

Public Service
Electric and Gas
Company

Steven E. Miltenberger

Public Service Electric and Gas Company P.O. Box 236, Hancocks Bridge, NJ 08038 609-339-4199

Vice President and Chief Nuclear Officer

APR 13 1994

NLR-N94065

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 the Hope Creek Generating Station submit the following statements and supporting documents to satisfy guarantee requirements as provided under Alternative No. 5:

1. 1993 Stockholders' Annual Report of each owner.
(except PECO Energy Company)
2. Individual certified Internal Cash Flow Statements showing 1993 Actual and 1994 Projected with Explanation of Significant Variations.
(except PECO Energy Company)

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

Sincerely,



Enclosures (6)

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C All w/o 1993 Stockholders' Annual Reports

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
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Mr. C. S. Marschall (S09)
USNRC Senior Resident Inspector

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

Ms. Pamela J. Curham
Manager Joint Generation
Atlantic Electric Company
6801 Black Horse Pike
P.O. Box 1264 (MLC)
Pleasantville, NJ 08232

Mr. J. Ted Robb
Director - Joint Owner Affairs
PECO Energy Company
965 Chesterbrook Blvd. 61C-1
Wayne, PA 19807-5691

Carl D. Schaefer
Manager
External Operations
Delmarva Power & Light Company
800 King Street
P.O. Box 231
Wilmington, DE 19899

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

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
(SALEM AND HOPE CREEK)
Projected Internal Cash Flow Statement
For Year 1994 - Compared to 1993 Actual
(Thousands of Dollars)

	<u>Actual - 1993</u>	<u>Projected</u>	<u>Explanation of Significant Variations</u>
Net Income	\$ 614,868	\$ 661,547	
Less Dividends Paid	<u>531,314</u>	<u>539,072</u>	
Retained in Business	<u>\$ 83,554</u>	<u>\$ 122,475</u>	
Adjustments:			
Depreciation	\$ 502,206	\$ 521,408	
Amortization of Nuclear Fuel	102,718	82,928	Anticipated additional outages.
Deferred Income Taxes and Investment Tax Credits	76,787	54,778	Primarily Deferred Taxes on Loss on Reacquired Debt.
Statement of Financial Accounting Standards No. 90 - Regulated Enterprises - Accounting for Abandonments and Disallowance of Plant Costs (SFAS 90)	(4,853)	(4,221)	Accretion to Income related to various abandonments.
Allowance for Funds Used During Construction	(27,080)	(37,000)	Increased construction expenditures.
Total Adjustments	<u>\$ 649,778</u>	<u>\$ 617,893</u>	
Internal Cash Flow	<u>\$ 733,332</u>	<u>\$ 740,368</u>	
Average Quarterly Cash Flow	<u>\$ 183,333</u>	<u>\$ 185,092</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 Patricia A. Rado
Vice President and Comptroller

DATE March 22, 1994

ATLANTIC CITY ELECTRIC COMPANY
PROJECTED INTERNAL CASH FLOW STATEMENT
FOR YEAR 1994 - COMPARED TO 1993 ACTUAL
(Thousands of Dollars)

	<u>Actual 1993</u>	<u>Projected 1994</u>	<u>Explanation of Significant Variations</u>
Net Income	\$109,026	\$110,596	
Less Dividends	<u>98,752</u>	<u>99,853</u>	
Retained in Business	<u>10,274</u>	<u>10,743</u>	
 Major Adjustments:			
Depreciation and Amortization	67,950	76,023	
Levelized Energy Clause - Net	(15,269)	(3,157)	Increased rates to recover deferred costs.
Deferred Income Taxes and Investment Tax Credits	16,213	16,210	
Unrecovered Purchased Power Costs	(6,050)	14,580	1993 includes payment to independent power producers for contract renegotiations versus projected amortization of deferred costs.
Allowance for Funds Used During Construction	(3,816)	(7,089)	
State Excise Tax	(35,982)	(36,748)	
Other	<u>42,581</u>	<u>(20,452)</u>	Primarily changes in working capital components.
	<u>65,627</u>	<u>39,367</u>	
Total Adjustments	<u>\$ 75,901</u>	<u>\$ 50,110</u>	
 Average Quarterly Cash Flow	 <u>\$18,975</u>	 <u>\$12,528</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.

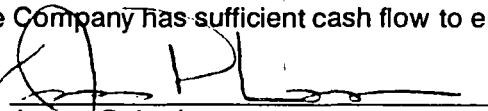
Atlantic City Electric Company

By: Frank F. Frankowski Date 3/18/94
Frank F. Frankowski
V.P. - Controller & Assistant Treasurer

Delmarva Power & Light Company
Projected Internal Cash Flow Statement
For Year 1994 Compared to 1993 Actual
(\$000)

	1993 Actual	1994 Projected	Explanation of Significant Variances
Net Income	\$111,076	\$109,184	
Dividends Paid	(98,031)	(100,854)	
Retained in Business	13,045	8,330	
Adjustments:			
Depreciation	102,970	110,836	Higher projected average plant-in-service balances in 1994.
Deferred Income Taxes and Investment Tax Credits	(3,686)	8,905	The sale of certain assets resulted in a net deferred tax expense credit in 1993.
Allowance for Funds Used During Construction	(8,713)	(5,209)	
Other non-cash expense (income)	(5,438)	3,888	Certain expenses that were deferred in 1993 are expected to be expensed in 1994. Also, amortization of debt refinancing losses and expenses are expected to increase in 1994.
Total Adjustments	85,133	118,420	
Internal Cash Flow	\$98,178	\$126,750	
Average Quarterly Cash Flow	\$24,545	\$31,688	

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

By 
James P. Lavin
Comptroller and
Chief Accounting Officer

Date March 7, 1994