

Log # TXX-90124
File # 200, 232
Ref. # 10CFR140.13

TUELECTRIC

March 27, 1990

Director, Office of Nuclear Reactor Regulation
Attn: Mr. Thomas E. Murley
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

SUBJECT: COMANCHE PEAK STEAM ELECTRIC STATION (CPSES)
DOCKET NOS. 50-445 AND 50-446
NUCLEAR LIABILITY INSURANCE AND SECONDARY
FINANCIAL PROTECTION

Gentlemen:

Two certified copies of the following endorsements to our Nuclear Liability Insurance NELIA Policy No. NF-274 have been enclosed for your records.

- No. 29 AMENDATORY ENDORSEMENT
- No. 30 AMENDATORY ENDORSEMENT
- No. 31 AMENDATORY ENDORSEMENT (FACILITY FORM)
- No. 32 INCREASE OF LIMIT OF LIABILITY ENDORSEMENT
- No. 33 ADVANCE PREMIUM AND STANDARD PREMIUM
ENDORSEMENT CALENDAR YEAR 1990

In addition, two certified copies of the MAELU Policy No. MF-131 Declarations and the following endorsements have been enclosed for your records.

- No. 1 INDUSTRY CREDIT RATING PLAN
PREMIUM ENDORSEMENT
- No. 2 WAIVER OF DEFENSES ENDORSEMENTS
(Extraordinary Nuclear Occurrence)
- No. 3 Supplementary Endorsement
Waiver of Defenses
Reactor Construction at the Facility
- No. 4 AMENDATORY ENDORSEMENT
(Indemnified Nuclear Facility)
- No. 5 AMENDMENT OF DEFINITION OF INSURED
(Tennessee Valley Authority)

9004050473 900327
PDR ADDCK 05000445
J FDC

400 N. Olive Dallas, Texas 75201

Madi

- No. 6 AMENDMENT OF COVERAGE ENDORSEMENT
FOR WORKERS CLAIMS
(Facility Form)
- No. 7 AMENDMENT OF CONDITION 4
- No. 8 AMENDATORY ENDORSEMENT
(Facility Form)
- No. 9 ADVANCE PREMIUM ENDORSEMENT and
STANDARD PREMIUM ENDORSEMENT
Calendar Year 1990

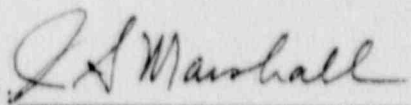
Finally, two certified copies of the Secondary Financial Protection NELIA Certificate No. N-90 and MAELU Certificate No. M-90 and the following endorsements to each certificate have been enclosed for your records.

- No. 1 Amendment to Item 1 of Declarations of the Certificate
- No. 2 SPECIFICATION OF CERTIFICATE EFFECTIVE DATE
AND PREMIUM ENDORSEMENT
- No. 3 Amendment to Item 4 of the Certificate
- No. 4 SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE (for M-90 only)
LIABILITY ENDORSEMENT (SECONDARY FINANCIAL
PROTECTION) CALENDAR YEAR 1990

This information is provided to fulfill the financial protection requirements of 10CFR140.13 with regard to Operating License No. NPF-28 for CPSES Unit 1 and Special Nuclear Material License No. SNM-1986 for CPSES Unit 2.

Sincerely,

William J. Cahill, Jr.

By: 
J. S. Marshall
Generic Licensing Manager

RSB/vld
Enclosures

c - Mr. R. D. Martin, Region IV
Resident Inspectors, CPSES (3)

Nuclear Energy Liability Insurance

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT
(SECONDARY FINANCIAL PROTECTION)
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
 - b. The Certificate shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury or property damage.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

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 GRANTED BY THIS ENDORSEMENT.

J. E. Santolucito
JOHN E. SANTOLUCITO
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. M-90
12:01 A.M. Standard time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of issue February 14, 1990 For the Subscribing Companies
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. E. Santolucito*
Thomas M. Call

Endorsement No. 4 Countersigned by *Thomas M. Call*

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

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 D. MATTEUCCI
VICE PRESIDENT-LIABILITY UNDERWRITING
AMERICAN NUCLEAR INSURERS

Certificate No. M-90

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1 of the Declarations are named insureds under the Master Policy - Nuclear Energy Liability Insurance (Secondary Financial Protection), herein called the "Master Policy", issued by Mutual Atomic Energy Liability Underwriters.

Such insurance as is provided by the Master Policy applies, through this certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection described in Item 4 of the Declarations would apply but for exhaustion of its limit of liability as described in Condition 6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item 6 of the Declarations by a nuclear incident arising out of or in connection with the nuclear reactor described in Item 3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

Declarations

Item 1. Named insureds and addresses:

- (a) Texas Utilities Generating Company, 2001 Bryan Tower, Dallas, TX 75201
- (b) Dallas Power & Light Company, 1506 Commerce Street, Dallas, TX 75201
- (c) Texas Electric Service Company, 115 West Seventh Street, Fort Worth, TX 76101
- (d) Texas Power & Light Company, 1511 Bryan Street, Dallas, TX 75201
- ** (e) Texas Municipal Power Agency, ~~2001 Bryan Tower, Dallas, TX 75201~~
~~XXXXXXX~~
- (f) Brazos Electric Power Cooperative, Inc., 2404 LaSalle Avenue, Waco, TX 76706
- (g) Tex-La Electric Cooperative of Texas, Inc., P.O. Box 1623, Nacogdoches, TX 75961
- (h) Texas Utilities Electric Company, 2001 Bryan Tower, Dallas, TX 75201
- ** (e) Texas Municipal Power Agency, P.O. Box 7000, Bryan, Tx. 77805

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 1 of the Comanche Peak Steam Electric Station located in Somervell, Texas.

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

Nuclear Energy Liability Insurance Association's	
Policy NF- 274	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF-	\$ 36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the 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.

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the 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) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

- Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.
- Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.
- Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$1,125,000
- Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1983 : The pro rata portion of \$1,350.00 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Mutual Atomic Energy Liability Underwriters subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness

Named Insureds:

Peter B. Garblman
SECRETARY

Texas Utilities Generating Company
(Named Insured - Type or Print)

By R. J. Gary (SEAL)
(Signature of Officer)

R. J. GARY Exec. V. P. & General Mgr.
(Type or Print Name & Title of Officer)

Date: 6-10-1983

Dallas Power & Light Company
(Named Insured - Type or Print)

G. H. Hamilton, Jr.
Secretary

By Max H. Tanner, Jr. (SEAL)
(Signature of Officer)

MAX H. TANNER, JR. - Vice Pres.
(Type or Print Name & Title of Officer)

Date: 4/29/83

Texas Electric Service Company
(Named Insured - Type or Print)

W. M. Taylor
SECRETARY

By W. M. Taylor (SEAL)
(Signature of Officer)

W. M. TAYLOR - VICE PRESIDENT
(Type or Print Name & Title of Officer)

Date: 5-2-83

Attest or Witness

Charles M. Carter
SECRETARY

Harold M. Callahan

Lou Raff
Asst. to the Secretary

Richard J. Murphy

Named Insureds:

Texas Power & Light Company
(Named Insured - Type or Print)

By Leon Loveless (SEAL)
(Signature of Officer)

LEON LOVELESS Vice Pres.
(Type or Print Name & Title of Officer)

Date: 4-27-83

Texas Municipal Power Agency
(Named Insured - Type or Print)

By Charles R. Marchant (SEAL)
(Signature of Officer)

Charles R. Marchant - Pres
(Type or Print Name & Title of Officer)

Date: 5-26-83

Brazos Electric Power Cooperative, Inc.
(Named Insured - Type or Print)

By Richard E. McCaskill (SEAL)
(Signature of Officer)

Richard E. McCaskill Exec. Vice Pres.
(Type or Print Name & Title of Officer)

Date: 5-9-83

Tex-La Electric Cooperative of Texas, Inc.
(Named Insured - Type or Print)

By J. D. Nichols (SEAL)
(Signature of Officer)

J. D. Nichols, President
(Type or Print Name & Title of Officer)

Date: 7/7/83

Attest or Witness

Named Insureds:

Texas Utilities Electric Company

(Named Insured - Type or Print)

By Michael J. Jones (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

Texas Utilities Electric Company

(Named Insured - Type or Print)

By E. A. Nye (SEAL)
(Signature of Officer)

E. A. Nye, Executive Vice President

(Type or Print Name & Title of Officer)

Date: November 2, 1983

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

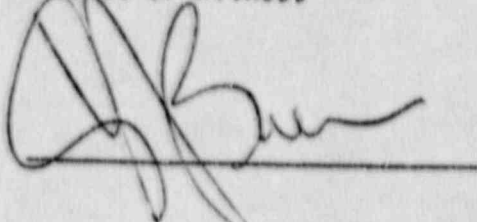
By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

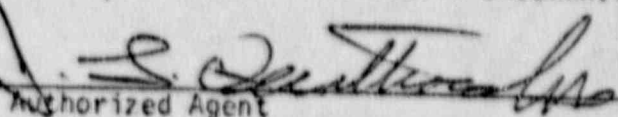
IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by Mutual Atomic Energy Liability Underwriters to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest or Witness

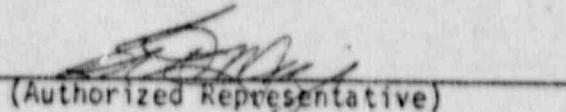


For the Subscribing Companies of
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

BY:


Authorized Agent

Countersigned by


(Authorized Representative)

<u>Subscribing Companies</u>	<u>PROPORTION OF 100%</u>
American Mutual Liability Insurance Company, Wakefield, MA	15.0000000
Employers Insurance of Wausau, A Mutual Company, Wausau, WI	15.0000000
Liberty Mutual Insurance Company, Boston, MA	30.0000000
Lumbermens Mutual Casualty Company, Long Grove, IL	30.0000000
Michigan Mutual Insurance Company, Detroit, MI	5.0000000
Sentry Insurance, A Mutual Company, Stevens Point, WI	5.0000000

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

1. Item 1 of the Declarations of the Certificate is deleted and replaced by the following:

Item 1. Named insureds and addresses:

- (a) Texas Utilities Electric Company, 2001 Bryan Tower,
Dallas, TX 75201
- (b) Texas Municipal Power Agency, P.O. Box 7000,
Bryan, TX 77805

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.

