

DEC 3 1 1974

DOCKET NO. 50-286

SUMMARY OF MEETINGS IN NEW YORK ON NOVEMBER 18, 1974 WITH CONSOLIDATED EDISON COMPANY (CON ED), MOODY'S INVESTOR SERVICE, CHASE MANHATTEN BANK AND FIRST NATIONAL CITY BANK

Meetings were held in New York on November 18, 1974 with the organizations listed above to discuss Consolidated Edison Company's financial condition and to elicit advice concerning Regulatory's development of a Standard Review Plan for financial reviews. The meetings with representatives of Moody's Investor Service and First National City Bank were principally to discuss the Standard Review Plan. However, Con Ed's particular situation was discussed briefly and their remarks concerning Con Ed are provided below. The meeting with representatives of Chase Manhattan Bank was to discuss Con Ed's bank credit agreement for which Chase Manhattan is the lead bank. The meeting with Con Ed was to discuss the items listed in the enclosed (Enclosure 2) letter from Mr. Donald J. Skovholt to Mr. Walter Grant dated November 14, 1974. An attendance list for the meetings is provided as Enclosure 1.

DISCUSSION

MOODY'S INVESTOR SERVICE - The Moody's representatives were asked about Con Ed's suspended bond rating. They indicated that Con Ed's rating had been suspended because there were a number of unknown factors outside of the control of management which in their judgment made it prudent not to assign Con Ed a rating. They gave no firm indication of when the Con Ed case would be reevaluated.

FIRST NATIONAL CITY BANK - First National City Bank is the trustee for a large amount of Con Ed bonds. Until recently First National City Bank had been the lead bank in Con Ed's bank credit agreement, but that responsibility was taken over by Chase Manhattan Bank because of a possible conflict with the bond trusteeship. No substantive factual information was advanced by the First National City Bank representatives concerning Con Ed's financial condition.

CHASE MANHATTEN BANK - We discussed Con Ed's bank credit agreement (see Enclosure 3) with representatives of Chase Manhattan Bank. They indicated that the agreement which allows for a maximum of \$425 million is in effect. The amount available is dependent upon Con Ed meeting specified milestones written into the agreement. At present Consolidated Edison can only borrow \$365 million of the \$425 million.

811200043 741231  
ADOCK 05000286

OFFICE >					
SURNAME >					
DATE >					

DEC 3 1 1974

The group of thirteen banks that have entered into the agreement have loaned money on the basis that the Astoria #6 unit and Indian Point 3 will be sold to the Power Authority of the State of New York (PASNY) by December 31, 1975. If this is not done, a new line of credit would have to be established and a new agreement reached.

CONSOLIDATED EDISON COMPANY - Con Ed responded to the ten questions advanced in the Skovholt to Grant letter of November 14, 1974 (Enclosure 2). The numbered responses below correspond to the question numbers in the letter. The handouts referred to in the responses are provided in Enclosure 3.

1. Yes
2. Yes - see handout
3. No - except that in the rate decision preceeding the recent decision of November 12, 1974 some small noninterest bearing work was included. Indian Point 3 is not included.
4. See handout
5. (a) See handout
  - (b) See handout (press release by Public Service Commission of the State of New York). With regard to future rate cases, the Con Ed representatives indicated that a steam rate request was in preparation.
  - (c) Con Ed representatives indicated that the average days in arrears of accounts was down from 59.2 days last winter to 42 days in September 1974.
  - (d) Several newspaper articles were provided to the staff (see handouts). Con Ed representatives indicated that the sale of Astoria #6 to PASNY was moving ahead and that a public hearing would be held on November 22, 1974. They indicated that the engineering and financial audits of the two facilities had been completed with no major disagreements between PASNY and Con Ed.

The expected revenues from the sale of Astoria #6 was set at \$234 million based on a sale date of December 31, 1974 and \$345 million from the sale of IP3 based on a sale date of April 1, 1975. The amounts could vary if the sale dates vary and as the result of sale negotiations.

