

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 14 1993

NLR-N93053

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, Unit 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. 1992 Stockholders' Annual Report of each owner.
(except Philadelphia Electric Company)
2. Individual certified Internal Cash Flow Statements
showing 1992 Actual and 1993 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 (6)

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PUBLIC SERVICE ELECTRIC AND GAS COMPANY
(SALEM AND HOPE CREEK)
Projected Internal Cash Flow Statement
For Year 1993 - Compared to 1992 Actual
(Thousands of Dollars)

	<u>Actual - 1992</u>	<u>Projected</u>	<u>Explanation of Significant Variations</u>
Net Income	\$ 475,936	\$ 610,176	
Less Dividends Paid	<u>517,907</u>	<u>529,318</u>	
Retained in Business	<u>\$ (41,971)</u>	<u>\$ 80,858</u>	
Adjustments:			
Depreciation	\$ 552,011	\$ 494,270	
Amortization of Nuclear Fuel	91,903	107,314	Reduced overall outage time.
Deferred Income Taxes and Investment Tax Credits	39,986	122,977	Primarily Deferred Taxes on Hope Creek Unit 2 abandonment.
Statement of Financial Accounting Standards No. 90 - Regulated Enterprises - Accounting for Abandonments and Disallowance of Plant Costs (SFAS 90)	(6,468)	(5,012)	Accretion to Income of the discount related to Hope Creek and various abandonments.
Allowance for Funds Used During Construction	<u>(26,417)</u>	<u>(41,073)</u>	Increased construction expenditures
Total Adjustments	<u>\$ 651,015</u>	<u>\$ 678,476</u>	
Internal Cash Flow	<u>\$ 609,044</u>	<u>\$ 759,334</u>	
Average Quarterly Cash Flow	<u>\$ 152,261</u>	<u>\$ 189,834</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

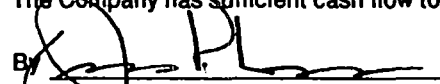
BY Joseph J. Hanagan
Manager, Financial Accounting & Reporting

DATE 3-31-93

Delmarva Power & Light Company
Projected Internal Cash Flow Statement
For Year 1993 Compared to 1992 Actual
(\$000)

	1992 Actual	1993 Projected	Explanation of Significant Variances
Net Income	\$98,526	\$102,816	Expected base rate increases in mid-1993 partly offset by the absence of the 1992 gain from settlement of the Peach Bottom lawsuit. Higher dividends due to the Company's plans to issue new shares of common stock.
Less Dividends Paid	90,478	98,188	
Retained in Business	8,048	4,628	
Adjustments:			Additional utility plant is expected to be closed to plant-in-service during 1993. Increased 1993 cash flows resulting from increases in scheduled nonutility subsidiary leveraged lease rent payments. Deferred taxes on nonutility subsidiary leveraged leases are expected to decrease in 1993 since the tax basis is becoming more fully depreciated. The expected increase is due to anticipated higher construction work-in-progress balances.
Depreciation	95,285	103,463	
Amortization and Other	491	14,628	
Deferred Income Taxes and Investment Tax Credits	8,332	720	
Allowance for Funds Used During Construction	(9,708)	(10,198)	
Total Adjustments	94,400	108,613	
Internal Cash Flow	\$102,448	\$113,241	
Average Quarterly Cash Flow	25,612	28,310	

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

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

Date March 4, 1993

ATLANTIC CITY ELECTRIC COMPANY
PROJECTED INTERNAL CASH FLOW STATEMENT
FOR YEAR 1993 - COMPARED TO 1992 ACTUAL
(Thousands of Dollars)

	<u>Actual 1992</u>	<u>Projected 1993</u>	<u>Explanation of Significant Variations</u>
Net Income	\$107,446	\$108,593	
Less Dividends	96,148	98,311	
Retained in Business	<u>11,298</u>	<u>10,282</u>	
Major Adjustments:			
Depreciation and Amortization	69,371	73,836	
Levelized Energy Clause - Net	(6,143)	(14,779)	Further reduction of previously overrecovered costs.
Deferred Income Taxes and			
Investment Tax Credits	13,531	23,900	Deferred income taxes associated with 1993 state excise tax payment.
Unrecovered Purchased Power Costs	13,410	13,950	
Allowance for Funds Used			
During Construction	(3,626)	(6,055)	
State Excise Tax	2,930	(39,140)	1993 reflects required additional payment in move toward being on a state-mandated prepaid basis.
Other	16,168	2,314	Primarily changes in working capital components and 1992 adjustment for nuclear decommissioning reserve amounts.
	<u>105,641</u>	<u>54,026</u>	
Total Adjustments	<u>\$116,939</u>	<u>\$ 64,308</u>	
Average Quarterly Cash Flow	<u>\$29,235</u>	<u>\$16,077</u>	
Nuclear Generating Station			
Percentage Ownership			
Salem Unit #1		7.41%	
Salem Unit #2		7.41%	
Hope Creek #1		5.00%	
Maximum Contingent Liability		\$1,982	
(Severally and Not Jointly)			

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 3/5/93
Frank F. Frankowski, Controller