J. S. Quattrocchi
JOHN L. QUATTROCCI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. M-90
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Endorsement No. 1

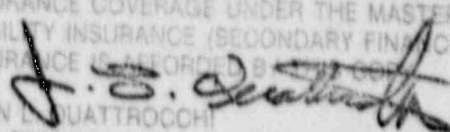
Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SPECIFICATION OF CERTIFICATE EFFECTIVE DATE AND
PREMIUM ENDORSEMENT

It is agreed that:

1. The United States Nuclear Regulatory Commission has issued to the insureds named in Item 1 of the Declarations Operating License No. NPF-28 effective February 8, 1990 for the reactor described in Item 3 of the Declarations of the Certificate.
2. Item 6 of the Declarations of the Certificate is deleted and replaced by the following:
Item 6. Certificate Period: Beginning February 8, 1990, and continuing to the effective date and time of cancellation or termination of the Master Policy or this Certificate, whichever first occurs, eastern standard time.
3. Item 8 of the Declarations of the Certificate is deleted and replaced by the following:
Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1990: \$ 1,512.

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. QUATTROCCHI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. M-90
12:01 A.M. Standard Time

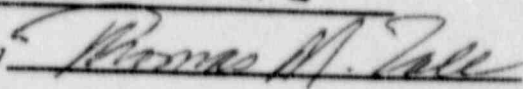
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Countersigned by 

Endorsement No. 2

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ENDORSEMENT TO CERTIFICATE NO. M-90
Forming Part of Master Policy No. 1
Nuclear Energy Liability Insurance
(Secondary Financial Protection)

Effective February 8, 1990, it is agreed that Item 4. of the 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-274 \$155,000,000

(ii) Mutual Atomic Energy Liability Underwriter's
Policy MF-131 \$ 45,000,000

(2) Master Worker Policies (Facility Worker Form)

(i) Nuclear Energy Liability Insurance Association's
Master Worker Policy NMWP-1 \$155,000,000

(ii) Mutual Atomic Energy Liability Underwriter's
Master Worker Policy MMWP-1 \$ 45,000,000

(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.

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 POLICY.

J. S. Quattrocchi
JOHN L. QUATTROCCI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. M-90
12:01 A.M. Standard Time
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency
Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Countersigned by *Thomas M. Zale*
Authorized Representative

Endorsement No. 3

Nuclear Energy Liability Insurance

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

SUBSCRIBING COMPANIES AND THEIR PROPORTIONATE LIABILITY ENDORSEMENT
(SECONDARY FINANCIAL PROTECTION)
CALENDAR YEAR 1990

1. It is agreed that with respect to bodily injury or property damage caused, during the effective period of this endorsement, by the nuclear energy hazard:
 - a. The word "companies" wherever used in the Certificate means the subscribing companies listed below.
 - b. The Certificate shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion, as designated below, of any obligation assumed or expense incurred under the Certificate because of such bodily injury or property damage.
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the effective date that another "Changes In Subscribing Companies And In Their Proportionate Liability Endorsement" changes the Companies and/or their proportions as listed in this endorsement, or to the time of the termination or cancellation of the Certificate, if sooner.

American Motorists Insurance Company	33.33%
Arkwright Insurance Company	33.33%
Liberty Insurance Corporation	33.34%

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.

J. S. Scatena
JOHN S. SCATENA
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. M-90
12:01 A.M. Standard time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of issue February 14, 1990 For the Subscribing Companies
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Scatena*

Endorsement No. 4 Countersigned by *James M. Mc*

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

919 North Michigan Avenue, Chicago 11, Illinois

Nuclear Energy Liability Policy No. MF-131
(Facility Form)

This is to certify that this is a true copy of the original
Endorsement having the endorsement number and being made
of the Nuclear Energy Liability Policy (Facility Form) as des-
ignated hereon. No insurance is afforded hereunder.

DECLARATIONS

John L. [Signature]
American Nuclear Insurance

Item 1. Named Insured Texas Utilities Electric Company and Texas Municipal Power Agency

Address 2001 Brynn Tower Dallas, Texas 75201
(No. Street Town or City State)

Item 2. Policy Period: Beginning at 12:01 A.M. on the 8th day of February, 1990,
and continuing through the effective date of the cancelation or termination of this policy, standard time at the address
of the named insured as stated herein.

Item 3. Description of the Facility:

Location All of the premises including the land and all buildings and structures
of Texas Utilities Generating Company's Comanche Peak Steam Electric Station
shown as being within the boundaries outlined in yellow on Texas Utilities
Services, Inc.'s Site Map and Insurance Site Description designated as Drawing
Number FSC-00470 dated March, 1987, a copy of which is attached hereto and
made a part hereof. The Comanche Peak Steam Electric Station is located on
the South Bank of the Squaw Creek Reservoir near the town of Glenrose in Somervell
County, Texas, approximately thirty-five (35) miles Southwest of Fort Worth
and sixty-seven (67) miles Southwest of Dallas, Texas.

Type Power Reactor

The Operator of the facility is Texas Utilities Electric Company

Item 4. The limit of the companies' liability is \$45,000,000. subject to all the terms of this policy having
reference thereto.

Item 5. Advance Premium \$ 101,665.79

Item 6. These declarations and the schedules forming a part hereof give a complete description of the facility, insofar as it
relates to the nuclear energy hazard, except as noted no exceptions

Date of Issue February 14, 1990

Countersigned by

[Signature]
Authorized Representative

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

INDUSTRY CREDIT RATING PLAN
PREMIUM ENDORSEMENT

It is agreed that Condition 1 of the policy is replaced by the following:

CONDITION 1. PREMIUM

- (1) Definitions: With reference to the premium for this 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 Credit Rating Plan), premiums and minimum premiums applicable to this insurance;

"reserve premium" means that portion of the standard premium paid to the companies and specifically allocated under the Industry Credit Rating Plan for incurred losses. The amount of the "reserve premium" for this policy for any calendar year during which this policy is in force is the amount designated as such in the Standard Premium Endorsement for that calendar year;

"industry reserve premium," for any calendar year, is the sum of the reserve premiums for that calendar year for all Nuclear Energy Liability Policies issued by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan;

"policy refund ratio", for any calendar year, is the ratio of the named insured's reserve premium for that calendar year to the industry reserve premium for that calendar year;

"incurred losses" means the sum of:

- (1) All losses and expenses paid by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters, and
- (2) All reserves for unpaid losses and expenses as estimated by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters

because of obligations assumed and the expenses incurred in connection with such obligations by members of American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters under all Nuclear Energy

Liability Policies issued by American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters and subject to the Industry Credit Rating Plan:

"reserve for refunds," at the end of any calendar year, is the amount by which (1) the sum of all industry reserve premiums for the period from January 1, 1957 through the end of such calendar year exceeds (2) the total for the same period of (a) all incurred losses, valued as of the next following July 1, and (b) all reserve premium refunds made under the Industry Credit Rating Plan by members of American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters;

"industry reserve premium refund," for any calendar year, is determined by multiplying the reserve for refunds at the end of the ninth calendar year thereafter by the ratio of the industry reserve premium for the calendar year for which the premium refund is being determined to the sum of such amount and the total industry reserve premiums for the next nine calendar years thereafter, provided that the industry reserve premium refund for any calendar year shall in no event be greater than the industry reserve premium for such calendar year.

- (2) Payment of Advance and Standard Premiums. The named insured shall pay the companies the advance premium stated in the declarations, for the period from the effective date of this policy through December 31 following. Thereafter, at the beginning of each calendar year while this policy is in force, the named insured shall pay the advance premium for such year to the companies. The advance premium for each calendar year shall be stated in the Advance Premium Endorsement for such calendar year issued to the named insured as soon as practicable prior to or after the beginning of such year.

As soon as practicable after each December 31 and after the termination of this policy, the standard premium for the preceding calendar year shall be finally determined and stated in the Standard Premium Endorsement for that calendar year. If the standard premium so determined exceeds the advance premium previously paid for such calendar year, the named insured shall pay the excess to the companies; if less, the companies shall return to the named insured the excess portion paid by such insured.

The named insured 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 policy period and at such other times during the policy period as the company may direct.

- (3) Use of Reserve Premiums. All reserve premiums paid or payable for this policy may be used by the members of Mutual Atomic Energy

Liability Underwriters to discharge their obligations with respect to incurred losses whether such losses are incurred under this policy or under any other policy issued by American Nuclear Insurers or Mutual Atomic Energy Liability Underwriters.

- (4) Reserve Premium Refunds. A portion of the reserve premium for this policy for the first calendar year of any group of ten consecutive calendar years shall be returnable to the named insured provided there is a reserve for refunds at the end of the tenth calendar year.
- (5) Computation of Reserve Premium Refunds. The reserve premium refund due the named insured for any calendar year shall be determined by multiplying any industry reserve premium refund for such calendar year by the policy refund ratio for such calendar year. The reserve premium refund for any calendar year shall be finally determined as soon as practicable after July 1 of the tenth calendar year thereafter.
- (6) Final Premium. The final premium for this policy shall be the sum of standard premiums for each calendar year, or portion thereof, during which this policy remains in force less the sum of all refunds of reserve premiums due the named insured under the provisions of this Condition 1.
- (7) Reserve Premium Refund Agreement. Each member of Mutual Atomic Energy Liability Underwriters subscribing this policy for any calendar year, or portion thereof, thereby agrees for itself, severally and not jointly, and in the respective proportion of its liability assumed under this policy for that calendar year, to return to the named insured that portion of any reserve premium refund due the named insured for that calendar year, determined in accordance with the provisions of this Condition 1.

Effective Date of
this Endorsement

February 8, 1990

12:01 A.M. Standard Time

To Form a Part

of Policy No. MF-131

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

BY

Countersigned by

Authorized Representative

Endorsement No. 1

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 des-
ignated herein. No Insurance is affected hereunder.

