

AEC DISTRIBUTION FOR PART 50 DOCKET MATERIAL
(TEMPORARY FORM)

CONTROL NO: 3298

FILE: _____

FROM: Florida Power & Light Company Miami, Fla. 33101 R. E. Uhrig		DATE OF DOC 4-11-74	DATE REC'D 4-15-74	LTR X	MEMO	RPT	OTHER
TO: A. Giambusso		ORIG 3 signed	CC	OTHER	SENT AEC PDR X SENT LOCAL PDR X		
CLASS	UNCLASS XXXX	PROP INFO	INPUT	NO CYS REC'D 28	DOCKET NO: 50-389		

DESCRIPTION:
Ltr re our 3-11-74 ltr, trans the following:

ENCLOSURES:
Amdt #11 to the Appl. for Lic: Consisting of...

(1) Addl financial data as requested by our 3-11-74 ltr

NOTE: Ltr notarized 4-11-74

see Rpts jacket financial
DO NOT REMOVE Rpts

ACKNOWLEDGED

PLANT NAME: St. Lucie Unit #2

(3 Orig & 25 cys rec'd)

FOR ACTION/INFORMATION

4-16-74 GC

BUTLER(L) W/ Copies	SCHWENCER(L) W/ Copies	ZIEMANN(L) W/ Copies	REGAN(E) W/ Copies
CLARK(L) W/ Copies	STOLZ(L) W/ Copies	DICKER(E) W/ Copies	W/ Copies
FARR(L) W/ 2 Copies	VASSALLO(L) W/ Copies	KNIGHTON(E) W/ Copies	W/ Copies
KNIEL(L) W/ Copies	PURPLE (L) W/ Copies	YOUNGBLOOD(E) W/ Copies	W/ Copies

INTERNAL DISTRIBUTION

✓ REG FILE	<u>TECH REVIEW</u>	✓ DENTON (ltr)	<u>LIC ASST</u>	<u>A/T IND</u>
✓ AEC PDR	HENDRIE	GRIMES	✓ BRAITMAN	SALTZMAN
✓ OGC, ROOM P-506A	SCHROEDER	GAMMILL	DIGGS (L)	✓ B. HURT
✓ MUNTZING/STAFF	✓ MACCARY (ltr)	KASTNER	GEARIN (L)	<u>PLANS</u>
✓ CASE (ltr)	KNIGHT	BALLARD	GOULBOURNE (L)	✓ MCDONALD (ltr)
✓ GIAMBUSSO (ltr)	PAWLICKI	SPANGLER	LEE (L)	DUBE w/Input
BOYD	SHAO		MAIGRET (L)	
MOORE (L)(BWR)	✓ STELLO (ltr)	<u>ENVIRO</u>	REED (E)	<u>INFO</u>
✓ DEYOUNG(L)(PWR) (ltr)	HOUSTON	MULLER	SERVICE (L)	C. MILES
SKOVHOLT (L)	NOVAK	DICKER	SHEPPARD (L)	B. KING (E/W-358)
GOLLER(L)	ROSS	KNIGHTON	SLATER (E)	KLECKER
P. COLLINS	IPPOLITO	YOUNGBLOOD	SMITH (L)	EISENHUT
DENISE	✓ TEDESCO (ltr)	✓ REGAN (ltr)	TEETS (L)	
✓ REG OPR	LONG	PROJECT LDR	WADE (E)	
FILE & REGION(2)	LAINAS		WILLIAMS (E)	
MORRIS	BENAROYA	<u>HARLESS</u>	✓ WILSON (L)	
STEELE	VOLLMER			

EXTERNAL DISTRIBUTION

✓ 1 - LOCAL PDR Ft. Pierce, Fla.	(1) (2X10)-NATIONAL LAB'S	1-PDR-SAN/LA/NY
✓ 1 - TIC (ABERNATHY)	✓ 1-ASLBP (E/W Bldg, Rm 529)	1-GERALD LELLOUCHE
✓ 1 - NSIC(BUCHANAN)	1-W. PENNINGTON, Rm E-201 GT	BROOKHAVEN NAT. LAB
1 - ASLB	1-CONSULTANT'S	✓ 1-AGMED(Ruth Gussman)
1 - P. R. DAVIS (AEROJET NUCLEAR)	NEWMARK/BLUME/AGBABIAN	RM-B-127, GT.
3 - CYS ACRS HOLDING	1-GERALD ULRIKSON...ORNL	1-RD..MULLER..F-309 GT
	1-B & M SWINEBROAD, Rm E-201 GT	



Faint, illegible text in the upper right corner.

Faint, illegible text in the middle left area.

Faint, illegible text in the middle right area.

