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 AUTH.NAME AUTHOR AFFILIATION
 BYRAM,R.G. Pennsylvania Power & Light Co.
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SUBJECT: Forwards affidavit providing util certified financial statement.

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Pennsylvania Power & Light Company

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APR 15 1996

U. S. Nuclear Regulatory Commission
Attn.: Document Control Desk
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Washington, D.C. 20555

SUSQUEHANNA STEAM ELECTRIC STATION
GUARANTEE OF PAYMENT OF DEFERRED
PREMIUMS - 10CFR140.21
PLA-4443 FILE R41-2A

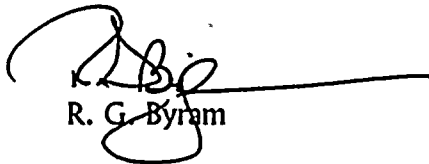
Docket Nos. 50-387
and 50-388

Dear Sir:

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

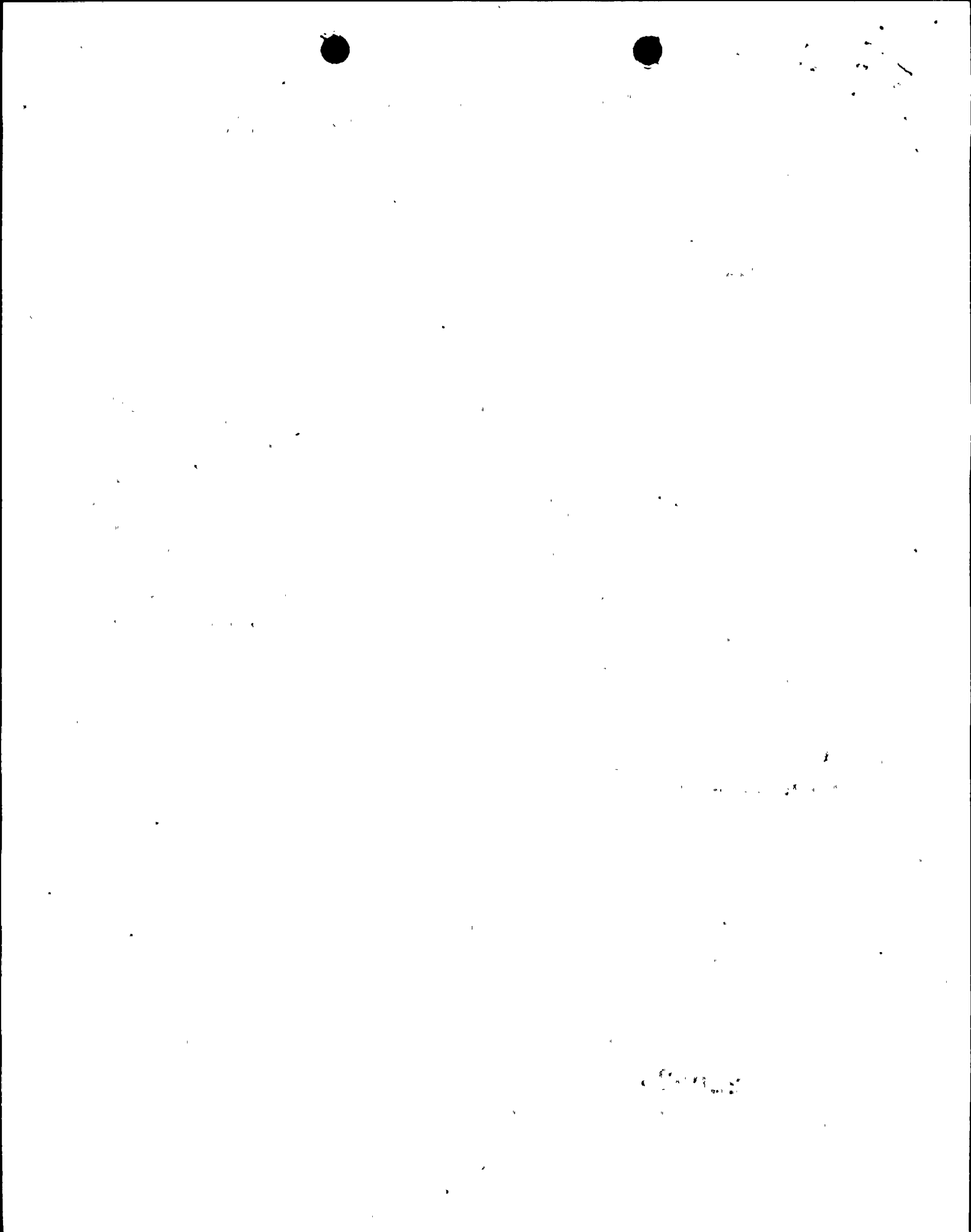
Attachment

cc: NRC Region I
Ms. M. Banerjee, NRC Sr. Resident Inspector - SSES
Mr. C. Poslusny, Jr., Sr. Project Manager - OWFN
Ms. J. Rodriguez
Division of Accounting and Finance
Office of Resource Management
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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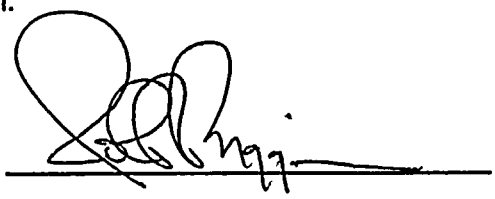


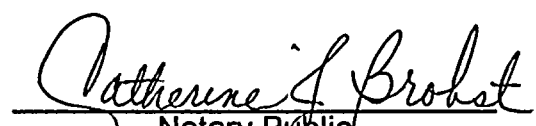
COMMONWEALTH OF PENNSYLVANIA)
 :
 COUNTY OF LEHIGH)

John R. Biggar, being duly sworn according to law, deposes and says that he is Vice President-Finance 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, 1995 and projection for the year ending December 31, 1996, 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 3rd day of April, 1996




 Notary Public
 Allentown, Lehigh County, PA

My Commission Expires:

NOTARIAL SEAL
 CATHERINE J. BROBST, Notary Public
 City of Allentown, Lehigh County
 My Commission Expires Nov. 8, 1999

**PENNSYLVANIA POWER & LIGHT
1996 INTERNAL CASH FLOW PROJECTION
FOR THE SUSQUEHANNA NUCLEAR POWER STATION**

(Thousands of Dollars)

	<u>1995 Actual</u>	<u>1996 Projected</u>
Net Income After Taxes	\$352,084	\$341,738
Less Dividends Paid	<u>(289,745)</u>	<u>(297,239)</u>
Retained Earnings	62,339	44,499
Adjustments:		
Depreciation & Amortization	349,244	356,016
Deferred Income Taxes and Investment Tax Credit	15,758	(58,994)
Allowance for Funds Used During Construction	<u>(12,072)</u>	<u>(11,020)</u>
Total Adjustments	<u>352,930</u>	<u>286,002</u>
Internal Cash Flow	<u>\$415,269</u>	<u>\$330,501</u>
Average Quarterly Cash Flow	<u>\$103.817</u>	<u>\$82.625</u>

Percentage Ownership In All
Operating Nuclear Units

Susquehanna #1 - 90%
Susquehanna #2 - 90%

Maximum Total Contingent
Liability

\$20,000

