

**SMUD**

SACRAMENTO MUNICIPAL UTILITY DISTRICT ☐ 6201 S Street, P.O. Box 15830, Sacramento CA 95852-1830, (916) 452-3211  
AN ELECTRIC SYSTEM SERVING THE HEART OF CALIFORNIA

NL 88-108

JAN 27 1988

U. S. Nuclear Regulatory Commission  
Attn: Jerome B. Saltzman  
Phillips Building  
7920 Norfolk Avenue  
Bethesda, MD 20014

DOCKET NO. 50-312  
RANCHO SECO NUCLEAR GENERATING STATION  
LICENSE NO. DPR-54  
NUCLEAR LIABILITY INSURANCE

Dear Mr. Saltzman:

Please find enclosed two certified copies of:

1. Endorsement No. 74 MAELU Policy No. MF-75
2. Endorsement No. 86 MAELU Policy No. NF-212
3. Endorsement No. 87 MAELU Policy No. NF-212
4. Endorsement No. 75 MAELU Policy No. MF-75
5. Endorsement No. 8 MAELU Policy No. N-49
6. Endorsement No. 8 MAELU Policy No. M-49

If you need any assistance or have any questions please feel free to contact me at (209) 333-2935 extension 4913 or Steve Sarver on extension 4921.

Sincerely,

*Steve L. Crunk*

8802020239 880127  
PDR ADOCK 05000312  
J PDR

Steve L. Crunk  
Manager, Nuclear Licensing

cc: G. Kalman, NRC, Bethesda (w/atch)  
A. D'Angelo, NRC, Rancho Seco ( " )

M001  
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Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

AMENDMENT OF COVERAGE ENDORSEMENT  
FOR WORKERS CLAIMS  
(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Nuclear Energy Liability Insurance Association ("NELIA") and Mutual Atomic Energy Liability Underwriters ("MAELU") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. NELIA and MAELU believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. NELIA and MAELU want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly NELIA and MAELU desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

NOW, THEREFORE, the Named Insured and the companies do hereby agree as follows:

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 NELIA OR MAELU 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 NELIA OR MAELU 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 NELIA or MAELU terminate such policies or withdraw or modify their offer to underwrite such policies.

Executed for the companies

Date 12/15/87 By J. S. Quattrocchi  
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting  
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Sacramento Municipal Utility District  
(Named Insured - Print or Type)  
Date 11/30/87 By William K. Latham  
(Signature of Authorized Officer)

William K. Latham Assistant General Manager  
(Print or Type Name and Title of Officer)

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

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No NF-212  
12:01 A.M. Standard Time

Issued to Sacramento Municipal Utility District

Date of Issue October 19, 1987 For the subscribing companies

By [Signature]  
General Manager

Endorsement No 86 Countersigned by \_\_\_\_\_

Nuclear Energy Liability Insurance  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

AMENDMENT OF COVERAGE ENDORSEMENT

FOR WORKERS CLAIMS

(Facility Form)

PREAMBLE

1. The insurance and rating plan presently used by Mutual Atomic Energy Liability Underwriters ("MAELU") and Nuclear Energy Liability Insurance Association ("NELIA") do not make a distinction between workers claims arising from catastrophic events and those arising from lesser events;
2. MAELU and NELIA believe that the lack of such a distinction will adversely affect their ability to continue to attract from world markets very large amounts of nuclear energy liability insurance for the nuclear industry;
3. MAELU and NELIA want to avoid this potential loss of capacity and to continue to provide nuclear energy liability insurance for workers claims. Accordingly MAELU and NELIA desire to restructure their present insurance programs, including this policy, effective January 1, 1988.

NOW, THEREFORE, the Named Insured and the companies do hereby agree as follows:

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

MAELU and NELIA 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.

