

Docket file

Docket No. 50-320

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D. B. Vassallo, Chief, Light Water Reactors Branch No. 4, PM
THRU: D. J. Skovholt, Assistant Director for Quality Assurance and
Operations, PM

METROPOLITAN EDISON COMPANY, ET AL: THREE MILE ISLAND, UNIT NO. 2

We have reviewed the OL application for the subject facility and have determined that the enclosed list of additional financial information is needed from the applicants. We will provide an analysis for the final SER Supplement regarding their financial qualifications to operate the facility and to permanently shut it down and maintain it in a safe condition, should that become necessary. The applicants should be advised to submit their complete responses to us six weeks prior to the date that our input will be required for the Supplement. This is to ensure both that we have the most current financial information from the applicants and that adequate time is allowed for the preparation of our analysis.

Original Signed

Jim C. Petersen, Financial Analyst
Office of the Assistant Director for
Quality Assurance and Operations
Division of Project Management

Enclosure:
Request for Additional
Financial Information

cc: w/enclosure
H. Silver
M. Service

7904270670

OFFICE →	PM:QAO/FIN	PM:QAO/FIN	PM:ADQAO	84	064	
ext27331	JCPetersen	AHMeltz	DJSkovholt			
SURNAME →						
DATE →	6/23/76	6/24/76	6/1/76			

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REQUEST FOR ADDITIONAL
FINANCIAL INFORMATION

THREE MILE ISLAND UNIT NO. 2
DOCKET NO. 50-320

1. Indicate the estimated annual costs by year to operate the subject facility for the first five full years of commercial operation. The types of costs included in the estimate should be indicated and should include (but not necessarily limited to) operation and maintenance expenses with fuel costs shown separately, depreciation, taxes, and required return on investment. (Enclosed is a form which should be used for each year of the five-year period.) Indicate the projected plant capacity factor for each year.

Indicate if the participant companies expect to be able to sell power produced by the subject facility at rates which will cover all costs of production plus reasonable return on investment. Indicate the unit price per KWH experienced on each participant's system-wide sales of electric power to all customers for the most recent 12-month period.

2. Indicate the percentage entitlement of each participant in the electrical capacity and output of the plant.
3. Provide copies of the operating agreement (contract) among the participants. Explain the procedure to be used by Metropolitan Edison for billing Jersey Central and Pennsylvania Electric for their pro-rata shares of all operating and maintenance costs. Is each participant required to contribute its pro-rata share of all operating expenses regardless of the level of power availability from the unit, and to provide its share of expenses for permanent shutdown of the unit and maintenance in a safe condition, should that become necessary? Reference pertinent provisions of the operating agreement or other agreement between the parties which affirm this requirement.
4. Indicate the estimated costs of permanently shutting down the facility, a listing of what is included in such costs, the assumptions made in estimating the costs, the type of shutdown contemplated, and the source of funds to cover these costs.
5. Provide an estimate of the annual cost to maintain the shutdown facility in a safe condition. Indicate what is included in the estimate, assumptions made in estimating the costs, and the source of funds to cover these costs.
6. Provide the following from each participant company:
 - a. Copies of the 1976 1st quarter (and 2nd and 3rd quarters, when available) income and retained earnings statements and balance

sheet. Provide the same statements for the most recent 12-month period. Also, provide copies of similar statements for the corresponding periods ended in the previous year.

- b. Copies of the prospectus for the most recent security issue and copies of the most recent SEC Form 10-K. Provide copies of the preliminary prospectus for any pending security issue. Submit copies of the Annual Report to Stockholders each year as required by 10 CFR 50.71(b).
 - c. Describe the nature and amount of the company's most recent rate relief action(s) and its anticipated effect on earnings. Provide copies of the rate order and opinion. In addition, indicate the nature and amount of any pending rate relief action(s). Use the attached form to provide this information. Provide copies of the submitted, financially-related testimony of the staff and company in the most recent rate relief action or pending rate relief action.
 - d. Complete the enclosed form entitled, "Financial Statistics," for the most recent 12-month period and for the years ended December 31, 1975 and December 31, 1974.
7. Provide the information requested in items 6.a., 6.b., and 6.d., above, also for General Public Utilities Corporation.

ATTACHMENT FOR ITEM NO. 1

ESTIMATED ANNUAL COST OF OPERATING NUCLEAR GENERATING
UNIT: _____

FOR THE CALENDAR YEAR 19____

(thousands of dollars)

Operation and maintenance expenses

Nuclear power generation

Nuclear fuel expense (plant factor _____%)..... \$ _____
Other operating expenses..... _____
Maintenance expenses..... _____
Total nuclear power generation..... _____

Transmission expenses..... _____

Administrative and general expenses

Property and liability insurance..... _____
Other A.&G. expenses..... _____
Total A.&G. expenses..... _____
TOTAL O&M EXPENSES..... _____

Depreciation expense..... _____

Taxes other than income taxes

Property taxes..... _____
Other..... _____
Total taxes other than income taxes..... _____

Income taxes - Federal..... _____

Income taxes - other..... _____

Deferred income taxes - net..... _____

Investment tax credit adjustments - net..... _____

Return (rate of return: _____%)..... _____

TOTAL ANNUAL COST OF OPERATION \$ _____

84-067

RATE DEVELOPMENTS

Electric Gas Steam

Granted

Annual amount - test year basis (000's)
Percent increase
Effective date
Rate of return on rate base authorized
Rate of return on common equity authorized

Revenue Effect (000's)

Amount received in year granted
Amount received in subsequent year

Pending Requests

Amount (000's)
Percent increase
Date filed
Date by which decision must be issued
Rate of return on rate base requested
Rate of return on common equity requested

ATTACHMENT FOR ITEM 6.d.
FINANCIAL STATISTICS

12 months' ended

1975

1974

(dollars in millions)

Earnings available to common equity
Average common equity
Rate of return on average common equity

Times total interest earned before FIT:
Gross income (incl. AFDC) + current and
deferred FIT ÷ total interest charges +
amortization of debt discount and expense

Times long-term interest earned before FIT:
Gross income (incl. AFDC) + current and
deferred FIT ÷ long-term interest charges
+ amortization of debt discount and expense

Bond ratings (end of period)
Standard and Poor's
Moody's

Times interest and preferred dividends earned
after FIT:
Gross income (incl. AFDC) ÷ total interest
charges + amortization of debt discount and
expense + preferred dividends

AFUDC
Net income after preferred dividends
%

Market price of common
Book value of common
Market-book ratio (end of period)*

Earnings avail. for common less AFDC +
depreciation and amortization, deferred
taxes, and invest. tax credit adjust.-
deferred

Common dividends
Ratio

Short-term debt
Bank loans
Commercial paper

Capitalization (Amount & Percent)
Long-term debt
Preferred stock
Common equity

84-069

*If subsidiary company, use parent's data.