

SLR:LPRH

Docket Nos. 90-155
70-660

DEC 21 1965

Consumers Power Company
212 West Michigan Avenue
Jackson, Michigan

Attention: Mr. H. P. Graves
General Counsel

Gentlemen:

On November 30, 1965, the Commission published an amendment to 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements", to be effective January 1, 1966. The amendment reflects changes to the form of nuclear energy liability policy and to the forms of indemnity agreements to reflect the increase in the maximum amount of available financial protection from \$60,000,000 to \$74,000,000. The amendment also incorporates into the forms of indemnity agreements the reduction in the amount of government indemnity that the Commission is authorized to extend to licensees as a result of Public Law 89-210. Public Law 89-210 requires that government indemnity in the amount of \$500,000,000 be reduced by the amount that the financial protection required of the licensee exceeds \$60,000,000.

As a result of the above amendment, Article II, Paragraphs 6(a), (b), (c) and the undesignated paragraph following (c); and, Article III, Paragraphs 4(b)(2) and (6) of your indemnity agreement have been revised. For ease of reference, your indemnity agreement is being reissued in total to incorporate all other existing amendments into one document. Your early review, acceptance and return of one signed copy of the enclosed amended indemnity agreement would be appreciated.

In further regard to your indemnity agreement, reference is made to letters of October 11 and November 3, 1965, from Mr. F. C. Voss of your company concerning a credit on your indemnity fee as a result of plant shutdowns. Indemnity fees are calculated pursuant to 10 CFR 140.7(a) which establishes a rate of "\$30 per year per thousand kilowatts of thermal capacity authorized in its license". During the

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periods for which credit is sought, April 16 through June 7, 1965 and July 10 through August 15, 1965, the authorized power level in license DPR-6 remained at 240 mwt. As no changes in authorized licensed power level are involved, adjustment of the indemnity fee is not possible.

Sincerely yours,

Original Signed by
Eber R. Price, Director
Division of State and
Licensee Relations

Enclosure:

Amendment No. 6 to Indemnity
Agreement No. B-22 (2)

Distribution:

Formal (2)
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Supplemental (2)
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UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

AMENDMENT NO. 6 TO INDEMNITY AGREEMENT NO. B22

Effective January 1, 1966, Indemnity Agreement No. B-22, dated **July 18, 1962**, as amended, is hereby further amended in its entirety and the following substituted therefor:

This indemnity agreement B-22 is entered into
by and between the **Consumers Power Company**

(hereinafter referred to as the "licensee") and the United States Atomic Energy Commission (hereinafter referred to as the "Commission") pursuant to subsection 170c of the Atomic Energy Act of 1954, as amended (hereinafter referred to as "the Act").

ARTICLE I

As used in this agreement,

1. "Nuclear reactor," "byproduct material," "person," "source material," and "special nuclear material" shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.

2. Except where otherwise specifically provided, "Amount of financial protection" means the amount specified in Item 2 a and b, of the Attachment annexed hereto, as modified by paragraph 6, Article II, with respect to common occurrences.

3.(a) "Nuclear incident" means any occurrence or series of occurrences at the location or in the course of transportation causing bodily injury, sickness, disease, or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of the radioactive material.

(b) Any occurrence or series of occurrences causing bodily injury, sickness, disease or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of

1. The radioactive material discharged or dispersed from the location over a period of days, weeks, months or longer and also arising out of such properties of other material defined as "the radioactive material" in any other agreement or agreements entered into by the Commission under subsection 170 c or k of the Act and so discharged or dispersed from "the location" as defined in any such other agreement, or

UNITED STATES ATOMIC ENERGY COMMISSION

Indemnity Agreement No. B-22

ATTACHMENT

Item 1 - Licensee Consumers Power Company

Address Jackson, Michigan

Item 2 - a. Amount of financial protection -

\$1,000,000 from 12:01 A.M., July 18, 1962 to 12:00 midnight September 25, 1962, inclusive; \$1,500,000 from 12:01 A.M., September 26, 1962 to 12:00 midnight October 31, 1962, inclusive; \$23,600,000 from 12:01 A.M., November 1, 1962 to 12:00 midnight April 30, 1964, inclusive; and \$36,000,000 subsequent to that date.

b. With respect to any nuclear incident, the amount specified in Item 2a of this Attachment shall be deemed to be (i) reduced to the extent that any payment made by the insurer or insurers under a policy or policies specified in Item 3 of this Attachment reduces the aggregate amount of such insurance policies below the amount specified in Item 2a and (ii) restored to the extent that, following such reduction, the aggregate amount of such insurance policies is reinstated.

Item 3 - License number or numbers

SNM-610, as amended	(From 12:01 A.M., June 29, 1962 to 12:00 midnight August 29, 1962)
DPR-6	(From 12:01 A.M., August 30, 1962)

Item 4 - Location

With respect to License No. SNM-610, as amended:

The reactor containment building as described in the Final Hazards Summary Report dated November 14, 1961 submitted as Amendment No. 3 to the Consumers Power Company application for facility license under Docket No. 50-155.

With respect to License No. DPH-6:

The area within the plant peripheral fence and all the buildings and facilities included therein except the Information Building. Also, the intake line and discharge canal; the separately fenced area around the waste storage vaults and baler house, including all buildings and facilities within said fenced area, and the roadway connecting said area to the plant area first mentioned. These areas are further depicted as an insert on Drawing No. A-52 and on Drawing No. C-3 prepared by the Bechtel Corporation and included in Volume II of the Final Hazards Summary Report for Big Rock Point Plant dated November 14, 1961 and made part of this indemnity agreement by reference.

The above described areas are all in Hayes Township, Charlevoix County, Michigan.

Item 5 - Insurance Policy No.(s)

Nuclear Energy Liability Policy (Facility Form) No. NF-117 issued by the Nuclear Energy Liability Insurance Association.

Item 6 - The indemnity agreement designated above, of which this Attachment is a part, is effective as of 12:01 A.M., on the 18th day of July, 1962.

FOR THE UNITED STATES ATOMIC ENERGY COMMISSION

Original Signed by
Eber R. Price, Director
Div. of State & Licensee

Eber R. Price, Director
Division of State and Licensee Relations

Accepted _____, 19

By _____