Faint, illegible text in the lower middle area.

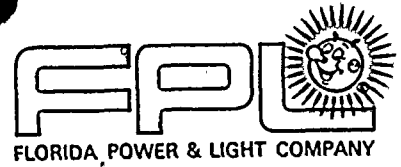
Faint, illegible text in the lower right area.

Faint, illegible text in the lower middle area.

Faint, illegible text in the lower middle area.

Faint, illegible text in the lower right area.

Faint, illegible text in the bottom right corner.



Regulatory Docket File

April 11, 1974

Mr. Angelo Giambusso, Deputy Director
for Reactor Projects
Directorate of Licensing
Office of Regulation
U. S. Atomic Energy Commission
Washington, D. C. 20545



Dear Mr. Giambusso:

Re: Docket No. 50-389 - St. Lucie Plant Unit No. 2
Amendment 11 to the Application for Licenses

Florida Power & Light Company hereby submits for your review three (3) signed originals and twenty-five (25) copies of Amendment 11 to the Application for Licenses for St. Lucie Plant Unit No. 2.

This amendment to the Application for Licenses document consists of additional financial data requested by Mr. Karl R. Goller in his letter of March 11, 1974.

Yours very truly,

J. A. De Maestry
for

Robert E. Uhrig
Director of Nuclear Affairs

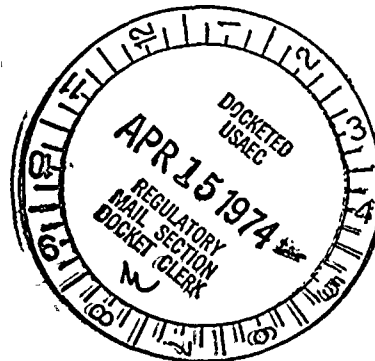
REU:nch
Encl.

cc: Mr. Jack R. Newman

APPROVED:

E. A. Adomat

E. A. Adomat
Executive Vice President



3298



11

11

11

11

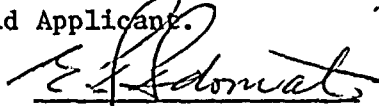
11

STATE OF FLORIDA)
) SS
COUNTY OF DADE)

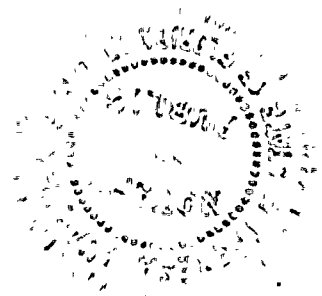
E. A. ADOMAT, being first duly sworn, deposes and says:

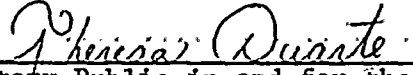
That he is an Executive Vice President of Florida Power & Light Company, the Applicant herein;

That he has executed the foregoing instrument; that the statements made in this said instrument are true and correct to the best of his knowledge, information and belief; and that he is authorized to execute the instrument on behalf of said Applicant.


E. A. Adomat

Subscribed and sworn to before me
this 11 day of April, 1974

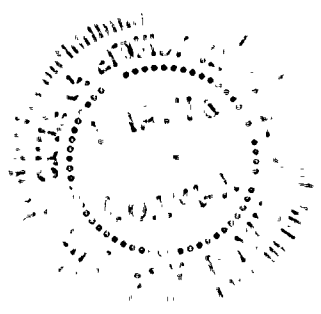



Notary Public in and for the County of Dade
State of Florida

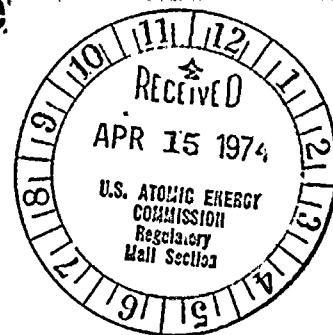
NOTARY PUBLIC, State of Florida at Large
My Commission Expires Aug 24, 1975
Bonded by AUTO OWNERS INSURANCE

My Commission expires _____

731



731



Docket No. 50-389 - St. Lucie Plant Unit #2
(Additional Financial Information)
Amendment 11 to Application for Licenses

This amendment with the enclosed information is provided in response to the request for additional financial data in support of our application for a Construction permit for St. Lucie Plant Unit #2. Although most of the data previously was provided in our Application For Licenses, St. Lucie Unit #2 dated May 14, 1973, that data is included herein for completeness.

