

VERMONT YANKEE NUCLEAR POWER CORPORATION

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(802) 257-5271

November 21, 2001
BVY 01-88

United States Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

Reference: (a) License No. DPR-28 (Docket No. 50-271)
(b) 10 CFR, Section 140.21

Subject: Vermont Yankee 10CFR 140.21 Submittal:
Licensee Guarantee of Payment of Deferred Premiums

In accordance with the requirements of 10CFR 140.21(e), enclosed is the annual cashflow statement for Vermont Yankee Nuclear Power Corporation ("Vermont Yankee") for the year 2001. This information is submitted, as evidence that Vermont Yankee maintains an approved guarantee of payment should a \$10 million retrospective premium be assessed under the Price Andersen Act.

Under the Power Contracts between Vermont Yankee and its nine sponsor companies, Vermont Yankee would bill retrospective premium assessments to its sponsor companies as part of the monthly Power Contract billing. Purchased power costs are paid by our nine sponsor companies out of operating revenues rather than net income or sponsor financing.

As an additional source of financial protection, pursuant to 10CFR 140.21(c) Vermont Yankee maintains a \$50 million revolving credit agreement. Maximum drawdown under this line of credit was less than \$38 million during 2001.

If you should have any questions, please me at (802) 258-4117.

Sincerely;



Bruce W. Wiggett
Senior Vice President of Finance & Administration, Treasurer

Enclosure

cc: USNRC Region 1 Administrator
USNRC Resident Inspector – VYNPC
USNRC Project Manager
Vermont Department of Public Service

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Vermont Yankee Nuclear Power Corporation
Statements of Cash Flows
For the Month and Ten Months ended October 31, 2001
Increase (Decrease) in Cash and Cash Equivalents

	October Year to Date (10 mos.)	December Estimated (2 Mos.)	Total Estimated (12 mos.)
Cash flows from operating activities:			
Net Income	\$5,278	1,056	\$6,334
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of nuclear fuel	11,380	2,276	13,656
Depreciation and amortization	12,253	2,451	14,704
Decommissioning Expense	10,117	2,023	12,140
Deferred tax expense	(6,059)	(1,212)	(7,271)
Amortization of deferred investment tax credits	(292)	(58)	(350)
Nuclear fuel disposal fee interest accrual	4,246	849	5,095
Interest and dividends on spent fuel disposal fee defeasance trust	(5,810)	(1,162)	(6,972)
(Increase) decrease in accounts receivable	1,735	347	2,082
(Increase) decrease in prepaid expenses	228	46	274
(Increase) decrease in materials and supplies inventory	(570)	(114)	(684)
Increase (decrease) in accounts payable and accrued liabilities	(6,809)	(1,362)	(8,171)
Increase (decrease) in interest and taxes payable	697	139	836
Other	2,485	497	2,982
Total Adjustments	<u>23,601</u>	<u>4,720</u>	<u>28,321</u>
Net Cash provided by operating activities	<u>28,879</u>	<u>5,776</u>	<u>34,655</u>
 Cash flows from investing activities			
Electric plant additions and retirements	(5,926)	(1,185)	(7,111)
Nuclear fuel additions	(3,466)	(693)	(4,159)
Payments to decommissioning trust	(12,328)	(2,466)	(14,794)
Payments to spent fuel disposal fee defeasance trust	-	-	0
Net cash used for investing activities	<u>(21,720)</u>	<u>(4,344)</u>	<u>(26,064)</u>
 Cash flows from financing activities			
Series I Bonds sinking fund payments	(5,418)	-	(5,418)
Payments of revolving credit agreements	(411,557)	(62,000)	(473,557)
Borrowings under revolving credit agreements	415,590	61,000	476,590
Dividend Payments	(4,643)	(1,620)	(6,263)
Net cash used for financing activities	<u>(6,028)</u>	<u>(2,620)</u>	<u>(8,648)</u>
 Net increase (decrease) in cash and cash equivalents	1,130	(1,188)	(57)
Cash and cash equivalents at beginning of period	775	27	802
Cash and cash equivalents at end of period	<u>\$1,905</u>	<u>(\$1,161)</u>	<u>\$745</u>

I hereby certify that I am Senior Vice President, Finance and Administration, Treasurer of Vermont Yankee Nuclear Power Corporation and that this statement represents the unaudited cashflow of the Company for the period ended 10/31/01.



 Bruce W. Wiggett
 Senior Vice President of Finance & Administration, Treasurer