

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

B. D. JOHNSON
VICE PRESIDENT
AND CONTROLLER

March 31, 1981

Mr. Jerome Saltzman, Chief
Antitrust & Indemnity Group
Office of Nuclear Reactor Regulation
Nuclear Regulatory Commission
Washington, D.C. 20555

Serial No. 165

Dear Mr. Saltzman:

Pursuant to the guarantee requirements set forth in alternative 5 of Commission's letter dated June 15, 1977, regarding implementation of certain provisions of the 1975 amendments to the Price-Anderson Act (Public Law 94-197) relating to the retrospective premium system, we are providing, herewith, the following:

1. Annual Report to Shareowners for 1980.
2. Comparative Statement of Income for the three months ended December 31, 1980.
3. Internal cash flow projection for calendar year 1981 with certification by officer of the Company.
4. Statement ensuring availability of funds for payment of retrospective premium without curtailment of construction expenditures.

In accordance with the regulations, we are not submitting the \$1,000 fee. Our Indemnity Fees for Surry Units One and Two and North Anna Units One and Two have been paid and are well in excess of \$1,000.

Very truly yours,


B. D. Johnson

Enclosures

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VIRGINIA ELECTRIC AND POWER COMPANY
STATEMENTS OF INCOME
 (UNAUDITED)

	Three Months Ended December 31	
	<u>1980</u>	<u>1979</u>
	(Thousands of Dollars)	
Operating Revenues:		
Electric	\$475,524	\$451,049
Gas	21,487	17,221
Total	<u>497,011</u>	<u>468,270</u>
Operating Expenses:		
Operation - Fuel used in Electric generation	158,637	170,069
- Purchased and interchanged power	55,605	60,981
- Other	68,118	58,155
Maintenance	19,380	27,417
Depreciation	35,171	31,075
Amortization of abandoned project costs	1,844	1,839
Taxes - Federal income	16,849	16,876
- Other	27,699	27,003
Total	<u>383,303</u>	<u>393,415</u>
Operating Income	<u>113,708</u>	<u>74,855</u>
Other Income:		
Allowance for other funds used during construction	16,530	18,100
Miscellaneous, net	535	(25)
Income taxes associated with miscellaneous, net	(426)	(89)
Total	<u>16,639</u>	<u>17,986</u>
Income before interest charges	<u>130,347</u>	<u>92,841</u>
Interest Charges:		
Interest on long-term debt	64,392	54,705
Other	3,673	3,190
Allowance for borrowed funds used during construction	(10,490)	(7,918)
Total	<u>57,575</u>	<u>49,977</u>
Net Income	72,772	42,864
Preferred and Preference Dividends	14,322	13,952
Balance for Common Stock	<u>\$ 58,450</u>	<u>\$ 28,912</u>
Common Stock - average for period (thousands of shares)	99,649	90,624
Earnings per share of Common Stock	\$.59	\$.32
Cash Dividends paid per common share	\$.35	\$.35

VIRGINIA ELECTRIC AND POWER COMPANY

1981 ESTIMATED INTERNAL CASH FLOW

(Millions)


	January Thru March	April Thru June	July Thru September	October Thru December	1981 Total
Operating Revenues	\$539.1	\$451.3	\$568.4	\$518.8	\$2,077.6
Less: Operating Expenses	337.8	289.0	328.6	303.4	1,258.8
Taxes Paid	15.2	45.4	19.0	41.5	121.1
Interest and Other Charges Paid	62.9	64.9	68.2	59.2	255.2
Dividends Paid - Preferred and Preference	14.3	14.3	14.3	14.3	57.2
- Common Stock	35.0	35.2	35.5	35.8	141.5
Advance to Laurel Run Mining Subsidiary	(1.2)	.5	1.0	6.2	6.5
Cancellation Charges	2.1	2.2	26.7	2.1	33.1
Change in Working Capital	<u>22.4</u>	<u>(19.9)</u>	<u>12.4</u>	<u>(65.6)</u>	<u>(50.7)</u>
 Internal Cash Flow	 50.6	 19.7	 62.7	 121.9	 254.9
 Proceeds from Sale of Bath County Facilities	 <u>-</u>	 <u>-</u>	 <u>166.2</u>	 <u>3.1</u>	 <u>169.3</u>
 Total Cash Flow	 <u>\$ 50.6</u>	 <u>\$ 19.7</u>	 <u>\$228.9</u>	 <u>\$125.0</u>	 <u>\$ 424.2</u>

VIRGINIA ELECTRIC AND POWER COMPANY

CERTIFICATE

I, the undersigned B. D. Johnson, do hereby certify, pursuant to the guarantee requirements set forth in the Commission's letter dated June 15, 1977, that the cash flow projection for 1981, provided herewith, is based on the best available information and is a reasonably accurate projection of the Company's 1981 cash flow.

March 27, 1981



B. D. Johnson
Vice President and Controller

VIRGINIA ELECTRIC AND POWER COMPANY

STATEMENT

The Company currently estimates 1981 construction expenditures to be \$643 million. In addition, the Company must provide \$124 million for refunding and mandatory sinking fund payments. Of the \$767 million required, about \$197 million will be raised through the sale of securities, and about \$169 million is expected from the sale of a portion of the Bath County Pumped Storage Project. The Company is reasonably assured that, based on the best available cash flow projections which are provided herewith, curtailment of capital expenditures would not be required to cover the retrospective premium of \$40 million (\$10 million per operating reactor) which is only 5% of the total 1981 capital requirements.

March 27, 1981