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3/24/78

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)
DISTRIBUTION FOR INCOMING MATERIAL 50-244

REC: SALTZMAN J
NRC

ORG: KOWBA S
ROCHESTER GAS & ELEC

DOCDATE: 03/14/78
DATE RCVD: 03/22/78

DOCTYPE: LETTER NOTARIZED: NO
SUBJECT:

COPIES RECEIVED
LTR 1 ENCL 1

FORWARDING MATERIAL REQUIRED UNDER ALTERNATIVE METHOD NO 5 TO SUPPORT
APPLICANT'S GUARANTEE THAT IT CAN PAY RETROSPECTIVE PREMIUMS WHICH MIGHT BE
REQUIRED UNDER THE SECONDARY FINANCIAL PROTECTION SYSTEM.

PLANT NAME: RE GINNA - UNIT 1

REVIEWER INITIAL: XJM
DISTRIBUTOR INITIAL: *M*

***** DISTRIBUTION OF THIS MATERIAL IS AS FOLLOWS *****

INSURANCE: INDEMNITY/ENDORSEMENT AGREEMENTS
(DISTRIBUTION CODE D003)

INTERNAL: REG FILE**W/ENCL
DINITZ FOR ACTION**W/ENCL

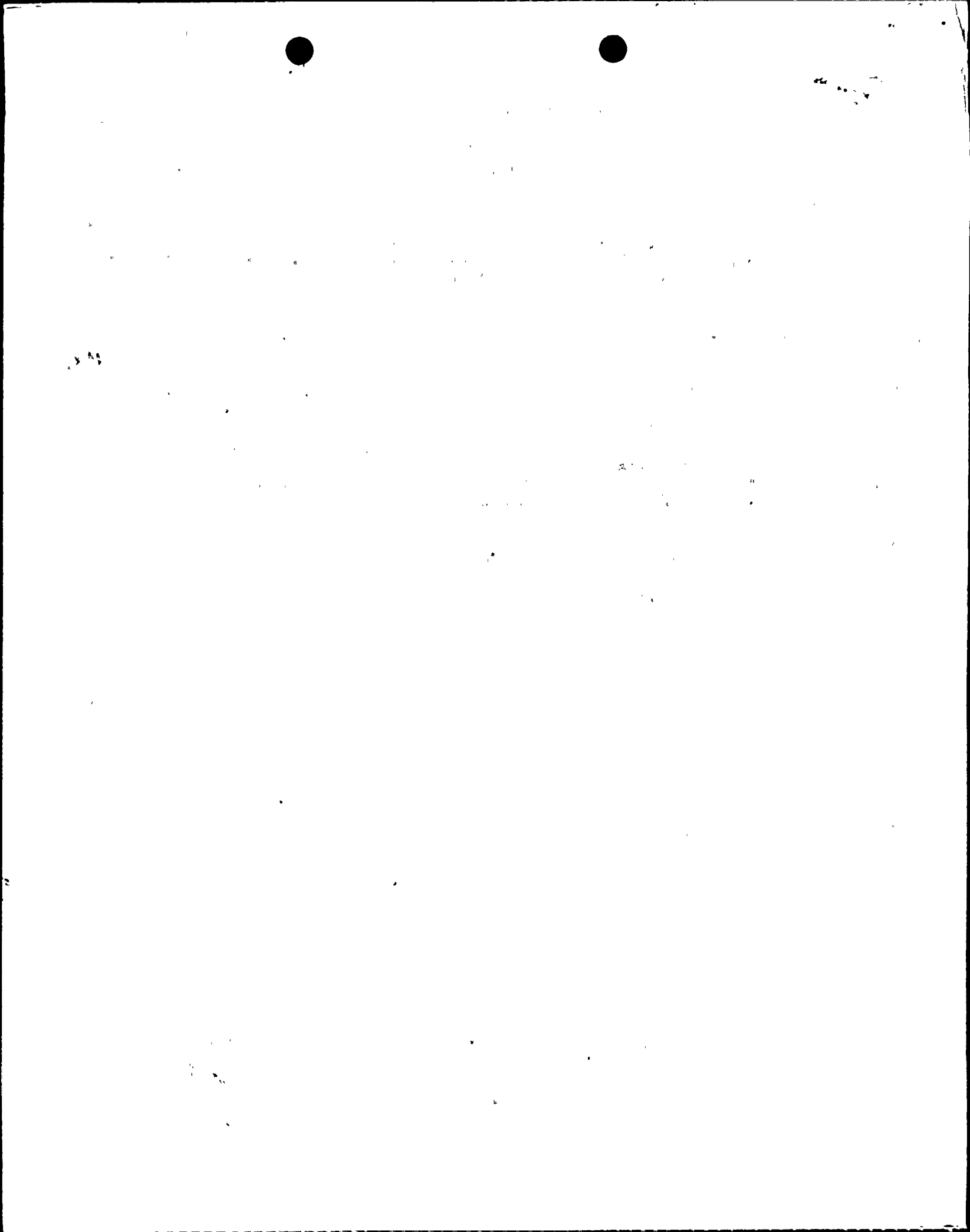
NRC PDR**W/ENCL
H JORDAN**W/ENCL

EXTERNAL: LPDR'S
ROCHESTER, NY**W/ENCL
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DISTRIBUTION: LTR 7 ENCL 7
SIZE: 1P+1P+1P

