



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

MAY 15 1974

Docket Nos. 50-3
50-247
and 50-286

Mr. William J. Cahill, Jr.
Vice President
Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York, New York 10003

Dear Mr. Cahill:

In recent weeks, through a number of reports in the press and through Consolidated Edison's own press release, we have become aware of Consolidated Edison's current financial difficulties. We have also become aware of the legislation presently before the New York State legislature that would authorize the purchase of Indian Point Unit 3 by the Power Authority of the State of New York (PASNY).

In view of these developments, we require current information on Consolidated Edison's financial conditions and financing plans so that we may ascertain the status of the Company's financial qualifications with respect to the Indian Point facilities.

The specific information we require is set forth in Enclosure 1 to this letter. We request that you respond within ten (10) days from receipt of this letter, so that we may determine as promptly as possible, whether any additional action or information is required.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. Giambusso", is written above the typed name.

A. Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing

Enclosure:
Request for Additional
Financial Information

cc: See page 2

8110240086 740516
PDR ADDCK 05000003
I PDR

Mr. William J. Cahill, Jr.

- 2 -

MAY 15 1974

cc: Arvin E. Upton, Esq.
Harry H. Voigt, Esq.
Eugene R. Fidell, Esq.
LeBoeuf, Lamb, Leiby, and
MacRae
1821 Jefferson Place, N. W.
Washington, D. C. 20036

J. Bruce MacDonald
Deputy Commissioner and Counsel
New York Department of Commerce
99 Washington Avenue
Albany, New York 12210

Angus Macbeth, Esq.
Natural Resources Defense
Council, Inc.
15 West 44th Street
New York, New York 10036

Nicholas A. Robinson, Esq.
Marshall, Bratter, Greene,
Allison & Tucker
430 Park Avenue
New York, New York 10022

Honorable Louis J. Lefkowitz
Attorney General, State of New York
ATTN: Philip Weinberg
Room 4776
Two World Trade Center
New York, New York 10047

Anthony Z. Roisman, Esq.
Counsel for Citizens Committee
for Protection of the Environment
1712 N Street, N. W.
Washington, D. C. 20036

ENCLOSURE 1

REQUEST FOR ADDITIONAL FINANCIAL INFORMATION

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

INDIAN POINT STATION, UNITS 1, 2, AND 3

DOCKET NOS. 50-3, 50-247 & 50-286

1. Describe the probable arrangements that would be allowed by the enabling State legislation under which Consolidated Edison would sell Indian Point 3 to the Power Authority of the State of New York (PASNY).
2. Indicate the sources of funds for completion of the construction of Indian Point Unit 3.
3. Identify and state the amount of each major system-wide source of construction funds which will be realized during the twelve months' period beginning June 1, 1974 assuming all of the following:

- a) Indian Point Unit 3 is not sold to PASNY.
- b) Indian Point Unit 3 will be completed and on-line on schedule.
- c) Fuel costs and interest rates remain at thier present levels.

If the aggregate amount of the estimated construction funds is less than the construction budget without adjustment for the sale of the units and completion of their construction by PASNY, indicate whether or not certain construction projects (describe and state the dollars involved) could be delayed to bring about a parity between estimated construction funds and the construction budget.

4. Identify and state the amount of each major system-wide source of construction funds for the twelve months' period beginning June 1, 1974, assuming all of the following:
 - a) Indian Point Unit 3 is sold to PASNY at the earliest probable date.
 - b) The sales price that would be received by Consolidated Edison at the date of sale assumed in (a) above.
 - c) The earliest probable date for initial operation of Indian Point Unit 3 by Consolidated Edison as lessee and PASNY as lessor.
 - d) Fuel costs and interest rates remain at their present levels.

MAY 15 1974

5. Indicate the "net earnings available for interest" and the "aggregate amount of annual interest charges" as defined in Section 4.01 of the Mortgage Trust Indenture dated as of April 1, 1946 for the most recent twelve months' period. Also, provide projections of such amounts for the twelve months' period beginning June 1, 1974 using (a) the assumptions described in item 3 above and (b) the assumptions in item 4 above.
6. Provide copies of the most recent "Net Earnings Available for Interest Certificate" prepared in connection with the issuance of mortgage bonds under the indenture noted above in item 5.
7. Indicate the average age of accounts receivable applicable to the following classes of electric service: (a) residential, (b) commercial-industrial, (c) railroads and railways, (d) public authorities, and (e) other electric utilities as of the latest available date and the corresponding date of the previous year.
8. Provide copies of Consolidated Edison's most recent balance sheet, income statement, and statement of sources and applications of funds with corresponding data for the prior twelve months' period.

