







## Arizona Nuclear Power Project

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

161-01426-DBK/JRP  
October 26, 1988

Docket Nos. STN 50-528/529/530

Document Control Desk  
U.S. Nuclear Regulatory Commission  
Mail Station PL-137  
Washington, D.C. 20555

Dear Sirs:

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

Pursuant to 10CFR140.15 and Section 2(6)(iii) of the Operating License(s), enclosed are two certified copies each of Endorsement No. 9 to Certificate Nos. N-88 and M-88, Endorsement No. 9 to Certificate Nos. N-107 and M-107 and Endorsement No. 5 to Certificate Nos. N-114 and M-114. These Endorsements amend Units 1, 2 and 3 Certificates to the Master Secondary Financial Protection Policies.

Should you have any questions, please call.

Very truly yours,

D. B. Karner  
Executive Vice President

DBK/JRP/pvk

Attachments: Certificate Nos. N-88 and M-88, Endorsement No. 9  
Certificate Nos. N-107 and M-107, Endorsement No. 9  
Certificate Nos. N-114 and M-114, Endorsement No. 5

cc: G. W. Knighton (all w/a)

M. J. Davis  
T. L. Chan  
T. J. Polich  
J. B. Martin

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Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-88  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

1. Item 4. of this certificate is amended to read as follows:

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

(1) Facility Form Policies

(i) Nuclear Energy Liability Insurance  
Association's Policy NF- 266

\$155,000,000

(ii) Mutual Atomic Energy Liability Under-  
writers' Policy MF- 116

\$ 45,000,000

(2) Master Worker Policies (Facility Worker  
Form)

(i) Nuclear Energy Liability Insurance  
Association's Master Worker Policy  
NMWP-1

\$124,000,000

(ii) Mutual Atomic Energy Liability  
Underwriters' Master Worker Policy  
MMWP-1

\$ 36,000,000

(b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:

(1) Waiver of Defenses Endorsement  
(Extraordinary Nuclear Occurrence) and

(2) Supplementary Endorsement - Waiver of  
Defenses - Reactor Construction at the  
Facility.

(c) Sharing of limit(s) of liability provided under the primary financial protection.

(1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.

- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

- (a) all Facility Form Policies identified in Item 4  
(a)(i) of

- (1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (i) the sum of the limit of liability under all such policies, or  
(ii) two hundred million dollars;

- (2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (i) the sum of the limit of liability under said policies, or  
(ii) one hundred sixty million dollars;

- (b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (1) the sum of the limit of liability available under all such Master Worker Policies, or

- (2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of  
this Endorsement

September 1, 1988

To form a part of  
of Certificate No. N-88

12:01 A.M. Standard Time

Issued to Arizona Public Service Company, et al

Date of Issue September 13, 1988

For the Subscribing Companies

By

General Manager

Endorsement No. 9

Countersigned by

1000

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-88  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

1. Item 4. of this certificate is amended to read as follows:

Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

- (1) Facility Form Policies
  - (i) Nuclear Energy Liability Insurance Association's Policy NF-266  
\$155,000,000
  - (ii) Mutual Atomic Energy Liability Underwriters' Policy MF-116  
\$ 45,000,000
- (2) Master Worker Policies (Facility Worker Form)
  - (i) Nuclear Energy Liability Insurance Association's Master Worker Policy NMWP-1  
\$124,000,000
  - (ii) Mutual Atomic Energy Liability Underwriters' Master Worker Policy MMWP-1  
\$ 36,000,000

(b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement (Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.

(c) Sharing of limit(s) of liability provided under the primary financial protection.

- (1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.





THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS REFORMED BY THIS COPY.

JOHN L. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

- (a) all Facility Form Policies identified in Item 4 (a)(i) of
- (1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
    - (i) the sum of the limit of liability under all such policies, or
    - (ii) two hundred million dollars;
  - (2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
    - (i) the sum of the limit of liability under said policies, or
    - (ii) one hundred sixty million dollars;
- (b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (1) the sum of the limit of liability available under all such Master Worker Policies, or
  - (2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of this Endorsement September 1, 1988 To form a part of Certificate No. M-88  
12:01 A.M. Standard Time  
Issued to Arizona Public Service Company, et al  
Date of Issue September 13, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Authorized Representative

Endorsement No. 9

100

Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-107  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

1. Item 4. of this certificate is amended to read as follows:

Item 4. (a) Identification of primary financial protection  
applicable to the nuclear reactor and limit(s)  
of liability thereof:

- (1) Facility Form Policies
  - (i) Nuclear Energy Liability Insurance  
Association's Policy NF- 266  
\$155,000,000
  - (ii) Mutual Atomic Energy Liability Under-  
writers' Policy MF- 116  
\$ 45,000,000
- (2) Master Worker Policies (Facility Worker  
Form)
  - (i) Nuclear Energy Liability Insurance  
Association's Master Worker Policy  
NMWP-1 \$124,000,000
  - (ii) Mutual Atomic Energy Liability  
Underwriters' Master Worker Policy  
MMWP-1 \$ 36,000,000

(b) The following endorsements attached to the  
Facility Form policies identified in subsection  
(a)(1) above also apply to the insurance  
afforded by this Master Policy through this  
certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement  
(Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of  
Defenses - Reactor Construction at the  
Facility.