1. Enclosure 1 combines an extract (Exhibit III) from the aforementioned application with the "Plant Capital Investment Summary" schedule to reflect the most recent cost estimates for the facility.
2. The sources of funds required for construction of the facility, according to the most recent budget, are provided in Enclosure 2.
3. Florida Power & Light Company presently is in the process of negotiating a contract for the purchase of nuclear fuel for St. Lucie Plant Unit #2, from Combustion Engineering.
4. As stated in our License Application, the earliest date for completion of construction of this facility is estimated to be September 1, 1978; the expected completion date is estimated to be July 1, 1979; the latest completion date is estimated to be July 1, 1981.

FLORIDA POWER & LIGHT COMPANY

ST. LUCIE UNIT NO. 2

Estimate of Construction Costs

I.	Total Nuclear Production Plant Costs	\$360,000,000 (Note 1)
II.	Transmission, Distribution, and General Plant Costs	250,000 (Note 2)
III.	Nuclear Fuel Inventory Cost for First Core	25,000,000 (Note 3)

(Note 1) The nuclear production plant cost is based on (1) a contract with Combustion Engineering and estimated escalation, (2) a contract with Ebasco providing a firm price for engineering and home office services, (3) engineering estimates of labor, materials, and construction costs including escalation, (4) Applicant's estimated costs for engineering, consulting services, training, startup, and sales tax, and (5) a firm price contract with Westinghouse Electric Corporation for a turbine-generator. In accordance with Applicant's established policy, the cost of land is excluded.

(Note 2) No additional "Transmission", "Distribution", and "General Plant" facilities are required beyond those supplied for St. Lucie Unit No. 1 except for the addition of a third switchyard bay.

(Note 3) Nuclear fuel inventory costs for first core are estimated for the supply of a complete core including uranium, enrichment and fabrication. No special nuclear material leased from the Atomic Energy Commission will be utilized in the plant.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

FLORIDA POWER & LIGHT COMPANY
 SOURCES OF FUNDS FOR SYSTEM-WIDE CONSTRUCTION EXPENDITURES DURING
 PERIOD OF CONSTRUCTION OF ST. LUCIE #2 NUCLEAR POWER PLANT
 (\$000)

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
<u>Security Issues and Other Funds</u>							
Common Stock	\$ 44,812	\$ 40,000	\$100,000	\$100,000	\$100,000	\$125,000	\$100,000
Preferred Stock	40,013	50,000	50,000	40,000	75,000	75,000	70,000
Long Term Debt	148,023	290,355	227,380	223,488	288,444	337,488	338,488
Notes Payable	44	0	0	0	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total External Funds	\$232,892	\$380,355	\$377,380	\$363,488	\$463,444	\$537,488	\$508,488
<u>Internal Funds</u>							
Total From Retained Earnings, Working Capital and Other Internal Sources (1)	\$ <u>126,493</u>	\$ <u>183,045</u>	\$ <u>210,762</u>	\$ <u>221,346</u>	\$ <u>315,017</u>	\$ <u>339,049</u>	\$ <u>312,933</u>
<u>Total Construction Budget</u>	\$ <u>359,385</u>	\$ <u>563,400</u>	\$ <u>588,142</u>	\$ <u>584,834</u>	\$ <u>778,461</u>	\$ <u>876,537</u>	\$ <u>821,421</u>
<u>Construction Expenditures</u>							
Nuclear Power Plants	\$ 94,017	\$ 87,994	\$106,542	\$ 67,614	\$ 96,200	\$113,131	\$ 88,408
Other	<u>265,385</u>	<u>475,406</u>	<u>481,600</u>	<u>517,220</u>	<u>682,261</u>	<u>763,406</u>	<u>733,013</u>
Total	\$ <u>359,385</u>	\$ <u>563,400</u>	\$ <u>588,142</u>	\$ <u>584,834</u>	\$ <u>778,461</u>	\$ <u>876,537</u>	\$ <u>821,421</u>
St. Lucie #2	\$ <u>6,584</u>	\$ <u>12,742</u>	\$ <u>34,166</u>	\$ <u>66,500</u>	\$ <u>78,900</u>	\$ <u>87,700</u>	\$ <u>73,408</u>

(1) Breakdown of Internal Sources not available.