J. E. Quattrone
John E. Quattrone, Vice President/Underwriter
American Nuclear Insurers

ME-17

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

WAIVER OF DEFENSES ENDORSEMENT (Extraordinary Nuclear Occurrence)

The named insured, acting for himself and every other insured under the policy, and the members of the Mutual Atomic Energy Liability Underwriters agree as follows:

1. With respect to any extraordinary nuclear occurrence to which the policy applies as proof of financial protection and which
 - (a) arises out of or results from or occurs in the course of the construction, possession, or operation of the facility, or
 - (b) arises out of or results from or occurs in the course of the transportation of nuclear material to or from the facility,

the insureds and the companies agree to waive

- (1) any issue or defense as to the conduct of the claimant or the fault of of the insureds, including but not limited to:
 - (i) negligence,
 - (ii) contributory negligence,
 - (iii) assumption or risk, and
 - (iv) unforeseeable intervening causes, whether involved the conduct of a third person, or an act of God,
- (2) any issue or defense as to charitable or governmental immunity, and
- (3) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his bodily injury or property damage and the cause thereof, but in no event more than twenty years after the date of the nuclear incident.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action.

2. The waivers set forth in paragraph 1. above do not apply to
 - (a) bodily injury or property damage which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;
 - (b) bodily injury sustained by any claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workers' compensation or occupational disease law;
 - (c) any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any state law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law.

3. The waivers set forth in paragraph 1. above shall be effective only with respect to bodily injury or property damage to which the policy applies under its terms other than this endorsement; provided, however that with respect to bodily injury or property damage resulting from an extraordinary nuclear occurrence, Insuring Agreement IV, "Application of Policy," shall not operate to bar coverage for bodily injury or property damage (a) which is caused during the policy period by the nuclear energy hazard and (b) which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence. Such waivers shall not apply to, or prejudice the prosecution or defense of any claim or portion of claim which is not within the protection afforded under (a) the provisions of the policy applicable to the financial protection required of the named insured; (b) the agreement of indemnification between the named insured and the Nuclear Regulatory Commission made pursuant to Section 170 of the Atomic Energy Act of 1954, as amended; and (c) the limit of liability provisions of Subsection 170 e. of the Atomic Energy Act of 1954 as amended.

Such waivers shall not preclude a defense based upon the failure of the claimant to take reasonable steps to mitigate damages.

4. Subject to all of the limitations stated in this endorsement and in the Atomic Energy Act of 1954, as amended, the waivers set forth in paragraph 1. above shall be judicially enforceable in accordance with their terms against any insured in an action to recover damages because of bodily injury or property damage to which the policy applies as proof of financial protection.
5. As used herein: "extraordinary nuclear occurrence" means an event which the Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended. "financial protection" and "nuclear incident" have meanings given them in the Atomic Energy Act of 1954, as amended. "claimant" means the person or organization actually sustaining the bodily injury or property damage and also include his assignees, legal representatives and other persons or organizations entitled to bring an action for damages on account of such injury or damage.

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No. MF-131
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

This is to certify that this is a true copy of the Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form No. 1) as issued hereunder.

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

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

Endorsement No. 2

Countersigned by

Thomas M. Tull
AUTHORIZED REPRESENTATIVE

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Supplementary Endorsement
Waiver of Defenses
Reactor Construction at the Facility

It is agreed that in construing the application of paragraph 2 (b) of the Waiver of Defenses Endorsement with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

- (1) the claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and
- (2) no operating license has been issued by the Nuclear Regulatory Commission with respect to the nuclear reactor, and
- (3) the claimant is not employed in connection with the possession, storage, use or transfer of nuclear material at the facility.

Effective Date of this Endorsement February 8, 1990 To Form a Part of Policy No. ME-131
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date February 14, 1990

For the Subscribing Companies
Mutual Atomic Energy Liability Underwriters

By

J. E. Quattrocchi

Endorsement No. 3

Countersigned by

Thomas M. Zull
Authorized Representative

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 herein. No insurance is afforded hereunder.

ME-39a

J. E. Quattrocchi
John E. Quattrocchi, Vice President-Underwriting
American Nuclear Insurers

Nuclear Energy Liability Insurance

Mutual Atomic Energy Liability Underwriters

AMENDATORY ENDORSEMENT
(Indemnified Nuclear Facility)

It is agreed that:

I. In Insuring Agreement III, "DEFINITIONS"

- A. The first sentence of the definition of "nuclear facility" is amended to read:

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters.

- B. The definition of "indemnified nuclear facility" is replaced by the following:

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or by Mutual Atomic Energy Liability Underwriters, or

- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat;

- C. Solely with respect to an "insured shipment" to which this policy applies as proof of financial protection required by the Nuclear Regulatory Commission, Subdivision (2) of the definition of "nuclear energy hazard" is amended to read:

- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including the handling and temporary storage incidental thereto, within

- (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or

- (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within the territorial limits described in (a) above and there are no deviations in the course of the

(b) transportation for the purpose of going to any other (cont) country, state or nation, except a deviation in the course of said transportation for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

D. The definition of "insured shipment" is replaced with the following:

"insured shipment" means a shipment of source material, special nuclear material, spent fuel or waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material", (1) to the facility from any location except an indemnified nuclear facility but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

E. As used herein, "financial protection" has the meaning given it in the Atomic Energy Act of 1954, as amended.

II. Insuring Agreement IV is replaced by the following:

IV APPLICATION OF POLICY This policy applies only to bodily injury or property damage (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured, not later than ten years after the end of the policy period.

III. Condition 2 is replaced by the following:

2 INSPECTION; SUSPENSION The companies shall at any time be permitted but not obligated to inspect the facility and all operations relating thereto and to examine the insured's books and records as far as they relate to the subject of this insurance and any property insurance afforded the insured through any company who is a member of Mutual Atomic Energy Reinsurance Pool. If a representative of the companies discovers a condition which he believes to be unduly dangerous with respect to the nuclear energy hazard, a representative of the companies may request that such condition be corrected without delay. In the event of non-compliance with such request, a representative of the companies may, by notice to the named insured, to any other person or organization considered by the companies to be responsible for the continuation of such dangerous condition, and to the United States Nuclear Regulatory Commission, suspend this insurance with respect to the named insured and such other person or organization effective 12:00 midnight of the next business day of such Commission following the date that such Commission receives such notice. The period of such suspension shall terminate as of the time stated in a written notice from the companies to the named insured and to each such person or organization that such condition has been corrected.

Neither the right to make such inspections and examinations nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the insured or others, to determine or warrant that such facility or operations are safe or healthful, or are in compliance with any law, rule or regulation. In consideration of the issuance or continuation of this policy, the insured agrees that neither the companies nor any persons or organizations making such inspections or examinations on their behalf shall be liable with respect to injury to or destruction of property at the facility, or any consequential loss or expense resulting therefrom, or any loss resulting from interruption of business or manufacture, arising out of the making of or a failure to make any such inspection or examination, or any report thereon, or any such suspension of insurance, but this provision does not limit the contractual obligations of the companies under this policy or any policy affording the insured property insurance through any company who is a member of Mutual Atomic Energy Reinsurance Pool.

IV. Condition 4 is replaced by the following:

- 4 LIMITATION OF LIABILITY; COMMON OCCURRENCE Any occurrence or series of occurrences resulting in bodily injury or property damage arising out of the radioactive, toxic, explosive or other hazardous properties of
- (a) nuclear material discharged or dispersed from the facility over a period of days, weeks, months, or longer and also arising out of the properties of other nuclear material so discharged or dispersed from one or more other nuclear facilities insured under any Nuclear Energy Liability Policy (Facility Form) issued by Mutual Atomic Energy Liability Underwriters, or
 - (b) source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content in the course of transportation for which insurance is afforded under this policy and also arising out of such properties of other source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content in the course of transportation for which insurance is afforded under one or more other Nuclear Energy Liability Policies (Facility Form) issued by Mutual Atomic Energy Liability Underwriters,

shall be deemed to be a common occurrence resulting in bodily injury or property damage caused by the nuclear energy hazard.

With respect to such bodily injury and property damage (1) the total aggregate liability of the members of the Mutual Atomic Energy Liability Underwriters under all Nuclear Energy Liability Policies (Facility Form), including this policy, applicable to such common occurrence shall be the sum of the limits of liability of all such policies,

the limit of liability of each such policy being as determined by Condition 3 thereof, but in no event shall such total aggregate liability of such members exceed \$36,000,000; (2) the total liability of the companies under this policy shall not exceed that proportion of the total aggregate liability of the members of Mutual Atomic Energy Liability Underwriters, as stated in clause (1) above, which (a) the limit of liability of this policy, as determined by Condition 3, bears to (b) the sum of the limits of liability of all such policies issued by such members, the limit of liability of each such policy being as determined by Condition 3 thereof.

The provisions of this condition shall not operate to increase the limit of the companies' liability under this policy.

V. The second paragraph of Condition 12, "OTHER INSURANCE", is amended to read:

If the insured has other valid and collectible insurance (other than such concurrent insurance or any other nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters to any person or organization) applicable to loss or expense covered by this policy, the insurance afforded by this policy shall be excess insurance over such other insurance; provided, with respect to any person who is not employed at and in connection with the facility, such insurance as is afforded by this policy for bodily injury to an employee of the insured arising out of and in the course of his employment shall be primary insurance under such other insurance.

VI. Paragraph (c) of Condition 16, "COMPANY REPRESENTATION", is amended to read:

(c) Mutual Atomic Energy Liability Underwriters is the agent of the companies with respect to all matters pertaining to this insurance. All notices or other communications required by this policy to be given to the companies may be given to such agent, at its office at One East Wacker Drive, Chicago, Illinois 60601, with the same force and effect as if given directly to the companies. Any requests, demands or agreements made by such agent shall be deemed to have been made directly by the companies.

Effective Date of

This Endorsement February 8, 1990

12:01 A.M. Standard Time

To Form a Part

of Policy No. MF-131

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

By J. E. Smith

Endorsement No. 4

Countersigned by Thomas A. Tule

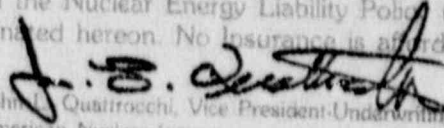
This is to certify that this is a true copy of the original
Endorsement having the endorsement number and being made part
of the Nuclear Energy Liability Policy (Facility Form) as des-
ignated herein. No further action is required hereunder.
John L. Gostrowski, Vice President-Underwriting
American Nuclear Insurers

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF DEFINITION OF INSURED
(Tennessee Valley Authority)

It is agreed that regardless of the provisions of the second paragraph of Insuring Agreement II, part (b) of the Definition of Insured includes as an insured the Tennessee Valley Authority with respect to its legal responsibility for damages because of bodily injury or property damage caused by the nuclear energy hazard.

