

Public Service
Electric and Gas
Company

Steven E. Miltenberger

Public Service Electric and Gas Company P.O. Box 236, Hancocks Bridge, NJ 08038 609-339-1100

Vice President and Chief Nuclear Officer

APR 15 1992

NLR-N92051

United States Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

Gentlemen:

GUARANTEED RETROSPECTIVE PREMIUMS
FOLLOWING A NUCLEAR ACCIDENT
SALEM AND HOPE CREEK GENERATING STATIONS
DOCKET NOS. 50-272, 50-311 AND 50-354
FACILITY OPERATING LICENSE NOS. DPR-70 , -75 AND NPF-57

Pursuant to the 1975 Amendments to the Price-Anderson Act (Public Law 94-197), the owners of Salem Generating Station, Units Nos. 1 and 2, and Hope Creek Generating Station, Unit No. 1, submit the following statements and supporting documents to satisfy guarantee requirements as provided under Alternative No. 5:

1. 1991 Stockholders' Annual Report of each owner.
(except Philadelphia Electric Company)
2. Individual certified Internal Cash Flow Statements showing 1991 Actual and 1992 Projected with Explanation of Significant Variations.

Similar documents will be filed by Philadelphia Electric Company for the owners of the Peach Bottom Atomic Power Station, Unit Nos. 2 and 3.

Sincerely,



Enclosures

248053

9204270194 920415
PDR ADOCK 05000272
I PDR

m004
1/1

APR 15 1982

C Mr. T. T. Martin, Administrator - Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. J. C. Stone, Licensing Project Manager - Salem
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Mr. S. Dembek, Licensing Project Manager
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Mr. T. P. Johnson (S09)
USNRC Senior Resident Inspector

Mr. K. Tosch, Chief
NJ Department of Environmental Protection
Division of Environmental Quality
Bureau of Nuclear Engineering
CN 415
Trenton, NJ 08625

Mr. R. Wood, Financial Analyst
Office of State Programs

PSE&G Co-Owners

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
 (SALEM AND HOPE CREEK)
 Projected Internal Cash Flow Statement
 For Year 1992 - Compared to 1991 Actual
 (Thousands of Dollars)

| | <u>Actual-1991</u> | <u>Projected</u> | <u>Explanation of Significant Variations</u> |
|--|--------------------|-------------------|---|
| Net Income | \$545 479 | \$499 440 | |
| Less Dividends Paid | <u>507 013</u> | <u>507 998</u> | |
| Retained in Business | <u>\$ 38 466</u> | <u>\$ (8 558)</u> | |
| Adjustments: | | | |
| Depreciation | \$493 097 | \$539 596 | |
| Amortization of Nuclear Fuel | 96 420 | 105 994 | Reduced overall outage time. |
| Deferred Income Taxes and Investment Tax Credits | 62 798 | 47 699 | Primarily Deferred Taxes on Cost of Removal, Pennsylvania PURTA Tax Refund and Gas Take-or-Pay Costs. |
| Statement of Financial Accounting Standards No. 90 - Regulated Enterprises - Accounting for Abandonments and Disallowance of Plant Costs (SFAS 90) | (6 787) | (5 882) | Accretion to Income of the discount related to Hope Creek and various abandonments |
| Allowance for Funds Used During Construction | <u>(29 974)</u> | <u>(33 448)</u> | Increased construction expenditures |
| Total Adjustments | <u>\$615 554</u> | <u>\$653 959</u> | |
| Internal Cash Flow | <u>\$654 020</u> | <u>\$645 401</u> | |
| Average Quarterly Cash Flow | <u>\$163 505</u> | <u>\$161 350</u> | |

As indicated by this statement, the Average Quarterly Cash Flow covers the maximum contingent liability of Public Service Electric and Gas Company, as defined by the Nuclear Regulatory Commission. The presentation of this statement is consistent with that of prior years' filings.