MAY 15 1974

Docket Nos. 50-3
50-247
and 50-286

Anthony Z. Roisman
Counsel for Citizens Committee
for Protection of the Environment
1712 N Street, N. W.
Washington, D. C. 20036

Dear Mr. Roisman:

Thank you for your letter of May 3, 1974. We have been following the situation relating to Consolidated Edison's apparent financial difficulties and have concluded that it is necessary for us to obtain further specific current information with respect to these reported financial difficulties.

We have sent the enclosed letter to Consolidated Edison requesting prompt answers to the questions set forth in the enclosure to the letter. We expect to meet with representatives of the Company shortly. After receipt and assessment of this information, we will inform you of our determination with respect to whether any further action or information is required and whether a specific investigation or show cause order is warranted.

Sincerely,

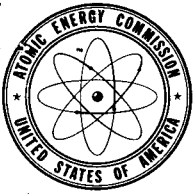
L. Manning Muntzing
Director of Regulation

Enclosure:
Ltr to Consolidated Edison
fm A. Giambusso dtd

Distribution:

AEC PDR	MAYcock
Local PDR	OGC -
Docket File	GErtter (DR-7018)
DR Rdg.	JCook
L Rdg.	MGroff
LWR 1-1 Rdg.	EHughes
LWR 1-1 Gr. Tkt.	EGreen
LMMutnzng	J. Yore
LVGossick	RO (3)
JFO'Leary	LWR Br. Chiefs
DKnuth	JLee
	LWR 1-1 File
	MJOestman

OFFICE →	LWR 1-1	AD:LWR 1	OGC	DD:RP:L	DIR:LIC	DIR:REG
SURNAME →	MAYcock	RCDeYoung	MURRAY	AGiambusso	JFO'Leary	LMMuntzing
DATE →	5/10/74	5/13/74	5/10/74	5/ /74	5/ /74	5/ /74



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

Docket Nos. 50-3
50-247
and 50-286

Chairman
Commissioner

Anthony Z. Roisman
Counsel for Citizens Committee
for Protection of the Environment
1712 N Street, N. W.
Washington, D. C. 20036

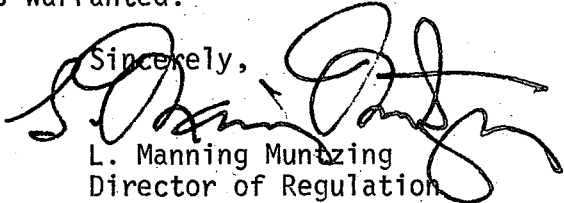
E.J. Bauer, Joint Committee on
Atomic Energy

Dear Mr. Roisman:

Thank you for your letter of May 3, 1974. We have been following the situation relating to Consolidated Edison's apparent financial difficulties and have concluded that it is necessary for us to obtain further specific current information with respect to these reported financial difficulties.

We have sent the enclosed letter to Consolidated Edison requesting prompt answers to the questions set forth in the enclosure to the letter. We expect to meet with representatives of the Company shortly. After receipt and assessment of this information, we will inform you of our determination with respect to whether any further action or information is required and whether a specific investigation or show cause order is warranted.

Sincerely,


L. Manning Munzing
Director of Regulation

Enclosure:
Ltr to Consolidated Edison
fm A. Giambusso dtd

and we will notify you of such a meeting
so that you may attend, if you wish.

see Roisman cc: + Joint Committee
Commissioners

FROM Anthony Z. Roisman Counsel for Citizens Committee for Protection of the Environment	CONTROL NUMBER 7018	FILE LOCATION															
O L. Manning Muntzing	DATE OF DOCUMENT 5/3/74 ACTION PROCESSING DATES Acknowledged _____ Interim Reply _____ Final _____	ACTION COMPLETION DEADLINE 5/16/74 PREPARE FOR SIGNATURE OF: _____ Chairman <input checked="" type="checkbox"/> Director of Regulation															
DESCRIPTION Ltr <input checked="" type="checkbox"/> Original <input type="checkbox"/> Copy <input type="checkbox"/> Other Req a thorough investigation of the financial qualifications of Consolidated Edison to continue to operate Indian Point 1 and 2 and to continue to construct Indian Point 3 - req answer within 15 days		REMARKS															
<table border="1"> <thead> <tr> <th>REFERRED TO</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>Giambusso f/action</td> <td>5/2/74</td> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	REFERRED TO		DATE	Giambusso f/action	5/2/74												
REFERRED TO	DATE																
Giambusso f/action	5/2/74																

COPY SENT PDR

DO NOT DETACH THIS COPY

 DIRECTOR OF REGULATION
 COMMUNICATIONS CONTROL

 Form HQ-32 (1-73)
 USAEC