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.

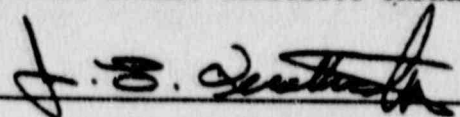

John L. Quattrocchi, Vice President-Underwriting
American Nuclear Insurers

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No ME-131
12:01 A.M. Standard Time

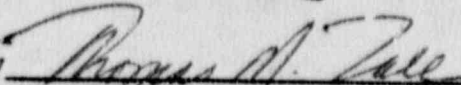
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990 For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No 5

Countersigned by 
Authorized Representative

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

It is agreed that:

1. DEFINITIONS

When used in reference to this endorsement:

"this policy" means the policy of which this endorsement forms a part;

"nuclear related employment" means all work performed at one or more than one nuclear facility in the United States of America or in connection with the transportation of nuclear material to or from any such facility. All of a worker's nuclear related employment shall be considered as having begun on the first day of such employment, regardless of the number of employers involved or interruptions in such employment;

"worker" refers to a person who is or was engaged in nuclear related employment;

"workers claims" means claims for damages because of bodily injury to a worker caused by the radioactive, toxic, explosive or other hazardous properties of nuclear material and arising out of or in the course of the worker's nuclear related employment;

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an "extraordinary nuclear occurrence" as defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

2. APPLICATION OF THIS ENDORSEMENT

This endorsement applies only to such insurance as is afforded by this policy for workers claims which do not arise in whole or in part out of an extraordinary nuclear occurrence.

3. EXCLUSION OF NEW WORKERS CLAIMS

This policy does not apply to bodily injury to a worker which arises in whole or in part out of nuclear related employment that begins on or after January 1, 1988.

4. APPLICATION OF POLICY TO WORKERS CLAIMS NOT EXCLUDED

With respect to such insurance as is afforded by this policy for workers claims which are not excluded, Insuring Agreement IV does not apply and the following Insuring Agreement IV-A does apply:

IV-A APPLICATION OF POLICY TO WORKERS CLAIMS

This policy applies only to bodily injury (1) which is caused during the policy period by the nuclear energy hazard and (2) which is discovered and for which written claim is made against the insured not later than the close of December 31, 1997.

5. AVAILABILITY OF SUPPLEMENTAL INSURANCE

NELIA and MAELU are offering to make insurance under one or more Master Worker Policies available to all holders of Nuclear Energy Liability Policies (Facility Form). THIS OFFER IS CONTINGENT ON SUFFICIENT SUPPORT FROM POLICYHOLDERS, AND MAY BE WITHDRAWN OR MODIFIED BY MAELU OR NELIA AS THEY DEEM NECESSARY OR APPROPRIATE.

The Master Worker Policies will provide, under their separate terms and conditions, coverage for new workers claims. Premiums will be subject to a separate Industry Retrospective Rating Plan.

COVERAGE UNDER THE NEW MASTER WORKER POLICIES IS NOT AUTOMATIC. A WRITTEN REQUEST MUST BE SUBMITTED TO MAELU OR NELIA THROUGH REGULAR MARKET CHANNELS.

It is understood and agreed that all of the provisions of this endorsement shall remain in full force and effect without regard to this Section 5, and without regard to whether or not the Named Insureds become insureds under the Master Worker Policies, or whether or not MAELU or NELIA terminate such policies or withdraw or modify their offer to underwrite such policies.

Effective Date of
this Endorsement

February 8, 1990
12:01 A.M. Standard Time

To form a part
of Policy No MF-131

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

J. S. [Signature]

Endorsement No 6

Countersigned by

Thomas M. Zall
Authorized Representative

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 des-
ignated herein. No Insurance is provided hereunder.
John L. Quattrone, Vice President Underwriting
American Nuclear Insurers

- (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request.

COVERAGE B - DAMAGE TO PROPERTY OF AN INSURED AWAY FROM THE FACILITY

With respect to property damage caused during the policy period by the nuclear energy hazard to the property of an insured which is away from the facility, to pay to such insured those sums which such insured would have been legally obligated to pay as covered damages therefor, had such property belonged to another.

COVERAGE C - SUBROGATION - OFFSITE EMPLOYEES

With respect to bodily injury caused during the policy period by the nuclear energy hazard to any employee of an insured, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period, to pay to the workmen's compensation carrier of such insured as follows:

All sums which such carrier would have been entitled to recover and retain as damages from another person or organization, had such person or organization alone been legally responsible for such bodily injury, by reason of the rights acquired by subrogation by the payment of the benefits required of such carrier under the applicable workmen's compensation or occupational disease law. An employer who is a duly qualified self-insurer under such law shall be deemed to be a workmen's compensation carrier within the meaning of this Coverage.

This Coverage does not apply to bodily injury to any person who is employed at and in connection with the facility; nor shall it constitute workmen's compensation insurance as required under the laws of any state.

2. INSURING AGREEMENT II is replaced by the following:

II DEFINITION OF INSURED

The unqualified word "insured" includes (a) the named insured and (b) any other person or organization with respect to his legal responsibility for covered damages or covered environmental cleanup costs because of bodily injury, property damage or environmental damage caused by the nuclear energy hazard.

Subdivision (b) above does not include as an insured the United States of America or any of its agencies, except the Tennessee Valley Authority.

Subject to CONDITION 3 and the other provisions of this policy, the insurance applies separately to each insured against whom claim is made or suit is brought.

3. INSURING AGREEMENT III is replaced by the following:

III DEFINITIONS Wherever used in this policy:

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"covered damages" means damages because of bodily injury or property damage to which this policy applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (1) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (2) imposed by any governmental laws, regulations or ordinances.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as

defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters, or
- (2) any other nuclear facility,

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat.

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material,"

- (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or
- (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

"nuclear energy hazard" means the radioactive, toxic, explosive or other hazardous properties of nuclear material, but only if

- (1) the nuclear material is at the facility or has been discharged or dispersed therefrom without intent to relinquish possession or custody thereof to any other person or organization, or
- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
 - (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or
 - (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within

the territorial limits described in (a) above and there is no deviation in the course of the transportation for the purpose of going to any other country, state or nation, except for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters. The term "nuclear facility" also means

- (1) any nuclear reactor,
- (2) any equipment or device designed or used for
 - (a) separating the isotopes of uranium or plutonium,
 - (b) processing or utilizing spent fuel, or
 - (c) handling, processing or packaging waste,
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"nuclear material" means source material, special nuclear material or byproduct material.

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission or a self-sustaining chain reaction or to contain a critical mass of fissionable material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the facility, whether the material is on, above or below the surface of the ground.

"on-site property damage" includes all property damage to any property at the facility, whether the property is on, above or below the surface of the ground, other than aircraft, watercraft or vehicles licensed for highway use.

provided such aircraft, watercraft or vehicles are not used in connection with the operation of the facility.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of contamination.

"source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in any nuclear reactor.

"the facility" means the facility described in the declarations and includes the location designated in Item 3 of the declarations and all property and operations at such location.

"transportation incident" means a discharge or dispersal of nuclear material from an insured shipment caused by collision or upset of the transporting conveyance, or an accident that breaks open, punctures or ruptures the shipping containers or containment thereon; but only if both the discharge or dispersal and the collision, upset or accident take place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling and temporary storage incidental thereto.

"waste" means any waste material

- (1) containing byproduct material and
- (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof.

4. INSURING AGREEMENT IV is replaced by the following and INSURING AGREEMENT IV-A added by the "Amendment of Coverage Endorsement for Workers Claims (Facility Form)" continues to apply:

IV LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by INSURING AGREEMENT I:

- (1) The companies will defend the claim or suit unless the companies and the first named insured mutually agree on a different defense arrangement. By making

such a defense, the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.

- (2) As soon as practicable, the first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
 - (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
 - (4) The companies shall have a right to contribution from the first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by the first named insured of all such excess costs paid by the companies.
 - (5) If the companies and the first named insured cannot agree on the companies' share of defense costs, the dispute shall be submitted, as a condition precedent to any right of recovery on this policy, to arbitration for a final and binding resolution, as provided in Condition 19.
5. In EXCLUSIONS (d) and (e), and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
6. EXCLUSION (f) is replaced by the following exclusion:
[This policy does not apply:]
(f) to on-site property damage;
7. In CONDITION 3, and in all endorsements to this policy modifying the dollar amount of the limit of liability stated in Item 4 of the declarations, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
8. In CONDITION 4, and in all endorsements to this policy modifying the dollar amount of the total aggregate liability of the companies with respect to a common occurrence:
 - (a) the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage"; and
 - (b) the words "bodily injury and property damage" are replaced by "bodily injury, property damage and environmental damage."

9. In CONDITIONS 5, 11, 15 and 18, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
10. CONDITION 19, DECLARATIONS, and CONDITION 20, MUTUAL POLICY CONDITION, are renumbered CONDITIONS 20 and 21.
11. The following CONDITION is added to the policy:

19 ARBITRATION OF DISPUTES RELATING TO THE APPLICATION OF INSURING AGREEMENT IV

All such disputes subject to paragraph (5) of INSURING AGREEMENT IV shall be submitted to a Board of Arbitration (the "Board") for a final and binding resolution of the dispute.

There shall be two parties to the arbitration: the first named insured, acting on behalf of all insureds as their duly authorized representative, and Nuclear Energy Liability Insurance Association, acting on behalf of the companies as their duly authorized representative.