(c) Sharing of limit(s) of liability provided under  
the primary financial protection.

- (1) The limit of liability provided under each  
Facility Form policy identified in  
subsection (a)(1) above is shared among all  
nuclear reactors on the location described  
in Item 3 of the Declarations of such  
policy.



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CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR  
INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY  
LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO  
INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. GATTI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

2. Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

- (a) all Facility Form Policies identified in Item 4 (a)(i) of
- (1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (i) the sum of the limit of liability under all such policies, or
- (ii) two hundred million dollars;
- (2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (i) the sum of the limit of liability under said policies, or
- (ii) one hundred sixty million dollars;
- (b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (1) the sum of the limit of liability available under all such Master Worker Policies, or
- (2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of this Endorsement September 1, 1988 To form a part of of Certificate No. N-107  
12:01 A.M. Standard Time  
Issued to Arizona Public Service Company, et al  
Date of Issue September 13, 1988

For the Subscribing Companies

By

General Manager

Endorsement No. 9

Countersigned by

1000

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-107  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

1. Item 4. of this certificate is amended to read as follows:

Item 4. (a) Identification of primary financial protection  
applicable to the nuclear reactor and limit(s)  
of liability thereof:

- (1) Facility Form Policies
  - (i) Nuclear Energy Liability Insurance  
Association's Policy NF- 266  
\$155,000,000
  - (ii) Mutual Atomic Energy Liability Under-  
writers' Policy MF- 116  
\$ 45,000,000
- (2) Master Worker Policies (Facility Worker  
Form)
  - (i) Nuclear Energy Liability Insurance  
Association's Master Worker Policy  
NMWP-1  
\$124,000,000
  - (ii) Mutual Atomic Energy Liability  
Underwriters' Master Worker Policy  
MMWP-1  
\$ 36,000,000

(b) The following endorsements attached to the  
Facility Form policies identified in subsection  
(a)(1) above also apply to the insurance  
afforded by this Master Policy through this  
certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement  
(Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of  
Defenses - Reactor Construction at the  
Facility.

(c) Sharing of limit(s) of liability provided under  
the primary financial protection.

- (1) The limit of liability provided under each  
Facility Form policy identified in  
subsection (a)(1) above is shared among all  
nuclear reactors on the location described  
in Item 3 of the Declarations of such  
policy.





THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

JOHN S. QUATTROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

(2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

2. Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

(a) all Facility Form Policies identified in Item 4 (a)(i) of

- (1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
  - (i) the sum of the limit of liability under all such policies, or
  - (ii) two hundred million dollars;

- (2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
  - (i) the sum of the limit of liability under said policies, or
  - (ii) one hundred sixty million dollars;

(b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (1) the sum of the limit of liability available under all such Master Worker Policies, or
- (2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of this Endorsement September 1, 1988 To form a part of Certificate No. M-107  
12:01 A.M. Standard Time  
Issued to Arizona Public Service Company, et al  
Date of Issue September 13, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By [Signature]  
Countersigned by [Signature]  
Authorized Representative

Endorsement No. 9

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Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-114  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

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Item 4. (a) Identification of primary financial protection applicable to the nuclear reactor and limit(s) of liability thereof:

(1) Facility Form Policies

(i) Nuclear Energy Liability Insurance  
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\$155,000,000

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\$ 45,000,000

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Association's Master Worker Policy  
NMWP-1

\$124,000,000

(ii) Mutual Atomic Energy Liability  
Underwriters' Master Worker Policy  
MMWP-1

\$ 36,000,000

(b) The following endorsements attached to the Facility Form policies identified in subsection (a)(1) above also apply to the insurance afforded by this Master Policy through this certificate as though they were attached hereto:

(1) Waiver of Defenses Endorsement  
(Extraordinary Nuclear Occurrence) and

(2) Supplementary Endorsement - Waiver of  
Defenses - Reactor Construction at the  
Facility.

(c) Sharing of limit(s) of liability provided under the primary financial protection.

