

ENCLOSURE 2

UNITED STATES  
ATOMIC ENERGY COMMISSION

WASHINGTON, D.C. 20545

NOV 14 1974

Docket No. 50-286

Mr. Walter Grant  
Senior Vice President  
Consolidated Edison Company  
4 Irving Place  
New York, New York

Dear Mr. Grant:

We appreciate the opportunity to visit you at 4:00 p.m. on November 18, 1974 in your offices. Our group will consist of:

Mr. Donald J. Skovholt, Assistant Director for Quality Assurance and Operations (Directorate of Licensing), Atomic Energy Commission. This office is directly responsible for the group which evaluates the financial capabilities of electric utility applicants for construction permits and operating licenses for nuclear power plants.

Mr. Michael B. Aycock, Project Manager, Reactor Projects, Atomic Energy Commission. Mr. Aycock is responsible for project management of the operating license application for Consolidated Edison's Indian Point, Unit #3.

Mr. Tim Jackson, Financial Consultant to the U. S. Atomic Energy Commission.

Our staff is performing an evaluation of the financial qualifications of Consolidated Edison with regard to the operating license application for Indian Point, Unit #3. This meeting will assist the staff to understand the record and, in part, is necessary due to the change in financial analysts responsible for this case. Among the questions we would like to discuss are the following:

1. Are Indian Point Units 1 & 2 in the rate base?
2. Based on operations through October 1974, are revenues for electrical sales of power generated by Units 1 & 2 covering capital and operating expenses for those plants?
3. Is any construction work in progress allowed in the rate base?

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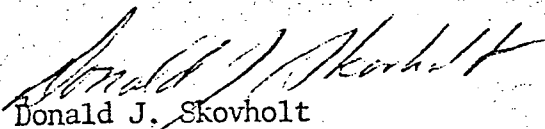
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4. Financial results in 1973 and 1974.
5. A review of current status of:
  - a. higher fuel costs
  - b. rate case and future rate increase requests
  - c. receivables
  - d. sale of plants to PASNY
  - e. bank line of credit (\$425 million)
  - f. current borrowings against line of credit
  - g. current effect of conservation
  - h. near term financial plans.
6. Press release on consultant's report on Consolidated Edison's plant values.
7. Financial testimony in last rate case and before the state government justifying the need to sell the utility plants.
8. Current estimate of the "carrying charge" on Indian Point, Unit #3.
9. Financial terms of core lease.
10. The dollar amount Consolidated Edison has invested in Indian Point, Unit #3 and the estimated amount to complete it.

Sincerely,



Donald J. Skovholt  
Assistant Director for Quality  
Assurance and Operations  
Directorate of Licensing

cc: See page 3

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