



METROPOLITAN EDISON COMPANY

POST OFFICE BOX 542 READING, PENNSYLVANIA 19603

TELEPHONE 215 - 929-3601

June 28, 1977
GOL 0858

Regulatory Branch File



Director of Nuclear Reactor Regulation
Attn: Mr. Steven A. Varga, Chief
Light Water Reactors, Branch No. 4
U. S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Sir:

Three Mile Island Nuclear Station Unit 2 (TMI-2)
License No. CPPR-66
Docket No. 50-320
Request for Additional Financial Information Related
to Application for Amendment of Construction Permit

Your letter of April 26, 1977 requested additional information required for completion of your review of our Application for Amendment of Construction Permit for Three Mile Island Unit 2. In discussions with your Staff, we explained that the first two requests were included in the initial application of April 1977. The last item is answered in Attachment I of this letter.

Very truly yours,

J. G. Herbein
J. G. Herbein
Vice President

JGH:JRS:mmn
Attachment I

56-236

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I

AssumptionsSources of Funds for Company-Wide Construction Expenditures During Period
of Construction of Subject Nuclear Power Plant

- (1) The Company follows the policy of declaring, in each year, dividends on its common stock in amounts substantially equal to annual earnings applicable thereto.
- (2) Rate of return of 12.5% on previous year-end common equity.
- (3) Interest rate of 10% on additional long-term debt.
- (4) Dividend rate of 10% on additional preferred stock.
- (5) Interest rate of 7% on short-term debt.

Applicant: Jersey Central Power & Light Company Nuclear Plant: Three Mile Island-Unit 2

Sources of Funds for System-Wide Construction Expenditures During Period
of Construction of Subject Nuclear Power Plant
(millions of dollars)

<u>Security issues and other funds</u>	<u>Construction Years of Subject Nuclear Power Plant</u>	
	<u>1977</u>	<u>1978(A)</u>
Preferred stock	-	-
Long-term debt	\$120	\$130
Notes payable	(2)	(4)
Contributions from parent	60	60
Transfer of ownership- Forked River	101	-
Other funds	(33)	(8)
Total	<u>85% 246</u>	<u>87% 178</u>
 <u>Internal funds</u>		
Net income		
Less:		
Preferred dividends		
Common dividends		
Retained earnings	-0-	-0-
Deferred taxes	9	8
Invest. tax credit-deferred	10	7
Depreciation and amortization	53	24
Less: AFDC	28	13
Total	<u>15% 44</u>	<u>13% 26</u>
 TOTAL FUNDS	 <u>100% \$290</u>	 <u>100% \$204</u>
 <u>Construction expenditures*</u>		
Nuclear power plants	\$209	\$158
Other	81	46
Total const. expenditures	<u>\$290</u>	<u>\$204</u>
 Subject nuclear plant	 <u>\$174</u>	 <u>\$112</u>

*Exclusive of AFDC (allowance for funds used during construction)

(A) Five months ended May 31

56-228

ATTACHMENT I

Assumptions

Sources of Funds for Company-Wide Construction Expenditures During Period
of Construction of Subject Nuclear Power Plant

- (1) The Company follows the policy of declaring, in each year, dividends on its common stock in amounts substantially equal to annual earnings applicable thereto.
- (2) Rate of return of 12.5% on previous year-end common equity.
- (3) Interest rate of 10% on additional long-term debt.
- (4) Dividend rate of 10% on additional preferred stock.
- (5) Interest rate of 7% on short-term debt.

Applicant: Pennsylvania Electric Company Nuclear Plant: Forked River-Unit 1

Sources of Funds for Company-Wide Construction Expenditures During Period of Construction of Subject Nuclear Power Plant
(millions of dollars)

Security issues and other funds	Construction					Sources of Subject Nuclear Power Plant		
	1977	1978	1979	1980	1981	1982	1983	
Preferred stock	-	-	-	-	-	-	-	
Long-term debt	\$ 20	\$ 35	\$ 75	\$ 75	\$ 75	\$ 100	\$ 105	
Notes payable		(24)	24	(6)	2	(4)	(4)	
Contributions from parent	40	-	-	50	60	80	80	
Transfer of ownership-Three Mile Island	66	31	-	-	-	-	-	
Other funds	(25)	14	(14)	(10)	(15)	(19)	(26)	
Total	70%	51%	63%	71%	76%	83%	73%	155

Internal funds

Net income	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Less: Preferred dividends	12	12	12	12	12	12	14	14
Common dividends	15	8	4	3	1	-	14	14
Retained earnings	35	42	44	46	48	50	62	62
Deferred taxes	18	9	11	16	22	29	32	32
Invest. tax credit-deferred	44	53	49	45	39	33	58	58
Depreciation and amortization								
Less: AFDC								
Total	30%	49%	37%	29%	24%	17%	27%	58

