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February 28, 1990

Stuart A. Treby, Esq.
Assistant General Counsel
for Rulemaking and Fuel Cycle
U.S. Nuclear Regulatory Commission
White Flint North 16-D-3
Washington, D.C. 20555

Re: Docket No. 50-585
Docket No. 50-298

Dear Mr. Treby:

On December 4, 1988, the Commission granted to Nebraska Public Power District and Omaha Public Power District ("the Districts") a scheduler exemption from the requirements of 10 C.F.R. § 50.54(w)(1). The purpose of the exemption was to afford the Districts time to secure a state or Federal court order to enable them to purchase nuclear property insurance from Nuclear Electric Insurance Limited ("NEIL"). Because of uncertainty concerning Nebraska law, NEIL had refused to issue policies to the Districts without a satisfactory court order.

Effective January 1, 1990, American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters made available an additional \$160 million of nuclear property insurance. Each of the Districts has purchased this additional property insurance and now maintains coverage in the total amount of \$1.06 billion, as required by the Commission's regulations. Each of the Districts has so certified to the Commission. Accordingly, the scheduler exemption is no longer needed and may be terminated.

If you or other members of the Commission's Staff have any questions concerning this matter, please feel free to contact me.

Sincerely,

Harry H. Voigt

HHV/lis

cc: Mr. Gary M. Holahan
John McClure, Esq.
Stephen M. Olson, Esq.

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