Except to the extent the parties mutually agree otherwise, the following principles will apply:

- (a) The arbitration will take place in New York, New York, and will be governed by the laws of the State of New York.
- (b) Either party may begin the process of arbitration by giving notice to the other party in writing of its intention to do so and the name of the arbitrator that it has appointed.
- (c) The other party shall then appoint in writing an arbitrator, and the arbitrators shall appoint in writing an umpire before they begin the arbitration. The umpire shall act as chairman of the Board.
- (d) If a party fails to name its arbitrator within thirty (30) days of the other party's written request that it do so, the requesting party may appoint an arbitrator for the party in default.
- (e) If the two arbitrators fail to agree on the selection of an umpire within thirty (30) days after they have both been appointed, each of them shall name two, of whom the other shall decline one. The choice shall be made by drawing lots.
- (f) The arbitrators and umpire shall be executive officers or former executive officers of insurance companies licensed to do business in the United States or of organizations designated as the first named insured under a Nuclear Energy Liability Policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters; provided that the current employees of the following shall not be eligible for service

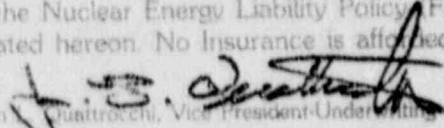
without the consent of both parties:

- (1) any party or likely party to the underlying claim or suit;
 - (2) American Nuclear Insurers, MAERP Reinsurance Association or their members; or
 - (3) any other insurer or reinsurer which has casualty insurance or reinsurance in force on any of the foregoing which may be materially affected by the Board's decision.
- (g) Within thirty (30) days after the appointment of the umpire, each party shall submit its case in writing to the Board.
- (h) The Board shall determine its rules of procedure, and the nature and extent of any discovery, testimony, examination or cross-examination of witnesses and oral argument permitted. The decision of any two members of the Board shall be final and binding on all parties. All discovery, submissions of evidence, hearing of witnesses and argument shall be completed within sixty (60) days of the appointment of the umpire, provided the Board may grant one extension of thirty (30) days.
- (i) The arbitrators and the umpire are not to be bound by any strict rules of legal procedure, evidence or legal precedents. They shall, however, be governed by the terms of this policy, and shall have no power to add to or change its provisions. Subject to this admonition, they shall interpret the relevant provisions of this policy as an honorable business agreement, and shall be entitled to decide, in accordance with such provisions together with the other materials submitted to them, what they think is the fair and right thing to be done between the parties from a business point of view, without favoring the interest of either party.
- (j) The Board shall make its award in writing within thirty (30) days after the close of the period, including any extension granted, described in paragraph (h) above.
- (k) If the Board fails to make an award within the time prescribed by paragraph (j) above, then unless an extension is agreed to by the parties, a new arbitration shall be commenced and completed in accordance with the procedure set out in paragraphs (a) through (j) above.
- (l) The award of the Board signed by any two members shall be final, not subject to appeal and binding on all parties, including all insurers subscribing the policy and all insureds thereunder. The award shall be treated as a matter involving interstate commerce, and may be filed or confirmed in any court of competent jurisdiction, state or federal, and judgment thereon entered and enforced, in accordance with the law and practice of the forum.

- (m) Unless the Board decides otherwise, each party shall pay the expenses of the arbitrator appointed by or for it and one half of the other costs of arbitration.
- (n) If an arbitrator or umpire is unable or unwilling to act, a new arbitrator or umpire, as the case may be, shall be appointed to act in his or her place, in accordance with the provisions set forth above.
- (o) All materials relevant to the arbitration shall be submitted to the Board in triplicate and the filing party shall send simultaneously a copy thereof to the opposing party.

12. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under this policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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 J. Quattrocchi, Vice President-Underwriting
American Nuclear Insurers

10

Effective Date of
this Endorsement February 8, 1990 To form a part of Policy No. MF-131
12:01 A.M. Standard Time

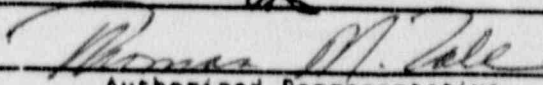
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Countersigned by 

Authorized Representative

Endorsement No. 8

ME-71 (1/1/90)

- (m) Unless the Board decides otherwise, each party shall pay the expenses of the arbitrator appointed by or for it and one half of the other costs of arbitration.
- (n) If an arbitrator or umpire is unable or unwilling to act, a new arbitrator or umpire, as the case may be, shall be appointed to act in his or her place, in accordance with the provisions set forth above.
- (o) All materials relevant to the arbitration shall be submitted to the Board in triplicate and the filing party shall send simultaneously a copy thereof to the opposing party.

12. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under this policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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.

J. B. Quattrocchi
John B. Quattrocchi, Vice President-Underwriting
American Nuclear Insurers

10

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No. ME-131
12:01 A.M. Standard Time
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By

Countersigned by

Endorsement No. B

ME-71 (1/1/90)

Thomas M. Sale
Authorized Representative

NUCLEAR ENERGY LIABILITY INSURANCE

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM ENDORSEMENT
and
STANDARD PREMIUM ENDORSEMENT

Calendar Year 1990

1. ADVANCE PREMIUM

It is agreed that the Advance Premium due the companies for the calendar year designated above is \$ 101,666.00.

2. STANDARD PREMIUM AND RESERVE PREMIUM

In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium and Reserve Premium are:

Standard Premium \$ 101,666.00

Reserve Premium \$ 76,591.00

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No. MF-131
12:01 A.M. Standard Time
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency
Date of Issue February 14, 1990

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By [Signature]

Endorsement No. 9 Countersigned by [Signature]
AUTHORIZED REPRESENTATIVE

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.

ME-41

[Signature]
John E. Quattrocchi, Vice President-Underwriting
American Nuclear Insurers

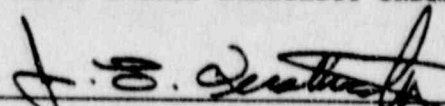
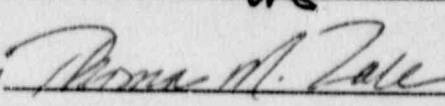
Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF CONDITION 4

It is agreed that with respect to bodily injury or property damage caused after the effective date of this endorsement by the nuclear energy hazard, the figure "13,500,000" stated in Condition 4 of this policy is amended to read "\$45,000,000."

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. Smith
American Nuclear Insurers

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No. MF-131
12:01 A.M. Standard Time
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency
Date of Issue February 14, 1990 For the Subscribing Companies
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS
By 
Countersigned by 
Endorsement No 7

Nuclear Energy Liability Insurance
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDATORY ENDORSEMENT
(Facility Form)

It is agreed that:

1. INSURING AGREEMENT I is replaced by the following:

I COVERAGE A - LIABILITY

To pay on behalf of the insured all sums which the insured shall become legally obligated to pay as covered damages because of bodily injury or property damage, or as covered environmental cleanup costs because of environmental damage. This Coverage applies only to bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period.

The companies shall have the right and duty to defend any claim or suit against the insured alleging such injury or damage, and seeking damages or costs which are payable under the terms of this policy; but the companies may make such investigation, negotiation and settlement of the claim or suit as they deem expedient.

The companies' duty to defend shall be limited, as described in INSURING AGREEMENT IV, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or
- (4) any other relief or recovery except payment of covered damages or covered environmental cleanup costs.

The companies' duty to defend claims or suits ends when the limit of their liability has been exhausted pursuant to CONDITION 3.

Subject to INSURING AGREEMENT IV, the companies shall pay, with respect to any claim or suit they defend, the costs incurred in the defense, including

- (1) costs taxed against the insured in any such suit and interest on any judgment therein;
- (2) premiums on appeal bonds and bonds to release attachments in any such suit, but without obligation to apply for or furnish such bonds;

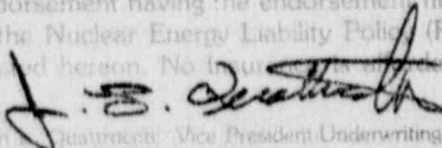
Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is agreed that Item 1 of the Declarations, "Named Insured" as amended by Endorsement Nos. 6, 12, and 22 is further amended to read:

Named Insured: Texas Utilities Electric Company, Texas
Municipal Power Agency, Tex-La Electric
Cooperative of Texas, Inc.

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 des-
cribed hereon. No further action is required hereunder.


John E. Stastny, Vice President Underwriting
American Nuclear Insurers

Effective Date of
this Endorsement

December 22, 1988

12:01 A.M. Standard Time

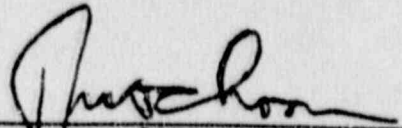
To form a part of Policy No NF-274

Issued to Texas Utilities Electric Company, Texas Municipal Power Agency, and
Tex-La Electric Cooperative of Texas, Inc.

Date of Issue February 14, 1990

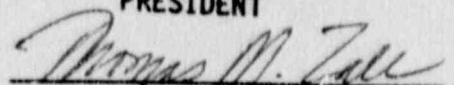
For the subscribing companies

By


PRESIDENT

Endorsement No 29

Countersigned by



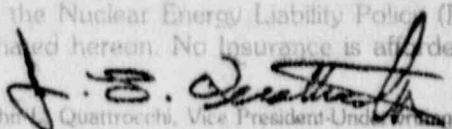
Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT

It is agreed that Item 1 of the Declarations, "Named Insured" as amended by Endorsement Nos. 6, 12, 22, and 29 is further amended to read:

Named Insured: Texas Utilities Electric Company, Texas
Municipal Power Agency

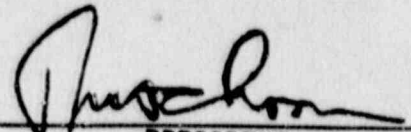
This is to certify that this is a true copy of the original Endorsement having the endorsement number and being made part of the Nuclear Energy Liability Policy (Facility Form) as designated hereon. No Insurance is afforded hereunder.


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

Effective Date of
this Endorsement January 31, 1990 To form a part of Policy No NF-274
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990 For the subscribing companies

By 
PRESIDENT

Endorsement No 30

Countersigned by 

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDATORY ENDORSEMENT
(Facility Form)

It is agreed that:

1. INSURING AGREEMENT I is replaced by the following:

I COVERAGE A - LIABILITY

To pay on behalf of the insured all sums which the insured shall become legally obligated to pay as covered damages because of bodily injury or property damage, or as covered environmental cleanup costs because of environmental damage. This Coverage applies only to bodily injury, property damage or environmental damage caused during the policy period by the nuclear energy hazard, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period.