Enclosure 2

PLANT CAPITAL INVESTMENT

SUMMARY

BASIC DATA

Name of plant	<u>St. Lucie Plant Unit 2</u>	Cost basis: <u>at start of construction</u>
Net capacity	<u>817 Mw(e)</u>	<u>\$360,000,000</u>
Reactor type	<u>PWR</u>	
Location	<u>Hutchinson Island, Fla.</u>	Type of cooling:

Design and construction period

Month, year NSSS order placed	<u>Jan 1975</u>
Month, year of commercial operation	<u>Dec 1980</u>
Length of workweek	<u>40 hrs/wk</u>
Interest rate, interest during construction	<u>8%/year</u>

Run of river	_____
Natural draft cooling towers	_____
Mechanical draft cooling towers	_____
Other (describe)	<u>Ocean off shore, pipeline intake with canal, canal discharge to off shore pipeline.</u>

COST SUMMARY

<u>Account Number</u>	<u>Account Title</u>	<u>Total Cost</u> (thousand dollars)
-----------------------	----------------------	---

DIRECT COSTS

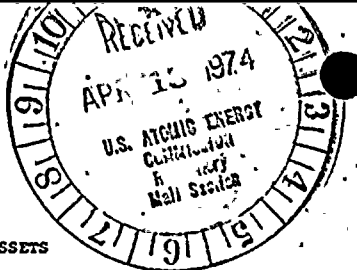
20	Land and land rights.....	\$ <u>-0-</u>
----	---------------------------	---------------

PHYSICAL PLANT

21	Structures and site facilities.....	<u>57800</u>
22	Reactor plant equipment.....	<u>95083</u>
23	Turbine plant equipment.....	<u>30911</u>
24	Electric plant equipment.....	<u>24500</u>
25	Misc. plant equipment.....	<u>2200</u>
	Subtotal.....	\$ <u>210494</u>
	Spare parts allowance.....	<u>28800</u>
	Contingency allowance.....	<u>28800</u>
	Subtotal.....	\$ <u>239294</u>

INDIRECT COSTS

91	Construction facilities, equip't, and services.....	\$ <u>31250</u>
92	Engineering and const. mg't. services...	<u>10250</u>
93	Other costs.....	<u>13406</u>
94	Interest during construction.....	<u>65800</u>
	Subtotal.....	\$ <u>120706</u>
	Start of construction cost.....	\$ <u>360,000,000</u>
	Escalation during construction (<u>7%</u> yr.)	<u>7%/yr</u>
	Total plant capital investment (\$ <u>425</u> /KW)	\$ <u>425/KW</u>



FLORIDA POWER & LIGHT COMPANY

BALANCE SHEET
at FEBRUARY 28, 1974 and 1973

Regulatory Docket File

Received w/ Ltr Dated 4-11-74

	1974	1973
ASSETS		
ELECTRIC UTILITY PLANT (at original cost):		
Plant in service	\$2,228,289,575	\$1,915,535,338
Property held for future use	31,207,718	27,878,121
Less accumulated depreciation and amortization	<u>434,412,779</u>	<u>379,719,338</u>
Net	1,825,084,514	1,563,694,121
Construction work in progress	524,537,618	4410,008,457
Nuclear fuel	<u>23,707,855</u>	<u>23,104,043</u>
Electric utility plant less accumulated depreciation	<u>2,373,329,987</u>	<u>1,996,806,621</u>
OTHER PROPERTY AND INVESTMENTS:		
Construction funds held by trustee	7,383,633	19,910,977
Storm damage reserve fund	13,321,806	12,783,205
Other investments, etc.	<u>1,128,328</u>	<u>3,328,260</u>
Total other property and investments	<u>21,833,767</u>	<u>36,022,442</u>
CURRENT ASSETS:		
Cash	3,971,544	2,808,656
Accounts receivable:		
Customers (less allowance for uncollectible accounts in the amount of \$1,442,821 in 1974 and \$1,042,753 in 1973)	50,499,544	40,975,536
Employees and miscellaneous	3,474,173	4,816,203
Fuel stock	21,288,398	6,577,825
Materials and supplies at average cost (less allowance for inventory adjustment in the amount of \$386,325 in 1974 and \$272,833 in 1973)	51,850,764	39,383,043
Other current assets	<u>7,209,782</u>	<u>6,460,769</u>
Total current assets	<u>138,294,205</u>	<u>101,022,032</u>
DEFERRED DEBITS (Note 1)	6,070,690	2,209,834
TOTAL	<u>\$2,539,528,649</u>	<u>\$2,136,060,929</u>
LIABILITIES		
SHAREHOLDER'S EQUITY:		
Common stock, no par - authorized 50,000,000 shares; issued and outstanding, 34,050,000 shares	\$ 613,907,200	\$ 569,094,700
Preferred stock	136,250,000	96,250,000
Premium on preferred stock	209,850	197,050
Less capital stock expense	2,642,839	2,395,844
Retained earnings	<u>211,676,631</u>	<u>152,898,257</u>
Total shareholder's equity	<u>959,400,842</u>	<u>816,044,163</u>
LONG-TERM DEBT:		
First mortgage bonds	1,101,000,000	961,960,000
Installment Purchase and Security contracts:		
Dade County pollution control revenue bonds	35,050,000	36,000,000
Other long-term debt	72,345,665	72,096,000
Unamortized premium on long-term debt (Note 1)	<u>4,821,583</u>	<u>5,183,151</u>
Total long-term debt	<u>1,213,217,248</u>	<u>1,075,239,151</u>
Total capitalization	<u>2,172,618,090</u>	<u>1,891,283,314</u>
CURRENT LIABILITIES:		
Notes payable	56,250,000	10,012,000
Accounts payable	40,703,555	18,768,999
Customers' deposits	47,466,866	42,944,803
Income taxes accrued	12,176,209	11,070,525
Other taxes accrued	28,148,004	23,090,291
Interest accrued	21,719,397	19,304,499
Dividends declared	12,925,137	10,612,708
Tax collections payable	5,895,116	5,103,602
Pension costs accrued	14,777,505	14,550,033
Contract retentions (due within one year)	4,515,849	1,544,549
Other current liabilities	<u>10,106,397</u>	<u>5,535,579</u>
Total current liabilities	<u>254,684,035</u>	<u>162,537,588</u>
DEFERRED CREDITS:		
Customers' advances for construction, etc.	1,377,149	1,270,673
Unamortized investment credit	40,038,895	30,542,439
Contract retentions	<u>7,503,207</u>	<u>9,902,330</u>
Total deferred credits	<u>48,919,251</u>	<u>41,715,442</u>
RESERVES:		
Storm damage	13,321,806	12,783,205
Injuries and damages	1,705,353	1,366,751
Other	<u>267,217</u>	<u>-</u>
Total reserves	<u>15,294,376</u>	<u>14,149,956</u>
ACCUMULATED DEFERRED INCOME TAXES:		
Accelerated amortization	7,728,965	9,088,077
Accelerated depreciation	39,970,397	17,286,552
Other	<u>313,535</u>	<u>-</u>
Total accumulated deferred income taxes	<u>48,012,897</u>	<u>26,374,629</u>
TOTAL	<u>\$2,539,528,649</u>	<u>\$2,136,060,929</u>