Executed for the companies

Date 12/15/87 By J. S. Quattrocchi  
(Signature of Authorized Officer)

John L. Quattrocchi, Vice President-Liability Underwriting  
(Print or Type Name and Title of Officer)

Executed for the Named Insured

Sacramento Municipal Utility District  
(Named Insured - Print or Type)

Date 11/30/87 By William K. Latham  
(Signature of Authorized Officer)

William K. Latham Assistant General Manager  
(Print or Type Name and Title of Officer)

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

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. MF-75  
12:01 A.M. Standard Time

Issued to Sacramento Municipal Utility District

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrocchi

Endorsement No. 74

Countersigned by \_\_\_\_\_  
Authorized Representative

NUCLEAR ENERGY LIABILITY INSURANCE

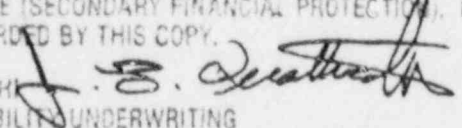
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1988

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 1,688.00.

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-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

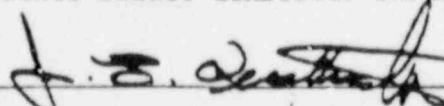
Effective Date of  
this Endorsement January 1, 1988 To form a part of Certificate No. M-49

Issued to Sacramento Municipal Utility District

Date of Issue December 15, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By 

Endorsement No. 8

Countersigned by \_\_\_\_\_  
Authorized Representative



Nuclear Energy Liability Insurance  
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ANNUAL PREMIUM ENDORSEMENT

Calendar Year 1988

ANNUAL PREMIUM: It is agreed that the Annual Premium due the companies for the period designated above is: \$ 5,813.00.

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-LIABILITY UNDERWRITING  
AMERICAN NUCLEAR INSURERS

*J. L. Quattrocchi*

Effective Date of  
this Endorsement January 1, 1988 To form a part of Certificate No N-49  
12:01 A.M. Standard Time

Issued to Sacramento Municipal Utility District

Date of Issue December 15, 1987

For the Subscribing companies

By *[Signature]*  
General Manager

Endorsement No 8

Countersigned by \_\_\_\_\_

NUCLEAR ENERGY LIABILITY INSURANCE  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1988  
ENDORSEMENT

1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:

\$ 183,486.00

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 is said Advance Premium and the Reserve Premium is:

\$ 138,774.00

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.

*J. B. Santucci*  
John B. Santucci, Vice President Liability Underwriting  
American Nuclear Insurers

Effective Date of This Endorsement January 1, 1988 To form a part of Policy No. MF-75

12:01 A.M. Standard Time

Issued to Sacramento Municipal Utility District

Date of Issue December 15, 1987

For the subscribing companies  
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. B. Santucci*

Endorsement No. 75

Countersigned by \_\_\_\_\_  
Authorized Representative

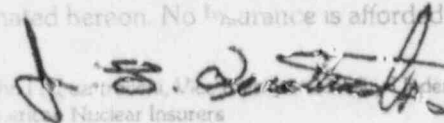
NUCLEAR ENERGY LIABILITY INSURANCE

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

ADVANCE PREMIUM AND STANDARD PREMIUM CALENDAR YEAR 1988  
ENDORSEMENT

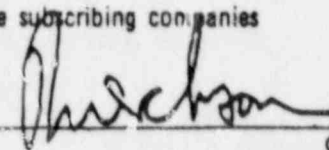
1. ADVANCE PREMIUM: It is agreed that the Advance Premium due the companies for the period designated above is:  
  
\$ 632,008.00
  
2. STANDARD PREMIUM AND RESERVE PREMIUM: In the absence of a change in the Advance Premium indicated above, it is agreed that, subject to the provisions of the Industry Credit Rating Plan, the Standard Premium is said Advance Premium and the Reserve Premium is:  
  
\$ 478,001.00

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 S. Gustafson, Underwriting  
Associate Nuclear Insurers

Effective Date January 1, 1988 To form a part of Policy No. NF-212  
12:01 A.M. Standard Time  
By Sacramento Municipal Utility District  
Date December 15, 1987

For the subscribing companies

By   
General Manager

Endorsement No. 87

Countersigned by \_\_\_\_\_