

6200 Oak Tree Boulevard
Independence OH
216-447-3100

Mail Address
P.O. Box 94661
Cleveland, OH 44101-4661

March 30, 1988

Mr. Ira Dinitz
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: The Cleveland Electric Illuminating Company - Perry Plant

Facility Form Policies: NF-291/MP-124
Endorsements: 19, 20, 21, 22/13, 14, 15
Secondary Financial Protection
Certificates: N-102/M-102
Endorsements: 3/3

Mr. Dinitz:

Enclosed please find two certified copies each of the captioned endorsements.

A handwritten signature in cursive script, appearing to read 'R F Ertle'.

Robert F. Ertle
Manager
Risk & Insurance

RFE:dtb
Enclosures

8804070215 880330
PDR ADUCK 05000440
J PDR

M001
1/1

Nuclear Energy; Liability Insurance

NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT
CALENDAR YEAR 1987

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 policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.

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 close of December 31st of the Calendar Year designated in the caption above, or to the time of the termination or cancellation of the policy, if sooner.

Aetna Casualty & Surety Co.	10.961359%
Allianz Insurance Company	1.525059%
Allstate Insurance Company	5.337705%
American Home Assurance Co.	1.000820%
Continental Casualty Company	5.147073%
Continental Insurance Company	9.531616%
Federal Insurance Company	1.906323%
Fireman's Fund Insurance Co.	3.050117%
Gen Accident Ins. Co of Amer.	1.525059%
General Ins. Co. of America	1.906323%
Hanover Insurance Company	.571897%
Hartford Accid. & Indemnity Co.	9.055036%
Hartford Steam Blnsp & Ins	.667213%
Highlands Insurance Company	.381265%
Home Indemnity Company	1.429742%
Ins. Co. of North America	6.481499%
Motors Insurance Corporation	.190632%
Ohio Casualty Insurance Co.	.190632%
Pacific Indemnity Company	.571897%
Providence Washington Ins. Co	.190632%
Reliance Insurance Company	.571897%
Royal Ins. Co. of America	4.003279%
St Paul Fire & Marine Ins Co.	5.779972%
State Farm Fire & Casualty Co	.953162%
Transamerica Insurance Co.	.953162%
Travelers Indemnity Company	12.391102%
U.S. Fidelity & Guaranty Co.	9.531616%
U.S. Fire Insurance Company	2.573537%
Universal Underwriters Ins Co	.190632%
Zurich Insurance Co.	1.429742%
NE-87	

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.

John L. Ciolek, Vice President, American Nuclear Insurers

Effective Date of this Endorsement January 1, 1987 To form a part of Policy No. NF-291
12:01 A.M. Standard time

Issued to The Cleveland Electric Illuminating Company

Date of Issue February 27, 1987 For the Subscribing Companies

By  General Manager

Endorsement No. 19 Countersigned by _____

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 12/22/87 By J. L. 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

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

(Named Insured - Print or Type)

Date 11/10/87 By Gary M. Hawkinson
(Signature of Authorized Officer)

Gary M. Hawkinson, Assistant Treasurer

(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. L. 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-291
12:01 A.M. Standard Time

Issued to The Cleveland Electric Illuminating Company

Date of Issue October 19, 1987 For the subscribing companies
By [Signature]
General Manager

Endorsement No 20

Countersigned by [Signature]

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:

\$ 666,666.00

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 is said Advance Premium and the Reserve Premium is:

\$ 504,341.00

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 described hereon. No Insurance is afforded hereunder.

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

Effective Date of This Endorsement January 1, 1988 To form a part of Policy No. NF-291
12:01 A.M. Standard Time

Issued to The Cleveland Electric Illuminating Company

Date of Issue December 15, 1987

For the subscribing companies
By *Johnson*
General Manager

Endorsement No. 21

Countersigned by *K. H. H. H.*
JOHNSON & HIGGINS OF OHIO

Nuclear Energy Liability Insurance

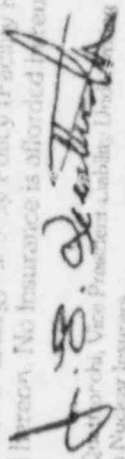
NUCLEAR ENERGY LIABILITY INSURANCE ASSOCIATION

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT
CALENDAR YEAR 1988

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 policy means the subscribing companies listed below.
 - b. The policy shall be binding on such companies only.
 - c. Each such company shall be liable for its proportion of any obligation assumed or expense incurred under the policy because of such bodily injury or property damage as designated below.

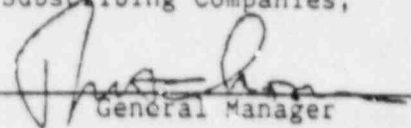
2. It is agreed that the effective period of this endorsement is from the beginning of the effective date of this endorsement stated below to the close of December 31, 1988, or to the time of the termination or cancellation of the policy, if sooner.

