



Nebraska Public Power District

GENERAL OFFICE
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October 6, 1995

U. S. Nuclear Regulatory Commission
Attn: Mr. Ira Dinitz
Licensee Financial Analyst, Office of Reactor Regulation
One White Flint North, Mail Stop 11D23
11555 Rockville Pike
Rockville, MD 20852

Subject: 10CFR 50.54(w)
NRC Nuclear Property Insurance Rule
Cooper Nuclear Station
NRC Docket No. 50-298, DPR-46

Dear Mr. Dinitz:

Nebraska Public Power District (NPPD), as the operator of Cooper Nuclear Station, currently maintains the primary and excess nuclear property insurance placements with American Nuclear Insurers (ANI) and Mutual Atomic Energy Liability Underwriters (MAELU), notification of which is on file with your office as of April 1 in accordance with 10CFR50.54(w). The coverage currently maintained by NPPD and most recently reported to the NRC, is shown as the ANI coverage on the attached exhibit in the "Current Coverage" diagram.

NPPD has in force a power sales agreement with MidAmerican Energy (formerly Midwest Power Systems) whereby MidAmerican purchases 50% of the power output of Cooper Nuclear Station and is also liable for 50% of the decontamination liability posed by operation of the power plant. Accordingly, MidAmerican has for some time purchased additional excess nuclear property coverage from Nuclear Electric Insurance Limited (NEIL) for its insurable interest in this regard. MidAmerican's NEIL II coverage is also shown as part of the "Current Coverage" diagram on the attached exhibit.

Due to changes in the NEIL II bye laws regarding purchase of coverage by "non members", NPPD is now considering purchase of NEIL II coverage as respects its interest. Because MidAmerican Energy now purchases 50% of the NEIL II capacity as respects its insurable interest, NPPD can only purchase the remaining 50% of the NEIL II capacity should the District decide to purchase NEIL II coverage. This approach is shown in both Options 1 and 2 on the attached exhibit. As NPPD currently purchases the ANI primary \$500 million coverage and ANI plans to provide only \$600 million of excess coverage beginning January 1, 1996, both NPPD and MidAmerican Energy may pursue the purchase of NEIL II and NEIL III coverage for their respective interests, directly excess of the ANI primary \$500 million. This option is shown as Option 2 on the attached exhibit.

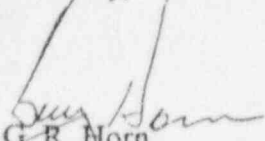
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Accordingly, we hereby ask your approval for your acceptance of the MidAmerican and potential NPPD NEIL II policies, 50/50 quota share of \$1.4 billion, in excess of either ANI or Nuclear Mutual Limited (NML) primary \$500 million, to meet the requirements of 10CFR50.54(w). This approach is shown as Option 2 on the attached exhibit. If the placement of nuclear property insurance on this basis meets with your approval in satisfaction of the requirements of 10CFR50.54(w), your written confirmation of this approval would be greatly appreciated. Your response on this matter will greatly assist NPPD in pursuing the various options being considered by NPPD for the placement of the required nuclear property insurance.

If you have any questions or need any additional information regarding this request, please feel free to contact me. I will look forward to your response.

Sincerely,


G. R. Horn
Vice President Nuclear

Attachment

cc: U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

U.S. Nuclear Regulatory Commission
Regional Office, Region IV

NRC Resident Inspector
Cooper Nuclear Station

NPG Distribution
R. L. Gangel
P. J. Malone
R. A. Green
✓ D. M. Blatchford

Nuclear Property Insurance Capacity Exhibit