(1) The limit of liability provided under each Facility Form policy identified in subsection (a)(1) above is shared among all nuclear reactors on the location described in Item 3 of the Declarations of such policy.



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INSURANCE IS AFFORDED BY THIS COPY.

JOHN QUATHROCK  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

2. Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

- (a) all Facility Form Policies identified in Item 4 (a)(i) of
- (1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (i) the sum of the limit of liability under all such policies, or
- (ii) two hundred million dollars;
- (2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (i) the sum of the limit of liability under said policies, or
- (ii) one hundred sixty million dollars;
- (b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of
- (1) the sum of the limit of liability available under all such Master Worker Policies, or
- (2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of this Endorsement September 1, 1988  
12:01 A.M. Standard Time  
Issued to Arizona Public Service Company, et al

To form a part of  
of Certificate No. N-114

Date of Issue September 23, 1988

For the Subscribing Companies

By

General Manager

Endorsement No. 5

Countersigned by

Thomas F. Hartley, Jr.

10. 11. 1964

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-114  
Forming Part of Master Policy No. 1  
Nuclear Energy Liability Insurance  
(Secondary Financial Protection)

Effective September 1, 1988, it is agreed that

1. Item 4. of this certificate is amended to read as follows:

Item 4. (a) Identification of primary financial protection  
applicable to the nuclear reactor and limit(s)  
of liability thereof:

- (1) Facility Form Policies
  - (i) Nuclear Energy Liability Insurance  
Association's Policy NF- 266  
\$155,000,000
  - (ii) Mutual Atomic Energy Liability Under-  
writers' Policy MF- 116  
\$ 45,000,000
- (2) Master Worker Policies (Facility Worker  
Form)
  - (i) Nuclear Energy Liability Insurance  
Association's Master Worker Policy  
NMWP-1  
\$124,000,000
  - (ii) Mutual Atomic Energy Liability  
Underwriters' Master Worker Policy  
MMWP-1  
\$ 36,000,000

(b) The following endorsements attached to the  
Facility Form policies identified in subsection  
(a)(1) above also apply to the insurance  
afforded by this Master Policy through this  
certificate as though they were attached hereto:

- (1) Waiver of Defenses Endorsement  
(Extraordinary Nuclear Occurrence) and
- (2) Supplementary Endorsement - Waiver of  
Defenses - Reactor Construction at the  
Facility.

(c) Sharing of limit(s) of liability provided under  
the primary financial protection.

- (1) The limit of liability provided under each  
Facility Form policy identified in  
subsection (a)(1) above is shared among all  
nuclear reactors on the location described  
in Item 3 of the Declarations of such  
policy.





- (2) The limit of liability provided under each Master Worker Policy (Facility Worker Form) identified in subsection (a)(2) above is shared among all insureds under all Certificates of Insurance issued to be a part of the Master Worker Policies.

2. Only with respect to such insurance as is afforded under this certificate, the first paragraph of Condition 6, PRIMARY FINANCIAL PROTECTION of the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), is amended to read as follows:

(a) all Facility Form Policies identified in Item 4 (a)(i) of

(1) this certificate or any other certificate having an endorsement similar to this endorsement attached to it shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (i) the sum of the limit of liability under all such policies, or  
(ii) two hundred million dollars;

(2) a certificate, other than this certificate or a certificate which has a provision identical to (a)(1) above, shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

- (i) the sum of the limit of liability under said policies, or  
(ii) one hundred sixty million dollars;

(b) all Master Worker Policies (Facility Worker Form) identified in Item 4(a)(2) of a certificate shall be deemed to be exhausted when the sums paid under said policies are equal to the lesser of

(1) the sum of the limit of liability available under all such Master Worker Policies, or

(2) one hundred sixty million dollars plus the amount of all automatic reinstatements of the Policy Aggregate Limit under such policies.

Effective Date of this Endorsement September 1, 1988 To form a part of Certificate No. M-114

12:01 A.M. Standard Time

Issued to Arizona Public Service Company, et al

Date of Issue September 23, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. E. [Signature]

Countersigned by Thomas F. [Signature]

Authorized Representative

Endorsement No. 5

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL CERTIFICATE, BEARING THE NUMBER DESIGNATED HEREON, FOR INSURANCE COVERAGE UNDER THE MASTER POLICY-NUCLEAR ENERGY LIABILITY INSURANCE (SECONDARY FINANCIAL PROTECTION). NO INSURANCE IS AFFORDED BY THIS COPY.

JOHN L. QUATROCCHI  
VICE PRESIDENT-UNDERWRITING  
AMERICAN NUCLEAR INSURERS

10/10/10