

Central Iowa Power Cooperative

P.O. Box 2517

Cedar Rapids, Iowa 52406

(319) 366-8011

E.H. WILLIAMS
GENERAL MANAGER

November 7, 1980

Mr. Jerome Saltzman, Chief
Antitrust and Indemnity Group
Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Re: Price-Anderson Act
Retrospective Premium System

Duane Arnold Energy Center /
Docket No. 50-331

Dear Mr. Saltzman:

This letter is filed to comply with the provisions of the Price-Anderson Act regarding the Cooperative's guarantee of its ability to respond to a call for retrospective premium.

Central Iowa Power Cooperative, a 20% owner of the Duane Arnold Energy Center, has reserved \$2,000,000 of a \$14,000,000 line of credit available from the National Rural Utilities Cooperative Finance Corporation to meet its 20% commitment.

Yours truly,

CENTRAL IOWA POWER COOPERATIVE



E. H. Williams, General Manager

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**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**

1115 30th STREET, N.W., WASHINGTON, D.C. 20007 • (202) 337-6700

October 31, 1980

Mr. E. H. Williams, General Manager
Central Iowa Power Cooperative
P. O. Box 2517
Cedar Rapids, Iowa 52406

Dear Mr. Williams:

Re: Line of Credit #05-16-083-R-21

We are pleased to advise you that your system's application for a line of credit in the amount of \$14,000,000 for a term of 12 months has been approved. A copy of the approved line of credit agreement (CFC Form 10) and the executed promissory note (CFC Form 24) are enclosed.

Please note that the Terms and Conditions of the agreement require:

- (1) that CFC be notified by the applicant of any delinquency or default on any of its obligations; (Section i)
- (2) that the applicant will not, without prior written consent of CFC, become obligated in respect to any indebtedness for moneys borrowed other than indebtedness to CFC or REA; (Section iii) and
- (3) that the applicant will deliver to CFC a copy of financial and statistical reports prepared for REA and a copy of any CPA audit report prepared subsequent to the submission of the loan application. (Section v)

The CPA audit report should include a copy of the supplemental letter prepared by the auditor. We request that you submit a copy of REA Form 7 for every month in which a balance is outstanding on any advances.

CFC policy establishing the interest rate for line of credit loans provides that such interest rate will be bank prime rate plus 1 percent or such lesser total rate per annum, as may be fixed by the CFC Board. The policy further provides that the interest rate be adjusted in accordance with changes in the bank prime rate. (See enclosed memorandum for current interest rate).

Full or partial repayments of advances on the note may be made at any time and funds may be reborrowed as the need arises, so long as the total amount of advances outstanding at any one time does not exceed the amount of the note. This process may be repeated as often as necessary during the period of the line of credit.

Requests for advance of funds may be made by telephone or by letter. We should appreciate having notice at least one day prior to the date that the funds are required. If the request is by telephone, a letter confirming the request should be sent to CFC. Telephone requests for advances may be made to your Area Loan Examiner,* Loan Department, or the Money Desk, Finance Department. The funds will be wired to your General Funds Account at Farmers State Bank, Marion, Iowa. The outstanding balance on your current line of credit (R-20) will be refunded.

A stop-order has been placed on \$2,000,000 of the line of credit pursuant to CIPCO's request. The stop-order amount will evidence the availability of \$2,000,000 to CIPCO should it be called upon by the U. S. Nuclear Regulatory Commission (NRC) to provide CIPCO's proportionate share of a retrospective premium which may be assessed by NRC to the Duane Arnold Energy Center (DAEC) participants. Upon submission of documentation that CIPCO has been requested to meet its proportionate share of DAEC retrospective premiums, the stop-order will be lifted.

If you have any questions, please let us know.

Sincerely,


Gary A. Gordy
Loan Officer

*Ruth Stockton
GG:ceb