NOTE 1: In February, 1974, in accordance with FPC Order 503, Docket No. R-424, Unamortized debt discount, expense and premiums were segregated; expense being retained in deferred debits and discounts and premiums being transferred to the long-term debt section of the balance sheet. Balance sheet for 1973 was restated in accordance with this Order.

This report is not complete without reference to Notes to the Financial Statements appearing in the Annual Report of the Company.

Page 2

FLORIDA POWER & LIGHT COMPANY

CONDENSED INCOME STATEMENT

	Twelve Months Ended (1)		Change %
	Feb. 28, 1974 (000's)	Feb. 28, 1973 (000's)	
OPERATING REVENUES	\$ 733,818	\$ 591,847	24
OPERATING EXPENSES:			
Fuel	220,323	170,495	29
Other Operation and Maintenance	179,061	145,860	23
Depreciation	66,816	54,428	23
Taxes	118,629	100,299	18
Total Operating Expenses	<u>584,829</u>	<u>471,082</u>	24
OPERATING INCOME	<u>148,989</u>	<u>120,765</u>	23
OTHER INCOME (DEDUCTIONS):			
Net Allowance for Funds Used During Construction	26,840	29,956	(10)
Taxes on Other Income	6,991	8,280	(16)
Other	656	1	-
Other Income - Net	<u>34,487</u>	<u>38,237</u>	(10)
INCOME BEFORE INTEREST CHARGES	183,476	159,002	15
INTEREST CHARGES	<u>77,876</u>	<u>65,353</u>	19
NET INCOME	105,600	93,649	13
Preferred Dividend Requirements	<u>7,027</u>	<u>2,804</u>	151
NET INCOME APPLICABLE TO COMMON STOCK	<u>\$ 98,573</u>	<u>\$ 90,845</u>	9
Average Common Shares Outstanding (2)	33,259	32,800	1
Earnings Per Common Share (2)	\$2.96	\$2.77	7
TOTAL UTILITY PLANT AT END OF PERIOD	\$2,807,743	\$2,376,526	18

(1) Unaudited

(2) After adjustment for 2-for-1 stock split May 1972.

This report is not complete without reference to Notes to Financial Statements appearing in the Annual Report of the Company.

