Verde Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.
 - b. The First National Bank of Boston, a national banking association, as trustee under Trust Agreement dated as of November 1, 1987, with Security Pacific Capital Leasing Corporation, a Delaware corporation, as their interests may appear, and

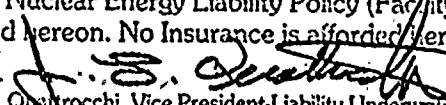
Security Pacific Capital Leasing Corporation, a Delaware corporation, as its interest may appear under such Trust Agreement.
2. This certificate is further amended as respects each of the above Additional Insureds' interest under primary financial protection as follows:
 - a. It is acknowledged that El Paso Electric Company has waived, as provided in Section 13(a) of the Participation Agreements between the above Additional Insureds and El Paso Electric Company, dated as of November 1, 1987, their right of recovery against the above Additional Insureds for loss to which this policy applies.
 - b. The companies will provide The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts 02110, thirty days written notice prior to the effective date of the companies' cancellation of this certificate, reduction in the Contingent Liability limit other than by payment of losses and expenses, or substantial reduction of the coverage which was in effect at certificate issuance or anniversary date.

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- c. If the Additional Insureds listed above have other valid and collectible insurance (other than primary financial protection or concurrent insurance) applicable to excess losses covered by this Master Policy, the insurance afforded by this Master Policy shall be primary insurance under such other 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, Vice President-Liability Underwriting
American Nuclear Insurers

Effective Date of
this Endorsement December 31, 1987 To form a part of Certificate No. M-114

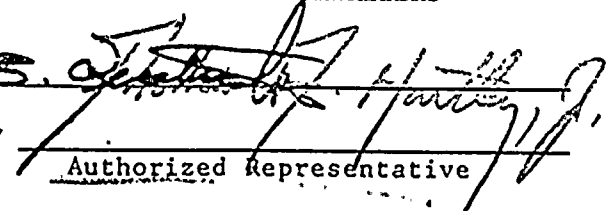
Issued to Arizona Public Service Company, et al

Date of Issue March 28, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Countersigned by 

Endorsement No. 4

Authorized Representative

Handwritten signature or text, possibly "Handwritten" or "Handwritten" with a flourish.