

JAN 28 1986

Mr. M. P. Alexich, Vice President
Indiana & Michigan Electric Company
P. O. Box 16631
Columbus, OH 43216

Dear Mr. Alexich:

We have reviewed the financial information submitted for 1985 in your letter of December 18, 1985 and conclude that it satisfies the requirements of Section 140.21 of 10 CFR Part 140 that each licensee maintain an approved guarantee of payment of deferred premiums for each operating reactor over 100 Mw(e) that it owns in whole or in part.

Sincerely,

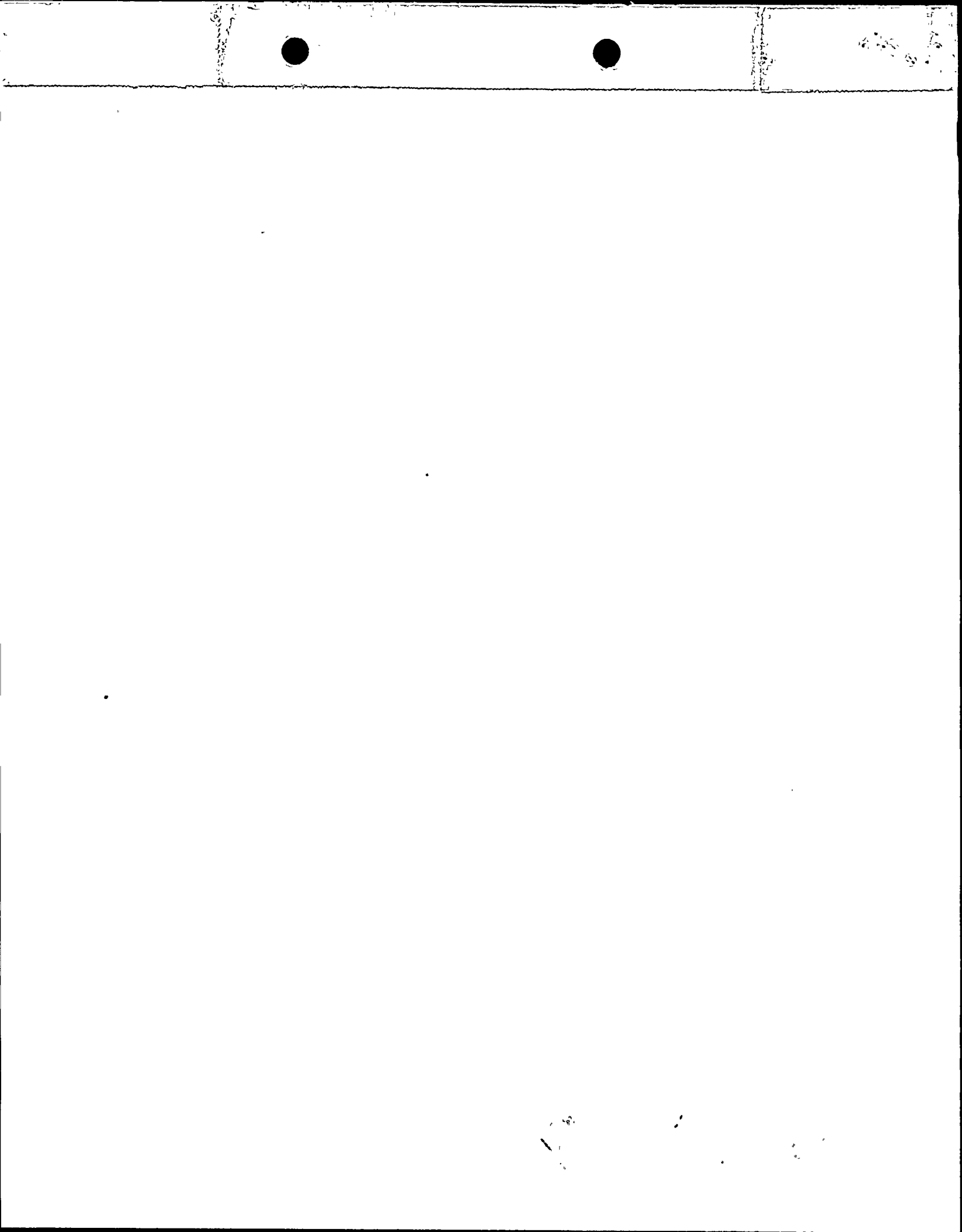
[Signature]
/s/ JEROME SALTZMAN

Jerome Saltzman, Assistant Director
State and Licensee Relations
Office of State Programs

Distribution:
File: Cash Flow
DCD-016 ✓
PDR
LPDR
OSP Dir r/f
SLR r/f
JSaltzman
DNash, w/encl.
IDinitz
IDinitz r/f

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SURNAME >	IDinitz	DNash	JSaltzman			
DATE >	1/22/86	1/27/86	1/27/86			



1985 Internal Cash Flow Projection
for Donald C. Cook Nuclear Plant
(Millions)

	<u>Actual</u> 1984	<u>Projected</u> 1985
Net income after taxes	142.2	140
Less dividends paid	<u>143.5</u>	<u>143</u>
Retained earnings	(1.3)	(3)
Adjustments:		
Depreciation and amortization	88.3	92
Deferred income taxes and investment tax credits	112.7	72
AFUDC	<u>(116.8)</u>	<u>(50)</u>
Total adjustments	84.2	114
Internal cash flow	<u>82.9</u>	<u>111</u>
Average quarterly cash flow	20.7	27
Average cash balances and short- term investments	<u>42.0</u>	<u>45</u>
Total	<u>62.7</u>	<u>72</u>
<p>% Ownership in all operating nuclear units: Unit 1 and Unit 2 - 100%</p>		
<p>Maximum Total Contingent Liability - <u>\$20.0 million</u> (2 units)</p>		

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