OFFICERS' CERTIFICATE

(Under Sections 3, 28(2), 29(2) (3) and 121 of
Florida Power & Light Company's
Mortgage and Deed of Trust)

The undersigned, J. J. Hudiburg, an Executive Vice President, and Michael C. Cook, the Treasurer, of Florida Power & Light Company, the Corporation that executed and delivered to Bankers Trust Company and The Florida National Bank of Jacksonville (now Florida First National Bank of Jacksonville), as Trustees, its Mortgage and Deed of Trust, dated as of January 1, 1944, as supplemented, HEREBY CERTIFY as follows:

- (A) That said Florida Power & Light Company is not to the knowledge of the signers hereof in default under said Mortgage and Deed of Trust, as supplemented;
- (B) That \$35,978,000 aggregate principal amount of First Mortgage Bonds, 3-1/2% Series due January 1, 1974, heretofore authenticated and delivered under the Mortgage (being not less than the principal amount of bonds for which a request for authentication and delivery is now being made under Section 29 of the Mortgage), which bonds were heretofore sold or issued for value have matured and been paid and/or that cash (other than cash which, after giving effect to the provisions of Sections 5 and 61 hereof, is then deemed to be Funded Cash) in the necessary amount for the payment thereof is now held by the Corporate Trustee (with irrevocable direction so to apply the same), and further that no part of such principal amount of bonds of the 3-1/2% Series due January 1, 1974 has been heretofore made the basis under any provisions of the Mortgage of the authentication and delivery of bonds, the withdrawal of cash or the release of property, or the basis of a credit under the provisions of Section 39 of the Mortgage, subject to the provisions of clause (d) of Section 5 of the Mortgage and also the provisions of Sections 39, 59 and 61 of the Mortgage, permitting the revocation of the waiver of the right to the authentication and delivery of bonds, or, so long as any bonds of the First through Eighteenth Series are outstanding, deposited or credited to meet the requirements of Section 40 of the Mortgage and that none of the bonds to be retired and being made the basis of this application are being retired by the use of cash which (after giving effect to the provisions of Sections 5 and 61 of the Mortgage) is now deemed to be or to have been Funded Cash;

(C) That the persons making this Certificate have read, as required by the Provisions of Section 121 of said Mortgage and Deed of Trust, the covenants and conditions contained therein with respect to compliance with which this Certificate is made and with respect to the action requested in the accompanying resolutions, provided for in said Mortgage and Deed of Trust, as supplemented;

That they have made an examination or investigation at the office of the Company and of its counsel as to whether or not the Company is so in default;

That they have examined the accompanying Written Order, Certified Copy of Resolutions of the Board of Directors of Florida Power & Light Company, Engineer's Certificate, Net Earning Certificate, Opinion of Counsel and Certified Copy of the Order of the Florida Public Service Commission, all as required by the provisions of Articles V and VI of said Mortgage and Deed of Trust, the same having been made in connection with said Company's Application for the authentication and delivery of \$125,000,000 aggregate principal amount of First Mortgage Bonds, 8-1/2% Series due January 1, 2004;

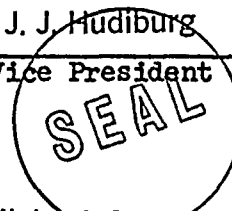
That the statements made herein are based either on their own personal knowledge or on information, data and reports furnished to them by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved;

That in the opinion of such persons they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenants and conditions have been complied with;

That in the opinion of such persons such conditions and covenants and the conditions precedent to such action (including any covenants compliance with which constitutes a condition precedent) have been complied with.

WITNESS our hands this 24th day of January 1974.

(Signed) J. J. Hudiburg
Executive Vice President



(Signed) Michael C. Cook
Treasurer



NET EARNING CERTIFICATE

(Under Sections 7, 27, 28 and 121 of
Florida Power & Light Company's
Mortgage and Deed of Trust)

The undersigned, J. J. Hudiburg and H. P. Williams, Jr., being respectively an Executive Vice President of Florida Power & Light Company (hereinafter called Company), the corporation that executed and delivered to Bankers Trust Company and The Florida National Bank of Jacksonville (now Florida First National Bank of Jacksonville), as Trustees, its Mortgage and Deed of Trust, dated as of January 1, 1944, as supplemented (hereinafter called the Mortgage), and the Comptroller of the Company, who is an accountant (the period covered by this Certificate not being a period covered by annual reports required to be filed by the Company within the purview of the fourth paragraph of Section 7 of the Mortgage), HEREBY CERTIFY as follows:

(A) That the Adjusted Net Earnings of the Company for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the first day of the month in which the Application for the authentication and delivery under the Mortgage of bonds now applied for is made, viz: for the 12 consecutive calendar months ended October 31, 1973, were as follows:

(1) Its operating revenues, with the principal divisions thereof:

Electric Operating Revenues

\$692,995,988.83

(2) Its operating expenses, with the principal divisions thereof, including, but without limitation, all expenses and accruals for repairs and maintenance and all appropriations out of income for property retirement not only in respect of the Mortgaged and Pledged Property but also in respect of all other property owned by the Company: (in lieu of including herein the amounts actually expended or accrued for repairs and maintenance of property owned by the Company and used in its electric utility business and the amounts actually appropriated out of income for retirement of such property, there has been included herein an amount equal to (a) the amounts actually expended or accrued during such period for repairs and maintenance of property owned by the Company and used in its electric utility business, plus (b) for each full calendar month included in such period, an amount equal to 1/12th of (i) \$2,000,000, plus (ii) 2-1/2% of the gross charges to plant account for additions to depreciable property of the Company made after December 31, 1943 and prior to the beginning of the calendar year within which such calendar month is included, less (iii) 2-1/2% of the gross credits to plant account for retirements of depreciable property of the Company made after December 31, 1943 and prior to the beginning of the calendar year within which such calendar month is included)

Electricity purchased and Interchange - Net	\$ (3,904,167.26)	
Other production and transmission	215,923,266.28	
Distribution	27,101,489.12	
Customers	14,175,840.40	
Sales Promotion	8,663,974.90	
Administrative and general	42,275,737.75	
Provision for uncollectible accounts	1,626,611.00	
Less an amount for automotive maintenance and retirement expenses included in above operating expenses for which provision is made in the calculated amount shown below for expenditure or accruals for repairs and maintenance of, and for retirement of, property of the Company used in its electric utility business	\$ (1,181,613.76)	
An amount for expenditures or accruals for repairs and maintenance of, and for retirement of, property of the Company used in its electric utility business - calculated as set forth above	103,593,493.79	
Expenditures or accruals for repairs and maintenance of, and appropriations out of income for retirement of, all other property owned by the Company	-0-	
Taxes (other than income, profits and other taxes measured by, or dependent on, net income)	60,713,885.78	
Total such operating expenses		\$468,988,518.00
(3) The amount remaining after deducting item (2) from item (1) above		\$224,007,470.83
(4) Its rental expenses for plants or systems not otherwise deducted herein from revenues or from other income		\$ None
(5) The balance remaining after deducting item (4) from item (3) above		\$224,077,470.83
(6) Its rental revenues from plants or systems not otherwise included herein in revenues, or in other income (net)		\$ None
(7) The sum of items (5) and (6)		\$224,007,470.83
(8) Its other income (net)		
As shown on Statement of Income (net)	\$ 33,921,830.54	
Increase to offset income tax included therein	<u>(7,165,655.53)</u>	\$ 26,756,175.01
(9) The sum of items (7) and (8) above		\$250,763,645.84

- (10) The amount, if any, by which the aggregate of (a) such other income (net) and (b) that portion of the amount stated in item (7) above which, in the opinion of the signers, is directly derived from the operations of property (other than paving, grading and other improvements to, under or upon public highways, bridges, parks or other public properties of analogous character) not subject to the Lien of the Mortgage at the date hereof, exceeds 15% of item (9) above
- \$ None
- (11) The Adjusted Net Earnings of the Company for said period of 12 consecutive calendar months ended October 31, 1973 (being the amount remaining after deducting item (10) from item (9) above)
- \$250,763,645.84
- (B) That the Annual Interest Requirements are as follows:
- (i) Interest requirements for 12 months upon all bonds Outstanding under the Mortgage at the date hereof, except \$35,743,000 principal amount of First Mortgage Bonds, 3-1/2% Series due January 1, 1974, for the refunding of which a portion of the bonds applied for are to be issued, viz:
- | | |
|--|-----------------|
| Upon \$70,000,000 principal amount of First Mortgage Bonds, 8-1/8% Series due 1975 | \$ 5,687,500.00 |
| Upon \$10,000,000 principal amount of First Mortgage Bonds, 3% Series due 1977 | \$ 300,000.00 |
| Upon \$11,000,000 principal amount of First Mortgage Bonds, 3-1/8% Series due 1978 | \$ 343,750.00 |
| Upon \$10,000,000 principal amount of First Mortgage Bonds, 3% Series due 1979 | \$ 300,000.00 |
| Upon \$10,000,000 principal amount of First Mortgage Bonds, 3-5/8% Series due 1981 | \$ 362,500.00 |
| Upon \$15,000,000 principal amount of First Mortgage Bonds, 3-7/8% Series due 1983 | \$ 581,250.00 |
| Upon \$10,000,000 principal amount of First Mortgage Bonds, 3-1/8% Series due 1984 | \$ 312,500.00 |
| Upon \$15,000,000 principal amount of First Mortgage Bonds, 3-5/8% Series due 1986 | \$ 543,750.00 |
| Upon \$15,000,000 principal amount of First Mortgage Bonds, 4-3/8% Series due 1986 | \$ 656,250.00 |
| Upon \$15,000,000 principal amount of First Mortgage Bonds, 4-5/8% Series due 1987 | \$ 693,750.00 |