TOTAL FUNDS

Construction expenditures*

Nuclear power plants	\$ 74	\$ 34	\$ 40	\$ 43	\$ 45	\$ 38	\$ 36
Other	71	75	94	111	116	152	177
Total const. expenditures	\$145	\$109	\$134	\$154	\$161	\$190	\$213
Subject nuclear plant	\$ 56	\$ 24	\$ 32	\$ 35	\$ 33	\$ 24	\$ 22

*Exclusive of AFDC (allowance for funds used during construction)

Applicant: Metropolitan Edison Company Nuclear Plant: Forked River-Unit 1Sources of Funds for Company-Wide Construction Expenditures During Period
of Construction of Subject Nuclear Power Plant
(millions of dollars)

Security issues and other funds	Construction Years of Subject Nuclear Power Plant						
	1977	1978	1979	1980	1981	1982	1983
Preferred stock	-	-	-	-	-	-	-
Long-term debt	-	-	\$ 50	\$ 70	\$ 70	\$ 60	\$100
Notes payable	\$ 36	\$(36)	(6)	1	11	1	(2)
Contributions from parent	-	-	-	-	5	40	35
Transfer of ownership- Three Mile Island	86	76	-	-	-	-	-
Other funds	(14)	(13)	(2)	(18)	(6)	(15)	(63)
Total	89% <u>108</u>	41% <u>27</u>	50% <u>42</u>	58% <u>53</u>	73% <u>80</u>	74% <u>86</u>	53% <u>70</u>
<u>Internal funds</u>							
Net income							
Less:							
Preferred dividends							
Common dividends							
Retained earnings	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Deferred taxes	7	10	12	11	10	9	11
Invest. tax credit-deferred	1	10	2	2			14
Depreciation and amortization	28	34	39	41	39	46	57
Less: AFDC	22	15	11	15	19	24	20
Total	11% <u>14</u>	59% <u>39</u>	50% <u>42</u>	42% <u>39</u>	27% <u>30</u>	26% <u>31</u>	47% <u>62</u>
TOTAL FUNDS	100% <u>\$122</u>	100% <u>\$ 66</u>	100% <u>\$ 84</u>	100% <u>\$ 92</u>	100% <u>\$110</u>	100% <u>\$117</u>	100% <u>\$132</u>
<u>Construction expenditures*</u>							
Nuclear power plants	\$ 92	\$ 41	\$ 48	\$ 52	\$ 60	\$ 53	\$ 52
Other	30	25	36	40	50	64	80
Total const. expenditures	<u>\$122</u>	<u>\$ 66</u>	<u>\$ 84</u>	<u>\$ 92</u>	<u>\$110</u>	<u>\$117</u>	<u>\$132</u>
Subject nuclear plant	<u>\$ 56</u>	<u>\$ 24</u>	<u>\$ 32</u>	<u>\$ 35</u>	<u>\$ 33</u>	<u>\$ 24</u>	<u>\$ 22</u>

*Exclusive of AFDC (allowance for funds used during construction)

Applicant: Jersey Central Power & Light Company Nuclear Plant: Forked River-Unit 1

Sources of Funds for Company-Wide Construction Expenditures During Period of Construction of Subject Nuclear Power Plant
(millions of dollars)

	1977	1978	1979	1980	1981	1982	1983
Security issues and other funds							
Preferred stock	-	-	\$ 40	\$ 30	\$ 25	\$ 30	\$ 30
Long-term debt	\$120	\$130	130	140	145	160	195
Notes payable	(2)	3	1	2	(1)	8	4
Contributions from parent	60	90	35	75	90	90	95
Transfer of ownership-Forked River	101	-	-	-	-	-	-
Other funds	(33)	(11)	(49)	(20)	(25)	(21)	(56)
Total	85% 246	68% 212	61% 157	71% 227	73% 234	78% 267	68% 268

Internal funds

Net income

Less:

Preferred dividends

Common dividends

Retained earnings

Deferred taxes

Invest. tax credit-deferred

Depreciation and amortization

Less: AFDC

Total

TOTAL FUNDS

Construction expenditures*

Nuclear power plants

Other

Total const. expenditures

Subject nuclear plant

	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	9	15	26	26	26	26	32
	10	33	7	7	11	-0-	23
	53	75	86	92	98	107	133
	28	21	20	32	47	59	62
	15% 44	3% 102	39% 99	29% 93	27% 88	22% 74	32% 126
	100% \$290	100% \$314	100% \$256	100% \$270	100% \$322	100% \$341	100% \$394
	\$209	\$218	\$114	\$140	\$153	\$148	\$159
	81	96	142	180	169	193	235
	\$290	\$314	\$256	\$270	\$322	\$341	\$394
	\$ 20	\$ 92	\$ 65	\$ 69	\$ 66	\$ 48	\$ 45

*Exclusive of AFDC (allowance for funds used during construction)