



John C. Brons
Executive Vice President
Nuclear Generation

May 25, 1990
IPN-90-026
JPN-90-039

U.S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, D.C. 20555

Attn: Document Control Desk

Subject: **Indian Point 3 Nuclear Power Plant**
Docket No. 50-286
James A. FitzPatrick Nuclear Power Plant
Docket No. 50-333
Guarantee of Payment of Deferred Premiums for 1989

Dear Sir:

Title 10 of the Code of Federal Regulations, part 140.21, requires licensees to submit evidence of guarantee of payment of deferred premiums for their reactors. This regulation requires that the guarantee must be in an amount of \$10 million for each licensed reactor. 10 CFR 140.21 states that an annual certified financial statement showing that an adequate cash flow can be generated is acceptable evidence of this guarantee. The Authority has selected this method for demonstrating compliance with 10 CFR 140.21. A certified cash flow estimate for 1989-90 is enclosed. Since the Authority operates two reactors, the Authority's guarantee must be for \$20 million. The estimated 1990 cash flow statement shows available cash of almost \$90 million, which exceeds the required \$20 million.

Should you or your staff have any questions regarding this matter, please contact Mr. P. Kokolakis or Mr. J. Ellmers of my staff.

Very truly yours,

A handwritten signature of John C. Brons in dark ink.
John C. Brons
Executive Vice President
Nuclear Generation

cc: See next page

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PDR ADDCK 05000286
J PDC

Add: NRP/PMAS/PTSB
11/10004

cc: U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Resident Inspector's Office
Indian Point 3
U.S. Nuclear Regulatory Commission
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Buchanan, NY 10511

Office of the Resident Inspector
U.S. Nuclear Regulatory Commission
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Lycoming, NY 13093

Mr. J. D. Neighbors, Sr. Project Manager
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Mr. D. E. LaBarge, Project Manager
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New York Power Authority
Cash Flow
 1989-1990
 (\$ 000)

	1989 <u>ACTUAL</u>	1990 <u>ESTIMATED</u>
Gross Revenues (A)	\$1,239,828	\$1,328,254
Required for		
Bond Service	285,427	283,894
Bond Reserve (B)	<u>42,842</u>	<u>42,584</u>
Available for Operating and Maintenance Expenses, Fuel and Necessary Reserves	\$ <u>911,559</u>	\$ <u>1,001,776</u>
Operating, Maintenance and Fuel Expense	\$ <u>873,772</u>	\$ <u>911,837</u>

(A) The Authority derives revenue from the sale of power. The Authority is a body corporate and politic, a political subdivision and a corporate municipal instrumentality of the State of New York, and, as such its properties and income are exempt from taxation and it does not have retained earnings. For a description of accounting and financial policies see Notes to Financial Statement in the 1989 Annual Report.

(B) Bond Reserve requirement is 15% of Bond Service.

CERTIFIED:


 SALLY L. IRVING
 Treasurer