

# ACCELERATED DISTRIBUTION DEMONSTRATION SYSTEM

## REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 9107030224    DOC.DATE: 91/06/25    NOTARIZED: YES    DOCKET #

FACIL: 50-269	Oconee Nuclear Station, Unit 1, Duke Power Co.	05000269
50-270	Oconee Nuclear Station, Unit 2, Duke Power Co.	05000270
50-287	Oconee Nuclear Station, Unit 3, Duke Power Co.	05000287
50-369	William B. McGuire Nuclear Station, Unit 1, Duke Powe	05000369
50-370	William B. McGuire Nuclear Station, Unit 2, Duke Powe	05000370
50-413	Catawba Nuclear Station, Unit 1, Duke Power Co.	05000413
50-414	Catawba Nuclear Station, Unit 2, Duke Power Co.	05000414

AUTH.NAME	AUTHOR AFFILIATION
TUCKMAN, M.S.	Duke Power Co.
RECIP.NAME	RECIPIENT AFFILIATION
	Document Control Branch (Document Control Desk)

*all financial info*

SUBJECT: Forwards "Duke Power Co Annual Rept 1990" & certified financial statements.

DISTRIBUTION CODE: M004D    COPIES RECEIVED: LTR 1 ENCL 1    SIZE: 7+60  
 TITLE: 50.71(b) Annual Financial Report

NOTES: LPDR 2cys AMDTS to FSAR. ASLB 1cy.    05000413  
 LPDR 2cys AMDTS to FSAR. ASLB 1cy.    05000414

	RECIPIENT		COPIES			RECIPIENT		COPIES	
	ID CODE/NAME		LTTR	ENCL		ID CODE/NAME		LTTR	ENCL
	PD2-3 PD		1	1		WIENS, L		1	0
	REED, T		1	0		MARTIN, R		1	0
INTERNAL:	AEOD/DOA		1	1	<u>REG FILE</u>	01		1	1
EXTERNAL:	NRC PDR		1	1					
NOTES:			3	3					

NOTE TO ALL "RIDS" RECIPIENTS:

PLEASE HELP US TO REDUCE WASTE! CONTACT THE DOCUMENT CONTROL DESK, ROOM P1-37 (EXT. 20079) TO ELIMINATE YOUR NAME FROM DISTRIBUTION LISTS FOR DOCUMENTS YOU DON'T NEED!

TOTAL NUMBER OF COPIES REQUIRED: LTTR 10 ENCL 7

*M.A.-2*

R  
I  
D  
S  
/  
A  
D  
D  
S

Duke Power Company  
Nuclear Production Dept.  
P.O. Box 1007  
Charlotte, N.C. 28201-1007

M.S. TUCKMAN  
Vice President  
Nuclear Operations  
(704)373-3851



**DUKE POWER**

June 25, 1991

U. S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555

Subject: Oconee Nuclear Station  
Docket Nos. 50-269,-270,-287  
McGuire Nuclear Station  
Docket Nos. 50-369,-370  
Catawba Nuclear Station  
Docket Nos. 50-413,-414

Pursuant to 10 CFR 140.21, Duke Power Company submits the following information demonstrating that the company has and maintains financial protection for each licensed operating nuclear reactor as evidence of its guarantee of payment of deferred premiums. Enclosed are:

1. a statement by Duke Power as to available sources of funds to satisfy liability pursuant to 10 CFR 140.21
2. the Duke Power Financial Forecast for 1991-1993
3. the 1990 Annual Report
4. the Annual Certified Financial Statements (included in the Annual Report)
5. the March 31, 1991 Interim Financial Statements.