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BY 
 VICE PRESIDENT AND COMPTROLLER

DATE 4/14/92

ATLANTIC CITY ELECTRIC COMPANY
PROJECTED INTERIM CASH FLOW STATEMENT
FOR YEAR 1992ⁿ - COMPARED TO 1991 ACTUAL
(Thousands of Dollars)

| | <u>Actual 1991</u> | <u>Projected 1992</u> | <u>Explanation of Significant Variations</u> |
|--|--------------------|-----------------------|--|
| Net Income | \$107,428 | \$109,478 | |
| Less Dividends | <u>90,484</u> | <u>94,931</u> | Projected reflects effects of prior year stock issuances, most notably common stock. |
| Retained in Business | <u>16,944</u> | <u>14,547</u> | |
| Major Adjustments: | | | |
| Depreciation and Amortization | 66,023 | 70,323 | |
| Levelized Energy Clause - Net | 13,180 | 15,471 | |
| Deferred Income Taxes and Investment Tax Credits | 1,420 | 5,094 | Projected primarily reflects the effects of liberalized depreciation. |
| Unrecovered Purchased Power Costs Allowance for Funds Used During Construction | (12,938) | 13,409 | Projected reflects the amortization of costs previously deferred. |
| Other | <u>(4,873)</u> | <u>(6,141)</u> | |
| | <u>5,649</u> | <u>9,495</u> | Projected reflects additional Gross Receipts and Franchise Tax liability. |
| | <u>68,461</u> | <u>107,651</u> | |
| Total Adjustments | <u>\$ 85,405</u> | <u>\$122,198</u> | |
| Average Quarterly Cash Flow | <u>\$21,351</u> | <u>\$30,550</u> | |
| Nuclear Generating Station | | | |
| Percentage Ownership | | | |
| Salem Unit #1 | | 7.41% | |
| Salem Unit #2 | | 7.41% | |
| Hope Creek #1 | | 5.00% | |
| Maximum Contingent Liability (Severally and Not Jointly) | | \$1,982 | |

As indicated by this statement, the Average Quarterly Cash Flow fully covers the maximum contingent liability of Atlantic City Electric Company which amounts to \$1,982,000 as shown above.


Atlantic City Electric Company

By: Frank F. Frankowski Date 2/25/92
Frank F. Frankowski, Controller

Delmarva Power & Light Company
Projected Internal Cash Flow Statement
For Year 1992 Compared to 1991 Actual
(\$000)

| | 1991 Actual | 1992 Projected | Explanation of Significant Variances |
|--|----------------|-------------------|---|
| Net Income | \$93,236 | \$97,640 | Increase is due to expected rate increases partly offset by higher operation, maintenance, and depreciation expenses, and the absence of the 1991 cumulative effect of unbilled revenues. |
| Less Dividends Paid | 85,044 | 91,891 | Higher dividends due to the Company's plans to issue shares of common stock in order to raise capital. |
| Retained in Business | 8,192 | 5,749 | |
| Adjustments: | | | |
| Cumulative Effect of Accounting Change for Unbilled Revenues | (12,730) | 0 | During 1991, the Company changed its method of accounting for unbilled revenues, effective as of January 1, 1991. |
| Depreciation | 88,720 | 96,565 | Additional utility plant is expected to be closed to plant-in-service during 1992. |
| Amortization and Other | (462) | 1,560 | |
| Deferred Income Taxes and Investment Tax Credits | 10,026 | 6,342 | The expected decrease is mainly related to the leveraged leases of the Company's nonutility subsidiaries. |
| Allowance for Funds Used During Construction | (7,778) | (11,141) | The expected increase is due to anticipated higher construction work-in-progress balances. |
| Total Adjustments | 77,776 | 93,326 | |
| Internal Cash Flow | \$85,968 | \$99,075 | |
| Average Quarterly Cash Flow | 21,492 | 24,769 | |

The Company has sufficient cash flow to ensure that its respective premiums would be available for payment.

By 
James P. Lavin
Comptroller-Corporate and
Chief Accounting Officer

Date February 24, 1992