OFFICE ➤					
SURNAME ➤					
DATE ➤					

DEC 8 1 1974

- (e) The line of bank credit has been finalized and is in force and a copy of the agreement was provided (see handout).
  - (f) As of September 30, 1974 the amount borrowed against the line of credit was \$225 million.
  - (g) See handout.
  - (h) Con Ed representatives indicated that their first goal was to sell Astoria #6 and use the revenues to reduce their bank debt. They also indicated that they intended to go back into public financing as soon as possible. However, they indicated that they were not planning at this time to issue common stock next year.
6. See handouts (press releases)
  7. The Con Ed representatives indicated that there was no testimony given before the state legislature. However, a copy of testimony given before the Public Service Commission in the recent rate case was provided (see handout).
  8. Con Ed representatives indicated that there was no change in the "carrying charge" estimate since the estimate provided to the staff in response to our earlier questions.
  9. See handouts
  10. See handout. Con Ed also indicated that the \$107,395,200 payment to Westinghouse referred to in the handout had been made on November 1, 1974.

M. B. Aycock, Project Manager  
 Light Water Reactors Project Branch 1-1  
 Directorate of Licensing

Enclosures:

1. Attendance list
2. Ltr. to Mr. W. Grant  
from D. Skovholt
3. Handouts Received from  
Con Ed

*for Encl 3 See Jacket*

OFFICE >	LWR 1-1	LWR 1-1				<i>Memo J</i>
SURNAME >	<i>MBA</i> MBAycock:mk	<i>DBV</i> DBVassallo				<i>4</i>
DATE >	12/31/74	12/31/74				

DISTRIBUTION OF MEETING SUMMARY  
DATED DEC 31 1974 FOR INDIAN POINT NUCLEAR GENERATING  
UNIT NO. 3

Mr. William J. Cahill, Jr.  
Consolidated Edison Company  
of New York, Inc.

Angus Macbeth, Esq.  
Natural Resources Defense  
Council, Inc.

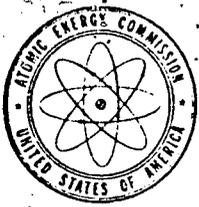
Arvin E. Upton, Esq.  
LeBoeuf, Lamb, Leiby, and MacRae

Nicholas A. Robinson, Esq.  
Marshall, Bratter, Greene,  
Allison and Tucker

Mr. J. Bruce MacDonald  
New York Department of Commerce

Honorable Louis J. Lefkowitz  
New York State Attorney General

---



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

DEC 31 1974

DOCKET NO. 50-286

SUMMARY OF MEETINGS IN NEW YORK ON NOVEMBER 18, 1974 WITH CONSOLIDATED EDISON COMPANY (CON ED), MOODY'S INVESTOR SERVICE, CHASE MANHATTEN BANK AND FIRST NATIONAL CITY BANK

Meetings were held in New York on November 18, 1974 with the organizations listed above to discuss Consolidated Edison Company's financial condition and to elicit advice concerning Regulatory's development of a Standard Review Plan for financial reviews. The meetings with representatives of Moody's Investor Service and First National City Bank were principally to discuss the Standard Review Plan. However, Con Ed's particular situation was discussed briefly and their remarks concerning Con Ed are provided below. The meeting with representatives of Chase Manhattan Bank was to discuss Con Ed's bank credit agreement for which Chase Manhattan is the lead bank. The meeting with Con Ed was to discuss the items listed in the enclosed (Enclosure 2) letter from Mr. Donald J. Skovholt to Mr. Walter Grant dated November 14, 1974. An attendance list for the meetings is provided as Enclosure 1.

DISCUSSION

MOODY'S INVESTOR SERVICE - The Moody's representatives were asked about Con Ed's suspended bond rating. They indicated that Con Ed's rating had been suspended because there were a number of unknown factors outside of the control of management which in their judgment made it prudent not to assign Con Ed a rating. They gave no firm indication of when the Con Ed case would be reevaluated.

FIRST NATIONAL CITY BANK - First National City Bank is the trustee for a large amount of Con Ed bonds. Until recently First National City Bank had been the lead bank in Con Ed's bank credit agreement, but that responsibility was taken over by Chase Manhattan Bank because of a possible conflict with the bond trusteeship. No substantive factual information was advanced by the First National City Bank representatives concerning Con Ed's financial condition.