Very truly yours,

M. S. Tuckman

CRL/10CFR140.21

Enclosures (4)

9107030224 910625  
PDR ADOCK 05000269  
I PDR

MOO4 1/1

U. S. Nuclear Regulatory Commission  
June 25, 1991  
Page 2

xc: S. D. Ebnetter  
Regional Administrator, Region II

W. T. Orders  
Senior Resident Inspector.

R. E. Martin, ONRR

Statement of Duke Power Company  
As to Available Sources of Funds to Satisfy  
A Possible Liability Not Exceeding \$70 Million  
Pursuant to the Provisions of 10 CFR 140.21


Pursuant to the requirements of Section 140.21 of the Nuclear Regulatory Commission regulations in 10 CFR Part 140, Duke Power Company (the Company) herein submits the 1990 Annual Report to Stockholders, annual certified financial statements, the 1991 Financial Forecast, and the March 31, 1991 Interim Financial Statements as evidence of financial ability of guarantee of payment of deferred premiums in the amount of \$10 million for each reactor it is licensed to operate. I certify that the Financial Forecasts, which include information relating to cash flow, were prepared in conformity with generally accepted accounting practices applied on a basis consistent with the accompanying financial statements.

As of December 31, 1990, the Company had bank lines of credit of \$380 million with 52 commercial banks. In addition, the Company held short-term investments of \$54.8 million as of December 31, 1990. Either of these sources would, in my opinion, be available as a source of funds to satisfy the assessment of retrospective premiums not exceeding \$70 million.


Using one or a combination of the preceding sources of funds, the Company can meet its guarantee of payments of deferred premiums currently amounting to \$70 million as required by Nuclear Regulatory Commission regulations, Section 140.21. Duke Power Company is one of multiple owners of Catawba Units 1 and 2. This Cash Flow Statement is intended to cover all owners of these units.

DUKE POWER COMPANY (COMPANY)

By

  
E. C. Sites  
Assistant Controller

Subscribed and sworn to before me  
this 25<sup>th</sup> day of June, 1991.

  
Notary Public

My commission expires: November 8, 1994

Duke Power Company  
Internal Cash Flow Projection  
For Oconee, McGuire, and Catawba  
(Dollars in Thousands)

	1990 Year Actual Total	March 1991 Year-To-Date Actual Total	1991 Year Projected Total
Net Income After Taxes	\$538,188	\$137,399	(C)
Less Dividends Paid	376,720	96,550	(C)
Retained Earnings	161,468	40,849	(C)
Adjustments:			
Depreciation and Amortization (A)	576,268	154,583	618,000
Deferred Income Taxes and Investment Tax Credits (Net)	31,850	4,509	30,000
Allowance for Funds Used During Construction (B)	(79,176)	(21,040)	(48,000)
Total Adjustments	528,942	138,052	600,000
Internal Cash Flow	\$690,410	\$178,901	(C)
Average Quarterly Cash Flow	\$172,603	\$178,901	

Percentage Ownership in All Operating Nuclear Units:		
	Oconee 1	100%
	Oconee 2	100%
	Oconee 3	100%
	McGuire 1	100%
	McGuire 2	100%
	Catawba 1	12.5%
	Catawba 2	12.5%

Maximum Total Contingent Liability \$70 million

- (A) Includes nuclear fuel amortization
- (B) Equity component only
- (C) Not available

# DUKE POWER COMPANY

## Financial Forecast

### 1991 - 1993



Projections listed herein  
are subject to change.

Inquiries concerning this forecast should be directed to:  
Sue A. Becht—Treasurer  
Telephone (704) 373-8695  
Malcolm H. Niven—Manager, Corporate Finance  
Telephone (704) 373-7066

February 1991

# Financial Data

(Note 1)