Upon \$20,000,000 principal amount of First Mortgage Bonds, 4-1/8% Series due 1988	\$ 825,000.00
Upon \$25,000,000 principal amount of First Mortgage Bonds, 5% Series due 1989	\$ 1,250,000.00
Upon \$25,000,000 principal amount of First Mortgage Bonds, 4-1/2% Series due 1992	\$ 1,125,000.00
Upon \$35,000,000 principal amount of First Mortgage Bonds, 4-5/8% Series due 1994	\$ 1,618,750.00
Upon \$40,000,000 principal amount of First Mortgage Bonds, 4-5/8% Series due 1995	\$ 1,850,000.00
Upon \$40,000,000 principal amount of First Mortgage Bonds, 5% Series due December 1, 1995	\$ 2,000,000.00
Upon \$40,000,000 principal amount of First Mortgage Bonds, 6% Series due 1996	\$ 2,400,000.00
Upon \$60,000,000 principal amount of First Mortgage Bonds, 6-3/4% Series due 1997	\$ 4,050,000.00
Upon \$60,000,000 principal amount of First Mortgage Bonds, 7% Series due 1998	\$ 4,200,000.00
Upon \$50,000,000 principal amount of First Mortgage Bonds, 7% Series due December 1, 1998	\$ 3,500,000.00
Upon \$50,000,000 principal amount of First Mortgage Bonds, 8% Series due 1999	\$ 4,000,000.00
Upon \$80,000,000 principal amount of First Mortgage Bonds, 7-5/8% Series due 2001	\$ 6,100,000.00
Upon \$100,000,000 principal amount of First Mortgage Bonds, 7-3/4% Series due September 1, 2001	\$ 7,750,000.00
Upon \$50,000,000 principal amount of First Mortgage Bonds, 7-5/8% Series due 2002	\$ 3,812,500.00
Upon \$70,000,000 principal amount of First Mortgage Bonds, 7-1/2% Series due January 1, 2003	\$ 5,250,000.00
Upon \$50,000,000 principal amount of First Mortgage Bonds, 8-1/8% Series due August 1, 1980	\$ 4,062,500.00

- (ii) Interest requirements for 12 months upon all bonds now applied for in pending applications, including the application in connection with which this certificate is made, viz:

Upon \$125,000,000 principal amount of First Mortgage Bonds, 8-1/2% Series due January 1, 2004.

\$10,625,000.00

- (iii) Interest requirements for 12 months upon all Qualified Lien Bonds which will be Outstanding immediately after the authentication of the bonds now applied for in pending applications, including the application in connection with which this certificate is made, viz:

(No such Qualified Lien Bonds)

\$ None

- (iv) Interest requirements for 12 months upon the principal amount of all other indebtedness (except indebtedness of \$ (None) for the payment of which the bonds applied for are to be issued and indebtedness for the purchase, payment or redemption of which moneys in the necessary amount have been deposited with or are held by the Corporate Trustee or the trustee or other holder of a Qualified Lien or lien prior to the Lien of the Mortgage with irrevocable direction so to apply the same; any notice required therefor having been given or having been provided for), outstanding in the hands of the public on the date hereof and secured by lien prior or equal to the Lien of the Mortgage upon property of the Company subject to the Lien of the Mortgage, if said indebtedness has been assumed by the Company or the Company customarily pays the interest upon the principal thereof, viz:

(No such indebtedness)

\$ None

Total such Annual Interest requirements

\$74,200,000.00

- (C) That \$250,763,645.84, the Adjusted Net Earnings of the Company for the 12 consecutive calendar months ended October 31, 1973 item (11) above, is (1) at least equivalent to twice \$74,200,000.00 such Annual Interest Requirements, item (B) above or (2) at least equivalent to 10% of the aggregate principal amount of bonds and indebtedness upon which such Annual Interest Requirements have been computed, item (B) above;
- (D) That the persons making this Certificate have read, as required by the provisions of Section 121 of said Mortgage, the covenants and conditions contained therein with respect to compliance with which this Certificate is made;

That the statements made in subdivisions (A) to (C), inclusive hereof, are based either on their own personal knowledge or on information, data and reports furnished to them by the officers, counsel, department heads or employees of the Company who have knowledge of the facts involved;

That in the opinion of the persons making this Certificate, they have made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenants and conditions have been complied with; and

That in the opinion of the persons making this Certificate such conditions and covenants have been complied with.

WITNESS our hands this 17th day of January, 1974.

(Signed) J. J. Hudiburg
Executive Vice President

(Signed) H. P. Williams, Jr.
Comptroller

SEAL