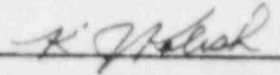
Aetna Casualty & Surety Co.	12.730961%
Alliant Insurance Company	1.493766%
Allstate Insurance Company	5.455641%
American Home Assurance Co.	0.682380%
Continental Casualty Company	5.264677%
Continental Insurance Company	10.184769%
Federal Insurance Company	2.121827%
Gen Accident Ins. Co of Amer.	1.697461%
General Ins. Co. of America	1.697461%
Hanover Insurance Company	0.58473%
Hartford Accid. & Indemnity Co.	10.184769%
Highlands Insurance Compan	0.339492%
Home Indemnity Company	1.591370%
Ins. Co. of North America	7.638577%
Motors Insurance Corporation	0.169746%
Ohio Casualty Insurance Co.	0.169746%
Pacific Indemnity Company	0.594112%
Providence Washington Ins. Co.	0.190964%
Reliance Insurance Company	0.50923%
Royal Ins. Co. of America	3.56466%
St Paul Fire & Marine Ins. Co.	5.905468%
State Farm Fire & Casualty Co.	0.848731%
Tokio Marine & Fire Co.	0.509238%
Transamerica Insurance Co.	0.548731%
Travelers Indemnity Company	7.670701%
U.S. Fidelity & Guaranty Co.	8.487307%
U.S. Fire Insurance Company	2.291573%
Universal Underwriters Ins Co.	0.169746%
Zurich Insurance Company	1.400406%
NE-88	

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

 John L. Quinn, Vice President, American Nuclear Insurers
 American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. NF-291
12:01 A.M. Standard time

Issued to The Cleveland Electric Illuminating Company

Date of 1988 For the Subscribing Companies,
 By  General Manager

Endorsement No. 22 Countersigned by 
 JOHNSON & HIGGINS OF OHIO

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 12/22/87 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

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

(Named Insured - Print or Type)

Date 11/10/87 By Gary M. Hawkinson
(Signature of Authorized Officer)

Gary M. Hawkinson, Assistant Treasurer
(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.

John L. Quattrocchi, Vice President
American Nuclear Insurers

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. MF-124
12:01 A.M. Standard Time

Issued to The Cleveland Electric Illuminating Company

Date of Issue October 19, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Quattrocchi

Endorsement No. 13

Countersigned by J. H. Higgins
Authorized Representative

ME-64 (1/1/88)

JOHNSON & HIGGINS OF OHIO

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:

\$ 193,548.00

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:

\$ 146,422.00

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 (Policy Form) as designated hereon. No further endorsement is required.

J. S. [Signature]
John [Signature], Vice President - Liability Underwriting
American Nuclear Insurers

Effective Date of This Endorsement January 1, 1988 To form a part of Policy No. MF-124
12:01 A.M. Standard Time

Issued to The Cleveland Electric Illuminating Company

Date of Issue December 15, 1987

For the subscribing companies
MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

Endorsement No. 14

By *J. S. [Signature]*

Countersigned by *K. J. [Signature]*
Authorized Representative

Nuclear Energy Liability Insurance

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

CHANGES IN SUBSCRIBING COMPANIES AND IN THEIR PROPORTIONATE LIABILITY ENDORSEMENT
CALENDAR YEAR 1988

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 policy means the subscribing companies listed below.
 - b. The policy 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 policy 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 policy, if sooner.

Employers Insurance of Wausau, A Mutual Company	10%
Liberty Mutual Insurance Company	36%
Lumbermens Mutual Casualty company	49%
Michigan Mutual Insurance Company	5%

NOTICE OF ANNUAL MEETINGS

The annual meetings of Employers Insurance of Wausau, A Mutual Company, are held at its home office in Wausau, Wisconsin, on the fourth Friday of May in each year, at nine o'clock in the morning.

The annual meetings of Liberty Mutual Insurance Company are held at its home office in Boston, Massachusetts, on the third Wednesday of April in each year, at ten o'clock in the morning.

The annual meetings of Lumbermens Mutual Casualty Company are held at its home office in Long Grove, Illinois, on the third Tuesday of May in each year, at eleven o'clock in the morning.

The annual meetings of Michigan Mutual Insurance Company are held at its home office in Detroit, Michigan, on the second Thursday of May in each year, at ten-thirty o'clock in the morning.

Effective Date of this Endorsement January 1, 1988 To form a part of Policy No. MF-124
12:01 A.M. Standard time

Issued to The Cleveland Electric Illuminating Company

Date of Issue February 27, 1988

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By J. S. Swartz

Endorsement No. 15

Countersigned by K. J. Kalish

JOHNSON & HIGGINS OF OHIO

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 (Liability Form) as designated hereon to be attached to the policy hereunder.
 J. S. Swartz
 John L. Quatrochi, Vice President Liability, Underwriting American Nuclear Insurers

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.

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

Effective Date of this Endorsement January 1, 1988 To form a part of Certificate No N-102
12:01 A.M. Standard Time

Issued to The Cleveland Electric Illuminating Company

Date of Issue December 15, 1987

For the Subscribing companies

By *[Signature]*
General Manager

Endorsement No 3

Countersigned by *[Signature]*

JOHNSON & HIGGINS OF OHIO

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.

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 Certificate No. M-102

Issued to The Cleveland Electric Illuminating Company

Date of Issue December 15, 1987

For the Subscribing Companies

MUTUAL ATOMIC ENERGY LIABILITY UNDERWRITERS

By *J. S. Quattrocchi*

Endorsement No. 3

Countersigned by *K. J. Hallik*

Authorized Representative
JOHNSON & HIGGINS OF OHIO