

308/02/78

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REC: SALTZMAN J ORG: JAMES E W DOCDATE: 03/02/78
NRC WI PUB SVC DATE RCVD: 08/01/78

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SUBJECT: LTR 1 ENCL 0

RESPONSE TO NRC REQUEST OF 02/22/76... FORWARDING ADDL FINANCIAL INFO TO
APPLICANT'S SUBMITTAL OF 08/01/77, PURSUANT TO REQUIREMENTS OF SECONDARY
FINANCIAL PROTECTION IN THE FORM OF RETROSPECTIVE PREMIUMS AS SPECIFIED IN
10CFR140.21... NOTE: ENCLS 1 AND 2

PLANT NAME: KEWAUNEE REVIEWER INITIAL: XJM
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REGULATORY DOCKET FILE COPY

March 2, 1978

Antitrust & Indemnity Group
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attention Mr. Jérôme Saltzman, Chief

Gentlemen:

Docket 50-305
Operating License DPR-43

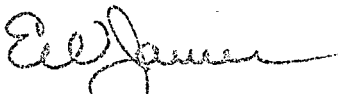
On August 1, 1977, we submitted information pursuant to the requirements of secondary financial protection in the form of retrospective premiums as specified in 10 CFR 140.21. On February 22, 1976, we were requested to provide more complete financial information.

Based upon our review of this matter, the provision of 10 CFR 140.21(e) appears to be the optimum method of providing guarantee of payment of deferred premiums. Therefore, please find attached the following documents which are responsive to the requirements of regulations:

- 1) Certified annual financial statements for the three partners in the Kewaunee Plant for 1976.
- 2) Quarterly financial statements for the Kewaunee partners, the quarters ending October 31, 1977, for Wisconsin Public Service Corporation; September 30, 1977, for Wisconsin Power & Light Company and Madison Gas and Electric Company.
- 3) A Certified Cash Flow Projection for the Kewaunee partners for 1978.

We trust the attached information will be sufficient to permit completion of the staff review.

Very truly yours,



E. W. James
Senior Vice President
Power Supply & Engineering

782140073

sa

Attach.

M001
5/10

CASH FLOW PROJECTION

Wisconsin Public Service Corporation
Wisconsin Power and Light Company
Madison Gas and Electric Company

Internally Generated Cash
(Millions of Dollars)

	1977 (Actual)			Total
	WPSC	WP&L	MG&E	
Retained Earnings	9.7	7.2	2.7	19.6
Allowance for Funds Used During Construction	(1.0)	(3.2)	(1.6)	(5.8)
Straight Line Depreciation	23.6	21.0	9.2	53.8
Deferred Taxes-Accelerated Depreciation	6.7	7.1	2.7	16.5
Nuclear Fuel Amortization	5.0	4.9	2.1	12.0
Investment Tax Credit-Net Deferred	3.2	5.5	2.8	11.5
Total Cash Flow	47.2	42.5	17.9	107.6

	1978 (Estimated)			Total
	WPSC	WP&L	MG&E	
Retained Earnings	7.4	7.6	1.4	16.4
Allowance for Funds Used During Construction	-	(.3)	(.4)	(.7)
Straight Line Depreciation	26.4	24.1	10.8	61.3
Deferred Taxes-Accelerated Depreciation	8.6	10.6	4.8	24.0
Nuclear Fuel Amortization	5.7	5.6	2.3	13.6
Investment Tax Credit-Net Deferred	5.3	7.1	3.8	16.2
Total Cash Flow	53.4	54.7	22.7	130.8

CERTIFICATION:

The Cash Flow Projections detailed above are based on the most current information available to us and represent our best estimates as of this date.

Dated

3/1/78

By

Jim Ballm

Treasurer