CHASE MANHATTEN BANK - We discussed Con Ed's bank credit agreement (see Enclosure 3) with representatives of Chase Manhattan Bank. They indicated that the agreement which allows for a maximum of \$425 million is in effect. The amount available is dependent upon Con Ed meeting specified milestones written into the agreement. At present Consolidated Edison can only borrow \$365 million of the \$425 million.

DEC 31 1974

The group of thirteen banks that have entered into the agreement have loaned money on the basis that the Astoria #6 unit and Indian Point 3 will be sold to the Power Authority of the State of New York (PASNY) by December 31, 1975. If this is not done, a new line of credit would have to be established and a new agreement reached.

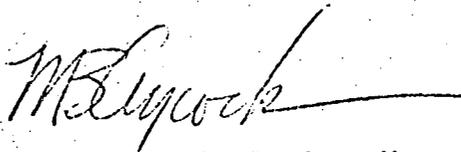
CONSOLIDATED EDISON COMPANY - Con Ed responded to the ten questions advanced in the Skovholt to Grant letter of November 14, 1974 (Enclosure 2). The numbered responses below correspond to the question numbers in the letter. The handouts referred to in the responses are provided in Enclosure 3.

1. Yes
2. Yes - see handout
3. No - except that in the rate decision preceding the recent decision of November 12, 1974 some small noninterest bearing work was included. Indian Point 3 is not included.
4. See handout
5. (a) See handout  
(b) See handout (press release by Public Service Commission of the State of New York). With regard to future rate cases, the Con Ed representatives indicated that a steam rate request was in preparation.  
(c) Con Ed representatives indicated that the average days in arrears of accounts was down from 59.2 days last winter to 42 days in September 1974.  
(d) Several newspaper articles were provided to the staff (see handouts). Con Ed representatives indicated that the sale of Astoria #6 to PASNY was moving ahead and that a public hearing would be held on November 22, 1974. They indicated that the engineering and financial audits of the two facilities had been completed with no major disagreements between PASNY and Con Ed.

The expected revenues from the sale of Astoria #6 was set at \$234 million based on a sale date of December 31, 1974 and \$345 million from the sale of IP3 based on a sale date of April 1, 1975. The amounts could vary if the sale dates vary and as the result of sale negotiations.

DEC 31 1974

- (e) The line of bank credit has been finalized and is in force and a copy of the agreement was provided (see handout).
  - (f) As of September 30, 1974 the amount borrowed against the line of credit was \$225 million.
  - (g) See handout
  - (h) Con Ed representatives indicated that their first goal was to sell Astoria #6 and use the revenues to reduce their bank debt. They also indicated that they intended to go back into public financing as soon as possible. However, they indicated that they were not planning at this time to issue common stock next year.
6. See handouts (press releases)
  7. The Con Ed representatives indicated that there was no testimony given before the state legislature. However, a copy of testimony given before the Public Service Commission in the recent rate case was provided (see handout).
  8. Con Ed representatives indicated that there was no change in the "carrying charge" estimate since the estimate provided to the staff in response to our earlier questions.
  9. See handouts
  10. See handout. Con Ed also indicated that the \$107,395,200 payment to Westinghouse referred to in the handout had been made on November 1, 1974.



M. B. Aycock, Project Manager  
Light Water Reactors Project Branch 1-1  
Directorate of Licensing

Enclosures:

1. Attendance list
2. Ltr. to Mr. W. Grant  
from D. Skovholt
3. Handouts Received from  
Con Ed

ENCLOSURE 1  
ATTENDANCE LIST

FOR  
NOVEMBER 18, 1974 MEETINGS

WITH  
MOODY'S INVESTOR SERVICE  
FIRST NATIONAL CITY BANK  
CHASE MANHATTEN BANK  
CONSOLIDATED EDISON COMPANY

Moody's Investor Service -

R. Burke  
S. Clark

First National City Bank -

T. O'Brien  
G. McGolrick

Chase Manhattan Bank -

S. Lewand  
M. Bracey

Con Ed -

W. Grant  
J. Thornton  
T. Epps  
R. Remshaw  
J. Cioffi

AEC -

D. Skovholt  
M. B. Aycock  
T. Jackson  
(consultant)