The companies shall have the right and duty to defend any claim or suit against the insured alleging such injury or damage, and seeking damages or costs which are payable under the terms of this policy; but the companies may make such investigation, negotiation and settlement of the claim or suit as they deem expedient.

The companies' duty to defend shall be limited, as described in INSURING AGREEMENT IV, if the claim or suit also seeks any of the following, which in no event shall be construed as covered by this policy:

- (1) damages for on-site property damage;
- (2) recovery of on-site cleanup costs or any other cleanup costs except covered environmental cleanup costs;
- (3) performance of an insured's environmental protection obligations or on-site cleanup obligations; or
- (4) any other relief or recovery except payment of covered damages or covered environmental cleanup costs.

The companies' duty to defend claims or suits ends when the limit of their liability has been exhausted pursuant to CONDITION 3.

Subject to INSURING AGREEMENT IV, the companies shall pay, with respect to any claim or suit they defend, the costs incurred in the defense, including

- (1) costs taxed against the insured in any such suit and interest on any judgment therein;
- (2) premiums on appeal bonds and bonds to release attachments in any such suit, but without obligation to apply for or furnish such bonds;

- (3) reasonable expenses, other than loss of earnings, incurred by the insured at the companies' request.

COVERAGE B - DAMAGE TO PROPERTY OF AN INSURED AWAY FROM THE FACILITY

With respect to property damage caused during the policy period by the nuclear energy hazard to the property of an insured which is away from the facility, to pay to such insured those sums which such insured would have been legally obligated to pay as covered damages therefor, had such property belonged to another.

COVERAGE C - SUBROGATION - OFFSITE EMPLOYEES

With respect to bodily injury caused during the policy period by the nuclear energy hazard to any employee of an insured, and which is discovered and for which written claim is made against the insured, not later than ten (10) years after the end of the policy period, to pay to the workmen's compensation carrier of such insured as follows:

All sums which such carrier would have been entitled to recover and retain as damages from another person or organization, had such person or organization alone been legally responsible for such bodily injury, by reason of the rights acquired by subrogation by the payment of the benefits required of such carrier under the applicable workmen's compensation or occupational disease law. An employer who is a duly qualified self-insurer under such law shall be deemed to be a workmen's compensation carrier within the meaning of this Coverage.

This Coverage does not apply to bodily injury to any person who is employed at and in connection with the facility; nor shall it constitute workmen's compensation insurance as required under the laws of any state.

2. INSURING AGREEMENT II is replaced by the following:

II DEFINITION OF INSURED

The unqualified word "insured" includes (a) the named insured and (b) any other person or organization with respect to his legal responsibility for covered damages or covered environmental cleanup costs because of bodily injury, property damage or environmental damage caused by the nuclear energy hazard.

Subdivision (b) above does not include as an insured the United States of America or any of its agencies, except the Tennessee Valley Authority.

Subject to CONDITION 3 and the other provisions of this policy, the insurance applies separately to each insured against whom claim is made or suit is brought.

3. INSURING AGREEMENT III is replaced by the following:

III DEFINITIONS Wherever used in this policy:

"bodily injury" means bodily injury, sickness or disease, including death resulting therefrom, sustained by any person.

"covered damages" means damages because of bodily injury or property damage to which this policy applies; but covered damages do not include environmental cleanup costs or on-site cleanup costs.

"covered environmental cleanup costs" means only those environmental cleanup costs which are incurred directly for monitoring, testing for, cleaning up, neutralizing or containing environmental damage as the result of an extraordinary nuclear occurrence or a transportation incident; but covered environmental cleanup costs do not include on-site cleanup costs.

"disposal site" means any structure, basin, excavation, premises or place prepared as a dump or site for the disposal of waste materials of a general nature, but which may also be used for the disposal of waste materials containing small amounts of nuclear material.

"environment" includes land, the atmosphere, and all watercourses, bodies of water and natural resources, whether on, above or below the surface of the ground.

"environmental cleanup costs" include all loss, cost or expense arising out of any governmental decree, order or directive (other than an award of covered damages in an action at law) requiring or requesting a person or organization to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination of the environment, whether the contamination is on, above or below the surface of the ground.

"environmental damage" means contamination of the environment by nuclear material.

"environmental protection obligations" include all obligations of any person or organization

- (1) relating to the protection of the environment from contamination or imminent danger of contamination, and
- (2) imposed by any governmental laws, regulations or ordinances.

"extraordinary nuclear occurrence" means an event which the United States Nuclear Regulatory Commission has determined to be an extraordinary nuclear occurrence as

defined in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"governmental" refers to federal, state and local governments and authorities, including courts, agencies and political subdivisions thereof.

"indemnified nuclear facility" means

- (1) "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters, or
- (2) any other nuclear facility.

if financial protection is required pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, with respect to any activities or operations conducted thereat.

"insured shipment" means a shipment of source material, special nuclear material, spent fuel, waste, or tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, herein called "material,"

- (1) to the facility from any location except an indemnified nuclear facility, but only if the transportation of the material is not by predetermination to be interrupted by removal of the material from a transporting conveyance for any purpose other than the continuation of its transportation, or
- (2) from the facility to any other location, but only until the material is removed from a transporting conveyance for any purpose other than the continuation of its transportation.

"nuclear energy hazard" means the radioactive, toxic, explosive or other hazardous properties of nuclear material, but only if

- (1) the nuclear material is at the facility or has been discharged or dispersed therefrom without intent to relinquish possession or custody thereof to any other person or organization, or
- (2) the nuclear material is in an insured shipment which is away from any other nuclear facility and is in the course of transportation, including handling and temporary storage incidental thereto, within
 - (a) the territorial limits of the United States of America, its territories or possessions, or Puerto Rico; or
 - (b) international waters or airspace, provided that the nuclear material is in the course of transportation between two points located within

the territorial limits described in (a) above and there is no deviation in the course of the transportation for the purpose of going to any other country, state or nation, except for the purpose of going to or returning from a port or place of refuge as the result of an emergency.

"nuclear facility" means "the facility" as defined in any Nuclear Energy Liability Policy (Facility Form) issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters. The term "nuclear facility" also means

- (1) any nuclear reactor,
- (2) any equipment or device designed or used for
 - (a) separating the isotopes of uranium or plutonium,
 - (b) processing or utilizing spent fuel, or
 - (c) handling, processing or packaging waste,
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"nuclear material" means source material, special nuclear material or byproduct material.

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission or a self-sustaining chain reaction or to contain a critical mass of fissionable material.

"on-site cleanup costs" include all loss, cost or expense arising out of on-site cleanup obligations.

"on-site cleanup obligations" include all obligations of any person or organization, imposed by common law or otherwise, to undertake or pay for monitoring, testing for, cleaning up, neutralizing or containing contamination by nuclear material at the facility, whether the material is on, above or below the surface of the ground.

"on-site property damage" includes all property damage to any property at the facility, whether the property is on, above or below the surface of the ground, other than aircraft, watercraft or vehicles licensed for highway use.

provided such aircraft, watercraft or vehicles are not used in connection with the operation of the facility.

"property damage" means physical injury to or destruction or radioactive contamination of property, and loss of use of property so injured, destroyed or contaminated, and loss of use of property while evacuated or withdrawn from use because possibly so contaminated or because of imminent danger of contamination.

"source material," "special nuclear material," and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in any nuclear reactor.

"the facility" means the facility described in the declarations and includes the location designated in Item 3 of the declarations and all property and operations at such location.

"transportation incident" means a discharge or dispersal of nuclear material from an insured shipment caused by collision or upset of the transporting conveyance, or an accident that breaks open, punctures or ruptures the shipping containers or containment thereon; but only if both the discharge or dispersal and the collision, upset or accident take place away from any nuclear facility and away from any disposal site, and both occur in the course of the transportation, including handling; and temporary storage incidental thereto.

"waste" means any waste material

- (1) containing byproduct material and
- (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof.

4. INSURING AGREEMENT IV is replaced by the following and INSURING AGREEMENT IV-A added by the "Amendment of Coverage Endorsement for Workers Claims (Facility Form)" continues to apply:

IV LIMITED DEFENSE OF PARTIALLY COVERED CLAIMS OR SUITS

The following provisions apply with respect to any partially covered claim or suit for which the companies' duty to defend has been limited by INSURING AGREEMENT I:

- (1) The companies will defend the claim or suit unless the companies and the first named insured mutually agree on a different defense arrangement. By making

such a defense, the companies shall not be considered as having waived their rights under this policy to deny payment or reimbursement of the items not covered.

- (2) As soon as practicable, the first named insured, acting on behalf of all insureds, and the companies shall endeavor to reach an equitable arrangement for handling the defense and sharing the costs thereof.
 - (3) The companies' share of defense costs shall not exceed the portion of the total defense costs that represents the costs which would be reasonably and necessarily incurred in the defense of the claim or suit in the absence of any claim or demand for the items not covered.
 - (4) The companies shall have a right to contribution from the first named insured for all defense costs as they are incurred in excess of the amount of the companies' share, including reimbursement by the first named insured of all such excess costs paid by the companies.
 - (5) If the companies and the first named insured cannot agree on the companies' share of defense costs, the dispute shall be submitted, as a condition precedent to any right of recovery on this policy, to arbitration for a final and binding resolution, as provided in Condition 19.
5. In EXCLUSIONS (d) and (e), and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
6. EXCLUSION (f) is replaced by the following exclusion:
[This policy does not apply:]
(f) to on-site property damage:
7. In CONDITION 3, and in all endorsements to this policy modifying the dollar amount of the limit of liability stated in Item 4 of the declarations, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
8. In CONDITION 4, and in all endorsements to this policy modifying the dollar amount of the total aggregate liability of the companies with respect to a common occurrence:
- (a) the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage"; and
 - (b) the words "bodily injury and property damage" are replaced by "bodily injury, property damage and environmental damage."

9. In CONDITIONS 5, 11, 15 and 18, and in all endorsements to this policy relating thereto, the words "bodily injury or property damage" are replaced by "bodily injury, property damage or environmental damage."
10. CONDITION 19, DECLARATIONS, is renumbered CONDITION 20.
11. The following CONDITION is added to the policy:

19 ARBITRATION OF DISPUTES RELATING TO THE APPLICATION OF INSURING AGREEMENT IV

All such disputes subject to paragraph (5) of INSURING AGREEMENT IV shall be submitted to a Board of Arbitration (the "Board") for a final and binding resolution of the dispute.