	Actual 1990	Projected			1991-1993 Totals
		1991	1992	1993	
(Dollars in Millions)					
<b>Capital Requirements</b>					
1 Construction Costs	\$908	\$772	\$826	\$996	\$2,594
2 Nuclear Fuel Costs	144	190	180	181	551
3 Equity Component of ADC	(79)	(48)	(28)	(34)	(110)
4 Long-Term Debt, Capital Stock Retired or Reacquired (Note 2)	122	15	116	18	149
5 Change in Working Capital	(19)	90	49	96	235
6 Other, Including Dividends	377	403	418	462	1,283
7 Total Capital Requirements	<u>\$1,453</u>	<u>\$1,422</u>	<u>\$1,561</u>	<u>\$1,719</u>	<u>\$4,702</u>
8 Provided by Internal Cash	67%	76%	78%	70%	74%
<b>Sources of Capital</b>					
Internal Cash					
9 Depreciation and Amortization	\$576	\$618	\$621	\$627	\$1,866
10 Purchased Capacity Levelization and Return	(94)	(56)	(64)	(57)	(177)
11 Other (Note 3)	496	514	664	631	1,809
12 Total Internal Cash	978	1,076	1,221	1,201	3,498
13 Outside Financing (Note 2)	475	346	340	518	1,204
14 Total Sources of Capital	<u>\$1,453</u>	<u>\$1,422</u>	<u>\$1,561</u>	<u>\$1,719</u>	<u>\$4,702</u>
Tentative Financing Program					
15 Long-Term Debt (Note 2)	\$386	\$230	\$175	\$295	\$700
16 Preferred Stock	74	75	50	100	225
17 Common Stock (Note 4)	0	75	115	121	311
18 Net Change in Short-Term Debt	15	(34)	0	2	(32)
19 Total	<u>\$475</u>	<u>\$346</u>	<u>\$340</u>	<u>\$518</u>	<u>\$1,204</u>
<b>Capital Structure</b>					
20 Capitalization (Note 2)	\$7,700	\$8,200	\$8,700	\$9,300	
Ratios (Note 2)					
21 Long-Term Debt	40%	41%	40%	40%	
22 Preferred Stock	10%	10%	10%	10%	
23 Common Stock	50%	49%	50%	50%	
<b>Other Significant Items</b>					
24 Deferred Income Taxes and Investment Tax Credit, Net of Amortization	\$32	\$30	\$48	\$36	\$114
25 Deferred Purchased Capacity Levelization and Return (Line 10 net of tax)	\$56	\$35	\$39	\$35	\$109
26 Allowance for All Funds Used During Construction (ADC)	\$109	\$67	\$42	\$52	\$161
27 Effective Composite Income Tax Rate (Note 5)	37%	38%	38%	39%	

# Sales and Load Data

(Note 1)

	Actual 1990	Projected			3-year Compound Growth Rate
		1991	1992	1993	
(Billions of KWH)					
<b>Kilowatt-Hour Sales (Note 6)</b>					
28 Residential	17.2	17.2	17.9	18.3	2.0%
29 General Service	15.0	15.3	15.9	16.5	3.2%
30 Industrial	25.9	26.4	26.9	27.5	2.0%
31 Other Energy & Wholesale	9.4	9.7	11.7	12.3	9.5%
32 Unbilled Kilowatt-Hours	(0.5)	0.3	0.1	0.1	
33 Total Energy Sales	67.0	68.9	72.5	74.7	3.7%
<b>Sources of Energy</b>					
34 Nuclear (Note 7)	44.6	48.9	50.9	48.5	
35 Coal	27.3	27.7	30.6	35.0	
36 Hydro & Other	1.9	1.7	1.4	1.5	
37 Total Production	73.8	78.3	82.9	85.0	
38 Purchased Power, Net and Energy Retained by Joint Owners	(2.6)	(4.6)	(5.2)	(5.0)	
39 Net Sources of Energy	71.2	73.7	77.7	80.0	
(MW)					
<b>Electric Peak Load (Note 8)</b>					
40 Summer (April-Sept.)	14,046	14,915	15,447	16,005	4.4%
41 Winter (Oct.-March)	12,778	14,328	14,644	14,932	7.1%
<b>Interruptible Load (Maximum)</b>					
42 Summer (April-Sept.)	690	791	940	1,092	
43 Winter (Oct.-March)	265	358	430	503	
<b>Total Capacity (Includes Firm Purchases) (Note 8)</b>					
44 Summer (April-Sept.)	16,415	16,841	18,441	18,517	
45 Winter (Oct.-March)	16,580	17,520	18,517	18,517	

