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 50-388 Susquehanna Steam Electric Station, Unit 2, Pennsylva 05000388
 AUTH.NAME AUTHOR AFFILIATION
 BYRAM, R.G. Pennsylvania Power & Light Co.
 RECIPIENT NAME RECIPIENT AFFILIATION
 RODRIGUEZ, J. NRC - No Detailed Affiliation Given

SUBJECT: Forwards affidavit providing util certified financial statement.

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Pennsylvania Power & Light Company

Two North Ninth Street • Allentown, PA 18101-1179 • 610/774-5151

Robert G. Byram
Senior Vice President—Nuclear
610/774-7502
Fax: 610/774-5019

MAR 23 1994

Ms. Janet Rodriguez
Division of Accounting and Finance
Office of Resource Management
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

SUSQUEHANNA STEAM ELECTRIC STATION
GUARANTEE OF PAYMENT OF DEFERRED
PREMIUMS - 10CFR140.21
PLA-4107 FILE R41-2A

Docket Nos. 50-387/NPF-14
and 50-388/NPF-22

Dear Ms. Rodriguez:

In response to the requirements of 10CFR140.21, Pennsylvania Power & Light Company has opted this year to demonstrate adequate cash flow for payment of deferred premiums pursuant to 10CFR140.21(e). The attached affidavit provides PP&L's certified financial statement.

Since PP&L guarantees assessments against Allegheny Electric Cooperative, Inc., only PP&L should be invoiced for the annual fee.

Very truly yours,


R. G. Byram

Attachments

cc: NRC Document Control Desk (original)
NRC Region I
Mr. G. Scott Barber - NRC Sr. Resident Inspector
Mr. R. J. Clark - NRC Sr. Project Manager
kk/guarpay

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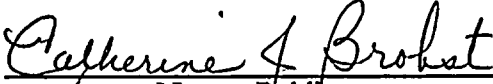
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COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF LEHIGH)

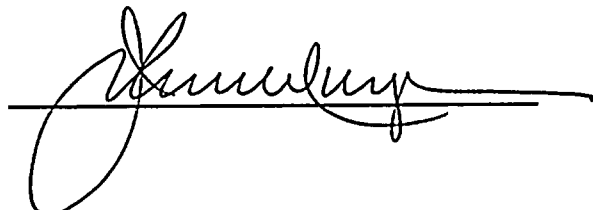
John P. Kierzkowski, being duly sworn according to law, deposes and says that he is Vice President and Treasurer of Pennsylvania Power & Light Company (the "Company"); that he is authorized to and does make this affidavit to the Nuclear Regulatory Commission (the "Commission") for the Company; and that the facts set forth below are provided in compliance with the requirements of 10 CFR §140.21 and are true and correct to the best of his knowledge, information and belief:

- (i) The Company is licensed to operate Units No. 1 and No. 2 at the Susquehanna Steam Electric Station pursuant to the terms of Facility Operating Licenses No. NPF-14 and No. NPF-22, respectively, issued by the Commission;
- (ii) Units No. 1 and No. 2 of the Susquehanna Steam Electric Station (90% of which are owned by the Company and 10% of which are owned by Allegheny Electric Cooperative, Inc.) are the only nuclear reactors which the Company is licensed to operate;
- (iii) Pursuant to Section 140.21(e), the Company has elected to meet the requirement to provide a guarantee for payment of deferred premiums in the form of a cash flow statement and projection;
- (iv) The cash flow statement for the year ending December 31, 1993 and projection for the year ending December 31, 1994, prepared in accordance with the NRC Regulatory Guide 9.4 (September 1978) and attached hereto, demonstrates that the Company will have sufficient resources for payment of deferred premiums in an amount of up to \$20 million which may be assessed against the Company and Allegheny Electric Cooperative, Inc., as owners of Units No. 1 and No. 2 at the Susquehanna Steam Electric Station.

Sworn to and subscribed before me
this 14th day of March, 1994.



Notary Public
Allentown, Lehigh County, PA

.....


My Commission Expires:

September 9, 1995

NOTARIAL SEAL
CATHERINE J. BROBST, Notary Public
City of Allentown, Lehigh County, PA
My Commission Expires Sept. 9, 1995



PENNSYLVANIA POWER & LIGHT COMPANY
1994 INTERNAL CASH FLOW PROJECTION
FOR THE SUSQUEHANNA NUCLEAR POWER STATION
(Thousands of Dollars)

| | <u>1993</u> <u>Actual</u> | <u>1994</u> <u>Projected</u> |
|--|------------------------------|---------------------------------|
| Net Income After Taxes | \$ 348,126 | \$ 338,849 |
| Less Dividends Paid | <u>(284,642)</u> | <u>(289,168)</u> |
| Retained Earnings | 63,484 | 49,681 |
| Adjustments: | | |
| Depreciation & Amortization | 285,372 | 313,746 |
| Deferred Income Taxes and Investment Tax Credit | 7,893 | (31,253) |
| Allowance for Funds Used During Construction | <u>(14,981)</u> | <u>(18,674)</u> |
| Total Adjustments | <u>278,284</u> | <u>263,819</u> |
| Internal Cash Flow | <u>\$ 341,768</u> | <u>\$ 313,500</u> |
| Average Quarterly Cash Flow | <u>\$ 85,442</u> | <u>\$ 78,375</u> |
| Percentage Ownership In All Operating Nuclear Units | Susquehanna #1 - 90% | Susquehanna #2 - 90% |
| Maximum Total Contingent Liability | | \$20,000 |