There shall be two parties to the arbitration: the first named insured, acting on behalf of all insureds as their duly authorized representative, and Nuclear Energy Liability Insurance Association, acting on behalf of the companies as their duly authorized representative.

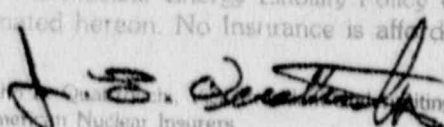
Except to the extent the parties mutually agree otherwise, the following principles will apply:

- (a) The arbitration will take place in New York, New York, and will be governed by the laws of the State of New York.
- (b) Either party may begin the process of arbitration by giving notice to the other party in writing of its intention to do so and the name of the arbitrator that it has appointed.
- (c) The other party shall then appoint in writing an arbitrator, and the arbitrators shall appoint in writing an umpire before they begin the arbitration. The umpire shall act as chairman of the Board.
- (d) If a party fails to name its arbitrator within thirty (30) days of the other party's written request that it do so, the requesting party may appoint an arbitrator for the party in default.
- (e) If the two arbitrators fail to agree on the selection of an umpire within thirty (30) days after they have both been appointed, each of them shall name two, of whom the other shall decline one. The choice shall be made by drawing lots.
- (f) The arbitrators and umpire shall be executive officers or former executive officers of insurance companies licensed to do business in the United States or of organizations designated as the first named insured under a Nuclear Energy Liability Policy issued by Nuclear Energy Liability Insurance Association or Mutual Atomic Energy Liability Underwriters; provided that the current employees of the following shall not be eligible for service without the consent of both parties:

- (1) any party or likely party to the underlying claim or suit;
 - (2) American Nuclear Insurers, MAERP Reinsurance Association or their members; or
 - (3) any other insurer or reinsurer which has casualty insurance or reinsurance in force on any of the foregoing which may be materially affected by the Board's decision.
- (g) Within thirty (30) days after the appointment of the umpire, each party shall submit its case in writing to the Board.
- (h) The Board shall determine its rules of procedure, and the nature and extent of any discovery, testimony, examination or cross-examination of witnesses and oral argument permitted. The decision of any two members of the Board shall be final and binding on all parties. All discovery, submissions of evidence, hearing of witnesses and argument shall be completed within sixty (60) days of the appointment of the umpire, provided the Board may grant one extension of thirty (30) days.
- (i) The arbitrators and the umpire are not to be bound by any strict rules of legal procedure, evidence or legal precedents. They shall, however, be governed by the terms of this policy, and shall have no power to add to or change its provisions. Subject to this admonition, they shall interpret the relevant provisions of this policy as an honorable business agreement, and shall be entitled to decide, in accordance with such provisions together with the other materials submitted to them, what they think is the fair and right thing to be done between the parties from a business point of view, without favoring the interest of either party.
- (j) The Board shall make its award in writing within thirty (30) days after the close of the period, including any extension granted, described in paragraph (h) above.
- (k) If the Board fails to make an award within the time prescribed by paragraph (j) above, then unless an extension is agreed to by the parties, a new arbitration shall be commenced and completed in accordance with the procedure set out in paragraphs (a) through (j) above.
- (l) The award of the Board signed by any two members shall be final, not subject to appeal and binding on all parties, including all insurers subscribing the policy and all insureds thereunder. The award shall be treated as a matter involving interstate commerce, and may be filed or confirmed in any court of competent jurisdiction, state or federal, and judgment thereon entered and enforced, in accordance with the law and practice of the forum.

- (m) Unless the Board decides otherwise, each party shall pay the expenses of the arbitrator appointed by or for it and one half of the other costs of arbitration.
 - (n) If an arbitrator or umpire is unable or unwilling to act, a new arbitrator or umpire, as the case may be, shall be appointed to act in his or her place, in accordance with the provisions set forth above.
 - (o) All materials relevant to the arbitration shall be submitted to the Board in triplicate and the filing party shall send simultaneously a copy thereof to the opposing party.
12. This endorsement applies to all claims for damages, costs, expenses or other relief or recovery for which coverage is sought under this policy, and which are first made in writing against any insured on or after the effective date of this endorsement stated below.

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 C. Smith, Secretary
American Nuclear Insurers

10

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No NF-274
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

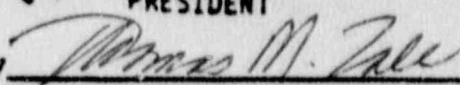
For the subscribing companies

By


PRESIDENT

Endorsement No 31

Countersigned by



NE-71 (1/1/90)

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

INCREASE OF LIMIT OF LIABILITY ENDORSEMENT

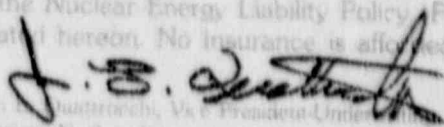
It is agreed that:

1. The limit of liability stated in Item 4 of the declarations of the policy is amended to read \$155,000,000.00.

This amended limit applies with respect to obligations assumed or expenses incurred because of bodily injury, property damage or environmental damage caused, during the period from the effective date of this endorsement to the date of termination of the policy, by the nuclear energy hazard.

2. The limit of liability stated in Item 4 of the declarations and the amended limit of liability stated in paragraph 1 above shall not be cumulative, and each payment made by the companies after the effective date of this endorsement for any loss or expense covered by the policy shall reduce by the amount of such payment both the limit of liability stated in Item 4 of the declarations and the amended limit of liability stated in paragraph 1 above, regardless of which limit of liability applies with respect to the bodily injury, property damage or environmental damage out of which such loss or expense arises.

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.

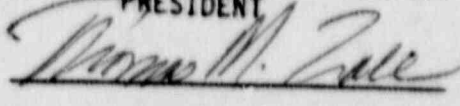

John C. Quattrone, Vice President-Underwriting
American Nuclear Insurers

Effective Date of this Endorsement February 8, 1990 To form a part of Policy No. NF-274
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990 For the subscribing companies

By 
PRESIDENT

Countersigned by 

Endorsement No 32

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM ENDORSEMENT

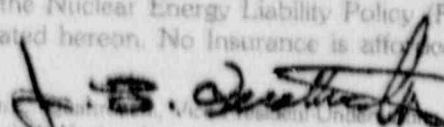
CALENDAR YEAR 1990

It is agreed that Items 1 and 2 of Endorsement No. 28
are amended to read:

1. ADVANCE PREMIUM: It is agreed that the Advance
Premium due the companies for the period designated above
is: \$ 350,525.03.

2. STANDARD PREMIUM AND RESERVE PREMIUM: In the absence of
a change in the Advance Premium indicated above, it is agreed
that, subject to the provisions of the Industry Credit Rating
Plan, the Standard Premium is said Advance Premium and the
Reserve Premium is: \$ 264,073.51.

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 des-
ignated hereon. No Insurance is afforded hereunder.


John B. Smith, Vice President
American Nuclear Insurance

Effective Date of
this Endorsement February 8, 1990 To form a part of Policy No. NF-274
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

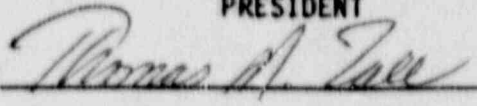
Date of Issue February 14, 1990

For the Subscribing Companies

By 

PRESIDENT

Endorsement No. 33

Countersigned by 

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

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 E. STATTOUCHI
VICE PRESIDENT-LIABILITY UNDERWRITING
AMERICAN NUCLEAR INSURERS

Certificate No. N- 90

Forming Part of Master

Policy No. 1

CERTIFICATE OF INSURANCE

DECLARATIONS AND

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Certificate of Insurance

This is to certify that the persons and organizations designated in Item 1
of the Declarations are named insureds under the Master Policy - 1
Nuclear Energy Liability Insurance (Secondary Financial Protection), herein
called the "Master Policy", issued by Nuclear Energy Liability Insurance
Association.

Such insurance as is provided by the Master Policy applies, through this
certificate, only:

- (a) to the insureds identified in Items 1 and 2 of the Declarations,
- (b) for the certificate period stated in Item 6 of the Declarations,
- (c) to bodily injury or property damage
 - (1) with respect to which the primary financial protection
described in Item 4 of the Declarations would apply but for
exhaustion of its limit of liability as described in Condition
6 of the Master Policy, and
 - (2) which is caused during the certificate period stated in Item
6 of the Declarations by a nuclear incident arising out of
or in connection with the nuclear reactor described in Item
3 of the Declarations, and

(3) which is discovered and for which written claim is made against the insured not later than ten years after the end of the certificate period stated in Item 6 of the Declarations. However, with respect to bodily injury or property damage caused by an extraordinary nuclear occurrence this subparagraph (3) shall not operate to bar coverage for bodily injury or property damage which is discovered and for which written claim is made against the insured not later than twenty years after the date of the extraordinary nuclear occurrence.

Declarations

Item 1. Named insureds and addresses:

- (a) Texas Utilities Generating Company, 2001 Bryan Tower, Dallas, TX 75201
- (b) Dallas Power & Light Company, 1506 Commerce Street, Dallas, TX 75201
- (c) Texas Electric Service Company, 115 West Seventh Street, Fort Worth, TX 76101
- (d) Texas Power & Light Company, 1511 Bryan Street, Dallas, TX 75201
- ** (e) Texas Municipal Power Agency, ~~600 Arlington Downes Tower, Arlington, XXXXX~~
- (f) Brazos Electric Power Cooperative, Inc., 2404 LaSalle Avenue, Waco, TX 76706
- (g) Tex-La Electric Cooperative of Texas, Inc., P.O. Box 1623, Nacogdoches, TX 75961
- (h) Texas Utilities Electric Company, 2001 Bryan Tower, Dallas, TX 75201
- ** (e) Texas Municipal Power Agency, P.O. Box 7000, Bryan, TX. 77805

Item 2. Additional insureds:

Any other person or organization who would be insured under the primary financial protection identified in Item 4 of the Declarations but for exhaustion of the limit of liability of such primary financial protection.

Item 3. Description and location of nuclear reactor: Unit 1 of the Comanche Peak Steam Electric Station located in Somervell, Texas.