## Major Generating Units Currently Under Construction

Unit	Net KW Capability	Energy Source	Date of Planned Operation	Estimated Construction Cost	
				Per KW	Total (Millions)
Bad Creek No. 1 (Note 9)	266,250	Hydro- Electric	1991	\$1,045	\$1,113
Bad Creek No. 2	266,250		1991		
Bad Creek No. 3	266,250		1992		
Bad Creek No. 4	266,250		1992		
Lincoln Combustion (Note 10) Turbines	1,166,000	Combustion Turbine	1994 1995	\$426	\$497



# Notes

- 1** The Company, the North Carolina Municipal Power Agency Number 1 (NCMPA), the North Carolina Electric Membership Corporation (NCEMC), the Piedmont Municipal Power Agency (PMPA) and the Saluda River Electric Cooperative, Inc. (Saluda River) are joint owners of the 2,258,000-kilowatt Catawba Nuclear Station. The Company owns 12.5 percent of the plant.

In connection with this facility, the Company has entered into agreements with the other joint owners to purchase declining percentages of their capacity and energy from the plant. The agreements were effective beginning with the commercial operation of each unit — Unit 1 in June 1985 and Unit 2 in August 1986. Such agreements were established for 15 years for the NCMPA and PMPA and 10 years for the NCEMC and Saluda River.

Payments for energy are based on the variable operating costs, a function of the generation of the plant. Capacity payments are based on the fixed costs of the plant. The estimated purchased capacity payments through 1993 are \$434 million for 1991, \$432 million for 1992 and \$413 million for 1993.
- 2** Include current maturities related to long-term debt, sinking funds related to preferred stock, and the principal portions of payments on capitalized leases. Current maturities at year end are \$116 million in 1991, \$18 million in 1992 and \$32 million in 1993.

"Capitalization" and "Ratios" exclude short-term debt.
- 3** "Other" includes earnings, net deferred taxes and investment tax credit and other miscellaneous items, net of equity component of allowance for all funds used during construction.

Revenues include a rate increase in late 1991, based on test year 1990, adjusted to include the Bad Creek Hydroelectric Station, which enables the Company to earn a rate of return on test period common equity approximating the average of the returns authorized in the Company's regulatory jurisdictions. The Company cannot predict whether such levels of return will be achieved during the period covered by this forecast.

No additional changes in total electric rates, other than those related to fuel recovery, are assumed for the three-year period 1991-1993.
- 4** "Common Stock" consists of new common stock issued to meet the requirements of the internal stock plans. Since 1985 the requirements of the internal stock plans have been met by open market purchases.
- 5** The "Effective Composite Income Tax Rate" is calculated by dividing total income tax provisions (current federal and state income taxes, net deferred income taxes and net investment tax credit) by pre-tax income excluding allowance for all funds used during construction.
- 6** In 1987, the Company entered into a bulk power sale agreement to provide Carolina Power & Light Company (CP&L) with 400 megawatts of capacity for a six-year period beginning in 1992. Current estimates indicate sales to CP&L will total 2 billion KWH in both 1992 and 1993.
- 7** "Nuclear" includes 100 percent of the Catawba Nuclear Station generation.
- 8** "Electric Peak Load" for 1990 actual reflects the winter peak as of January 23, 1991. "Electric Peak Load" projections assume no use of Interruptible Load capabilities. "Electric Peak Load" and "Total Capacity" do not reflect the sale of portions of the Catawba Nuclear Station.

Currently, 9 coal-fired units totaling 721 MW are in the Company's Plant Modernization Program and will be returned to service over the next three years as repairs are completed.
- 9** As of December 31, 1990, the Bad Creek project was ahead of schedule, and is projected to be completed before the official dates and under budget.
- 10** Lincoln Combustion turbines will consist of sixteen 72,875 KW units.