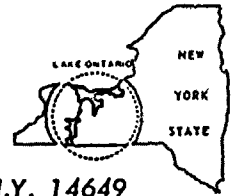
CONTROL NBR: 780820048

***** THE END *****





REGULATORY DOCKET FILE COPY



ROCHESTER GAS AND ELECTRIC CORPORATION • 89 EAST AVENUE, ROCHESTER, N.Y. 14649

STEPHEN KOWBA
ASSISTANT CONTROLLER

TELEPHONE
AREA CODE 716 546-2700

March 14, 1978

Mr. Jerome Saltzman, Chief
Antitrust & Indemnity Group
Nuclear Reactor Regulation
Nuclear Energy Commission
Washington, DC 20555



Re: Docket No. 50-244

Dear Mr. Saltzman:

Enclosed is material required under Alternative Method No. 5 to support a guarantee by Rochester Gas and Electric Corporation that it can pay the retrospective premiums which might be required under the Secondary Financial Protection system.

Attachment A summarizes the projected cash flow for the calendar year 1978.

Attachment B is a certified financial statement covering the three months ended December 31, 1977 and 12 months ended December 31, 1977.

We do not believe that it would be necessary to curtail any capital expenditures if a retrospective premium had to be paid. However, if future circumstances were such as to impact capital expenditures, we probably would delay upgrading distribution facilities which would not have an immediate impact on our service standards.

Very truly yours,

Stephen Kowba
Stephen Kowba

Enclosures

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ROCHESTER GAS AND ELECTRIC CORPORATION

Cash Flow - Projected
(000's)

	<u>1978</u>
Net Income	\$33,868
Less:	
Allowance for funds used during construction	(14,060)
Plus:	
Depreciation and amortization	37,979
Deferred fuel costs	1,261
Deferred income taxes	<u>1,892</u>
Cash flow before dividends	\$60,940
Preferred stock dividends	5,678
Common stock dividends	<u>18,545</u>
Cash flow after dividends	<u><u>\$36,717</u></u>

ROCHESTER GAS AND ELECTRIC CORPORATION
Statement of Income (000's)

Attachment B

	<u>Three Months Ended</u> <u>December 31, 1977</u>	<u>Year Ended</u> <u>December 31, 1977</u>
Revenue		
Electric	\$46,081	\$179,940
Gas	27,256	105,797
Steam	4,531	19,004
	<u>77,868</u>	<u>304,741</u>
Electric sales to other utilities	6,590	26,403
	<u>84,458</u>	<u>331,144</u>
Expense		
Electric and steam fuels	15,411	56,993
Purchased electricity	2,965	13,635
Purchased natural gas	19,119	62,086
Other operation	15,829	62,494
Maintenance	5,905	22,372
Total operation and maintenance expense	59,229	217,580
Depreciation	6,085	21,053
Taxes-local, state and other	10,189	43,876
Federal income tax - current	1,318	961
- deferred	<u>(1,758)</u>	<u>2,897</u>
	<u>75,063</u>	<u>286,367</u>
Operating Income	9,395	44,777
Other Income and Deductions		
Allowance for funds used during construction	3,032	11,317
Less: Portion applicable to borrowed funds	(1,203)	(4,844)
Other	726	1,310
	<u>2,555</u>	<u>7,783</u>
Income before Interest Charges	11,950	52,560
Interest Charges		
Long-term debt	6,367	22,542
Short-term debt	22	1,319
Other	320	494
Allowance for borrowed funds used during construction	<u>(1,203)</u>	<u>(4,844)</u>
	<u>5,506</u>	<u>19,511</u>
Net Income	6,444	33,049
Dividends on Preferred and Preference Stock	<u>1,787</u>	<u>6,512</u>
Earnings Applicable to Common Stock	<u>\$4,657</u>	<u>\$26,537</u>

I hereby certify these Financial Statements to be correct to the best of my knowledge and belief.

ROCHESTER GAS AND ELECTRIC CORPORATION

By Stephen Kowba
Stephen Kowba
Assistant Controller



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