

**A. Alan Blind**  
Vice President

Consolidated Edison Company of New York, Inc.  
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July 30, 2001  
NL-01-098

Re: Indian Point Unit No. 1  
and No. 2  
Docket No. 50-003  
and 50-247

Mr. Ira P. Dinitz  
U.S. Nuclear Regulatory Commission  
Mail Stop 11F-1  
Washington, DC 20555

SUBJECT: Report Submittal Pursuant to 10 CFR 140.21  
"Licensee Guarantees of Payment of Deferred Premiums"

Dear Mr. Denitz,

Enclosed, pursuant to 10 CFR 140.21, is a projection dated July 11, 2001, for the period August 1, 2001 to July 31, 2002, demonstrating that Consolidated Edison Company of New York, Inc. will have sufficient cash flow or cash reserves available throughout such period to pay any applicable retrospective premium to which the company might be subject.

There are no commitments contained in this letter.

Should you or your staff have any questions regarding this matter, please contact Mr. John McCann, Manager, Nuclear Safety and Licensing, 914-734-5074.

Sincerely,

*A. Alan Blind*

Attachment

M001

cc: U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Mail Stop O-P1-17  
Washington, DC 20555-0001

Mr. Hubert J. Miller  
Regional Administrator - Region I  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19046-1948

Mr. Patrick D. Milano, Senior Project Manager  
Project Directorate I-1  
Division of Licensing Project Management  
U.S. Nuclear Regulatory Commission  
Mail Stop 0-8-C-2  
Washington, DC 20555

Senior Resident Inspector  
U.S. Nuclear Regulatory Commission  
PO Box 38  
Buchanan, NY 10511

ATTACHMENT

Projection of Ability to Pay  
Retrospective Premium Adjustment  
For Period August 1, 2001 to July 31, 2002

Consolidated Edison Company of New York, Inc.  
Indian Point Unit No. 1 and No. 2  
Docket No. 50-003 and 50-247  
NL-01-098

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

PROJECTION OF ABILITY TO PAY  
RETROSPECTIVE PREMIUM ADJUSTMENT  
FOR PERIOD AUGUST 1, 2001 TO JULY 31, 2002

(Millions of Dollars)

I. Past Earnings, Net Cash Flows from Operating Activities and Allowance for Funds Used During Construction:

	Year Ended December 31									
	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Net Income	\$583.7*	\$711.8	\$745.1	\$712.8	\$694.1	\$723.9	\$734.3	\$658.5	\$604.1	\$566.9
Net Cash Flows From Operating Activities	894.8	1,306.8	1,436.7	1,238.5	1,107.3	1,276.5	1,249.9	1,025.3	962.0	945.4
AFDC	6.6	5.6	3.7	6.6	5.1	5.6	12.0	10.6	13.8	14.4

\*Includes \$130 million non-recurring (pre-tax) charge related to Indian Point 2 replacement power costs. Excluding this charge net income would have been \$668.2 million.

II. Available Cash and Temporary Cash Investments at June 30, 2001 \$37.8 million

III. Estimated Depreciation and Deferred Taxes:

	Year Ended December 31		
	2001	2002	Average
Depreciation	\$534	\$471	\$503
Deferred Taxes	13	60	36
Total	<u>\$547</u>	<u>\$531</u>	<u>\$539</u>

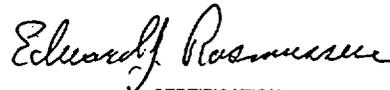
IV. Estimated Expenditures for Construction and Nuclear Fuel:

	Year Ended December 31		
	2001	2002	Average
Construction	\$934	\$884	\$909
Nuclear Fuel*	3	-	2
Total	<u>\$937</u>	<u>\$884</u>	<u>\$911</u>

\* Reflects the pending sale of Indian Point 2, which is expected to be completed in 2001.

V. Analysis:

Consolidated Edison Company of New York's (Con Edison of New York) net income has grown from \$566.9 million to \$583.7 million in the last ten years. Con Edison of New York expects to finance its capital requirements for 2001 and 2002, including requirements for maturing long-term debt, from cash balances, internally generated funds and external financing which would likely be debt issues. During the period August 1, 2001 - July 31, 2002, Con Edison of New York will retire \$450.0 million of long-term debt (excluding any advanced refundings). The company believes it will have sufficient cash flow and cash reserves to pay any applicable premium adjustment during the period August 1, 2001 - July 31, 2002.

  
CERTIFICATION

I, Edward J. Rasmussen, Vice President and Controller of Consolidated Edison Company of New York, Inc. (Con Edison of New York), hereby certify that the historical data presented above correctly reflect the accounting records of Con Edison of New York and, in my opinion, the estimates presented above are reasonable.

July 11, 2001