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

Nuclear Energy Liability Insurance Association's	
Policy NF- 274	\$124,000,000
Mutual Atomic Energy Liability Underwriters'	
Policy MF-	\$ 36,000,000

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the 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.

(b) The following endorsements, attached to the primary financial protection policies listed in Item 4 (a) also apply to the insurance afforded by the 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) The limits of liability provided under the primary financial protection specified in Item 4 (a) above are not shared with any other reactor except as follows:

- Item 5. Limits of Liability: The amount of retrospective premium actually received by the companies plus the amount of the companies' contingent liability, if any, pursuant to Conditions 2, 3 and 4 of the Master Policy.
- Item 6. Certificate Period: Beginning at the same time and date that the Facility Operating License issued by the United States Nuclear Regulatory Commission for the reactor described in Item 3 of this certificate becomes effective and continuing to the effective date and time of cancellation or termination of the Master Policy or this certificate, whichever first occurs, eastern standard time.
- Item 7. Maximum retrospective premium (exclusive of allowance for premium taxes) payable pursuant to Condition 2 of the Master Policy with respect to each nuclear incident: \$3,875,000.
- Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1983 : The pro rata portion of \$4,650 for the period from the effective date of this certificate to the end of the calendar year during which such effective date occurs.

BOND FOR PAYMENT OF RETROSPECTIVE PREMIUMS

Know All Men By These Presents, that the undersigned do hereby acknowledge that they are named insureds under the Master Policy described in the above Certificate of Insurance and Declarations. The named insureds do hereby covenant with and are held and are firmly bound to the members of Nuclear Energy Liability Insurance Association subscribing the Master Policy (hereinafter called the "companies") to pay to the companies all retrospective premiums and allowances for premium taxes which shall become due and payable in accordance with the Master Policy, as it may be changed from time to time, with interest on such premiums and allowances for taxes to be computed at the rate provided in the Master Policy from the date payment thereof is specified to be due the companies in written notice to the first named insured as provided in Condition 2 of the Master Policy until paid;

And it is hereby expressly agreed that copies of written notices of retrospective premiums and allowances for premium taxes due and payable or other evidence of such amounts due and payable sworn to by a duly authorized representative of the companies shall be prima facie evidence of the fact and extent of the liability of the named insureds for such amounts;

And it is further expressly agreed that the named insureds will indemnify the companies against any and all liability, losses and expenses of whatsoever kind or nature (including but not limited to interest, court costs, and counsel fees) which the companies may sustain or incur (1) by reason of the failure of the named insureds to comply with the covenants and provisions of this Bond and (2) in enforcing any of the covenants or provisions of this Bond, or any provisions of the Master Policy relating to such covenants or provisions;

For the purpose of recording this agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original.

The preceding Certificate of Insurance, Declarations and Bond form a part of the Master Policy. Cancellation or termination of the Master Policy or the Certificate of Insurance shall not affect the named insured's obligations under the policy or the Bond to pay the retrospective premiums and allowances for premium taxes, as provided in this Certificate and Condition 2 of the Master Policy.

IN WITNESS WHEREOF, the named insureds have caused this Certificate, these Declarations and this Bond for Payment of Retrospective Premiums, to be signed and sealed by a duly authorized officer, to be effective as of the time and date of the inception of the Certificate period.

Attest or Witness

Named Insureds:

Texas Utilities Generating Company

(Named Insured - Type or Print)

Peter A. Garlman
SECRETARY

By R. J. Gary (SEAL)
(Signature of Officer)

R. J. GARY EXC. VICE PRES & Gen. Mgr.
(Type or Print Name & Title of Officer)

Date: 6-10-1983

Dallas Power & Light Company

(Named Insured - Type or Print)

G. H. Samillan, Jr.
Secretary

By Max H. Tanner, Jr. (SEAL)
(Signature of Officer)

MAX H. TANNER, JR. - VICE PRES
(Type or Print Name & Title of Officer)

Date: 4/29/83

Texas Electric Service Company

(Named Insured - Type or Print)

W. M. Taylor
Secretary

By W. M. Taylor (SEAL)
(Signature of Officer)

W. M. TAYLOR - VICE PRES
(Type or Print Name & Title of Officer)

Date: 5-2-83

Attest or Witness

Charles M. Carter
SECRETARY

Manda M. Callahan

Lair Ruff
Scribe to the Committee

Richard E. McCaskill

Named Insureds:

Texas Power & Light Company
(Named Insured - Type or Print)

By Pam Lovelace (SEAL)
(Signature of Officer)

LEON LOVELESS - Vice Pres.
(Type or Print Name & Title of Officer)

Date: 4-27-83

Texas Municipal Power Agency
(Named Insured - Type or Print)

By Charles R. Matthews (SEAL)
(Signature of Officer)

Charles R. Matthews - Pres
(Type or Print Name & Title of Officer)

Date: 5-25-83

Brazos Electric Power Cooperative, Inc.
(Named Insured - Type or Print)

By Richard E. McCaskill (SEAL)
(Signature of Officer)

Richard E. McCaskill Exec Vice Pres.
(Type or Print Name & Title of Officer)

Date: 5-9-83

Tex-La Electric Cooperative of Texas, Inc.
(Named Insured - Type or Print)

By J. D. Nichols (SEAL)
(Signature of Officer)

J. D. Nichols, President
(Type or Print Name & Title of Officer)

Date: 7/7/83

Attest or Witness

Named Insureds:

~~Texas Utilities Electric Company~~

(Named Insured - Type or Print)

By Michael J. [Signature] (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: [Signature]

Texas Utilities Electric Company

(Named Insured - Type or Print)

By E. A. Nye (SEAL)
(Signature of Officer)

E. A. Nye, Executive Vice President

(Type or Print Name & Title of Officer)

Date: November 2, 1983

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

(Named Insured - Type or Print)

By _____ (SEAL)
(Signature of Officer)

(Type or Print Name & Title of Officer)

Date: _____

Attn: B. J. [Signature]

IN WITNESS WHEREOF, the companies subscribing the Master Policy have caused the Certificate of Insurance and the Declarations to be signed on their behalf by the President of Nuclear Energy Liability Insurance Association to be effective as of the time and date of the inception of the Certificate period, and countersigned below by a duly authorized representative.

Attest or Witness

For the Subscribing Companies of

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

J. E. Quattrone

BY:

Burt C. Proom

Burt C. Proom, President

Countersigned by

[Signature]

(Authorized Representative)

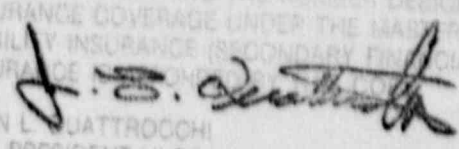
Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

1. Item 1 of the Declarations of the Certificate is deleted and replaced by the following:

Item 1. Named insureds and addresses:

- (a) Texas Utilities Electric Company, 2001 Bryan Tower,
Dallas, TX 75201
- (b) Texas Municipal Power Agency, P.O. Box 7000,
Bryan, TX 77805

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 COVERAGE IS PROVIDED FOR THIS CERTIFICATE.


JOHN L. QUATTROCCHI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. N-90
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

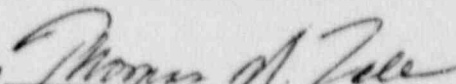
For the Subscribing Companies

By


PRESIDENT

Endorsement No. 1

Countersigned by



Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

SPECIFICATION OF CERTIFICATE EFFECTIVE DATE AND
PREMIUM ENDORSEMENT

It is agreed that:

1. The United States Nuclear Regulatory Commission has issued to the insureds named in Item 1 of the Declarations Operating License No. NPF-28 effective February 8, 1990 for the reactor described in Item 3 of the Declarations of the Certificate.

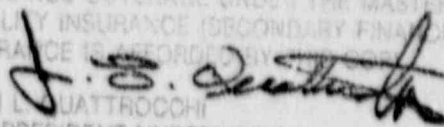
2. Item 6 of the Declarations of the Certificate is deleted and replaced by the following:

Item 6. Certificate Period: Beginning February 8, 1990, and continuing to the effective date and time of cancellation or termination of the Master Policy or this Certificate, whichever first occurs, eastern standard time.

3. Item 8 of the Declarations of the Certificate is deleted and replaced by the following:

Item 8. Portion of the annual premium payable for the companies' contingent liability described in Condition 4 of the Master Policy from the effective date hereof to the end of calendar year 1990: \$ 5,208.

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. QUATTROCCHI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. N-90
12:01 A.M. Standard Time

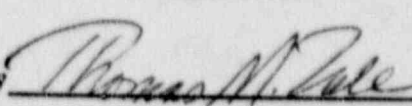
Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

By 
PRESIDENT

Endorsement No. 2

Countersigned by 

Nuclear Energy Liability Insurance
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ENDORSEMENT TO CERTIFICATE NO. N-90
Forming Part of Master Policy No. 1
Nuclear Energy Liability Insurance
(Secondary Financial Protection)

Effective February 8, 1990, it is agreed that Item 4. of the 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-274 \$155,000,000

(ii) Mutual Atomic Energy Liability Underwriter's
Policy MF-131 \$ 45,000,000

(2) Master Worker Policies (Facility Worker Form)

(i) Nuclear Energy Liability Insurance Association's
Master Worker Policy NMWP-1 \$155,000,000

(ii) Mutual Atomic Energy Liability Underwriter's
Master Worker Policy MMWP-1 \$ 45,000,000

(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

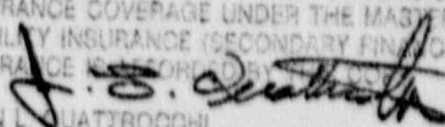
(2) Supplementary Endorsement - Waiver of Defenses - Reactor Construction at the Facility.

(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.

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 RECORDED BY THE STATE OF TEXAS.


JOHN L. QUATTROGGHI
VICE PRESIDENT-UNDERWRITING
AMERICAN NUCLEAR INSURERS

Effective Date of
this Endorsement February 8, 1990 To form a part of Certificate No. N-90
12:01 A.M. Standard Time

Issued to Texas Utilities Electric Company and Texas Municipal Power Agency

Date of Issue February 14, 1990

For the Subscribing Companies

By 

PRESIDENT

Endorsement No. 3

Countersigned by 