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FILE NUMBER

J.F. STOLZ

FROM: TOLEDO EDISON
TOLEDO, OHIO
L.E. ROE

DATE OF DOCUMENT

1/28/77

DATE RECEIVED

2/3/77

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PROP

INPUT FORM

NUMBER OF COPIES RECEIVED

1

DESCRIPTION

LTR. RE OUR 1/24/77 LTR.....TRANS THE FOLLOW-
ING.....

1P

PLANT NAME: DAVIS BESSE

*DISTRUBUTION PER: L. ENGLE

ENCLOSURE

RESPONSE TO REQUEST FOR ADDITIONAL FINANCIAL
INFORMATION.....

(1 SIGNED CY. RECEIVED)
(1 1/2 THICK)

ACKNOWLEDGED

DO NOT REMOVE

SAFETY

FOR ACTION/INFORMATION

ENVIRO

SAB 2/4/77

ASSIGNED AD:

VASSALLO (LTR)

ASSIGNED AD:

BRANCH CHIEF:

STOLZ (LTR)

BRANCH CHIEF:

PROJECT MANAGER:

ENGLE

PROJECT MANAGER:

LIC. ASST. :

HYLTON

LIC. ASST. :

INTERNAL DISTRIBUTION

REG FILE

SYSTEMS SAFETY

PLANT SYSTEMS

SITE SAFETY &

NRC PDR

HEINEMAN

TEDESCO

ENVIRO ANALYSIS

I & E (LTR)

SCHROEDER

BENAROYA

DENTON & MULLER

OELD (LTR)

ENGINEERING

LAINAS

ENVIRO TECH.

GOSSICK & STAFF

MACARRY

KIRKWOOD

ERNST

MIPC

KNIGHT

OPERATING REACTORS

SPANGLER

CASE

SIHWEIL

STELLO

HANAUER

PAWLICKI

SITE TECH.

HARLESS

PROJECT MANAGEMENT

REACTOR SAFETY

OPERATING TECH.

GAMMILL

BOYD (LTR)

ROSS

EISENHUT

STEPP

P. COLLINS

NOVAK

SHAO

HULMAN

HOUSTON

ROSZTOCZY

BAER

PETERSON

CHECK

BUTLER

SITE ANALYSIS

MELTZ

AT & I

GRIMES

VOLLMER

HELTENES

SALTZMAN (LTR)

BUNCH

SKOVHOLT

RUTBERG

J. COLLINS

KREGER

EXTERNAL DISTRIBUTION

CONTROL NUMBER

LPDR: PORT CLINTON, MD

NAT. LAB:

BROOKHAVEN NAT. LAB.

TIC:

REG V. IE

ULRIKSON (ORNL)

NSIC:

LA PDR

ASLB:

CONSULTANTS:

ACRS CYS HOLDING/SENT

917

8001150933



LOWELL E. ROE
Vice President
Facilities Development
(419) 259-5242

Docket No. 50-346

Serial No. 202

January 28, 1977



Mr. John F. Stolz, Chief
Light Water Reactors Branch No. 1
Division of Project Management
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Stolz:

Your letter of January 24, 1977 confirmed a verbal request for additional financial information given to us during a meeting with the NRC Staff on January 14, 1977. Your letter requested that the General Information Section of the Application be amended to include this additional information. After review of this request and conversation with the Staff member involved, it was decided only certain portions of this additional information should be included in the General Information Section.

We are, therefore, submitting Amendment No. 44 to the Application For Licenses by separate letter to include that information appropriate to the General Information Section, and are enclosing with this letter five (5) copies of a "Response to Request for Additional Financial Information," dated January 28, 1977 for the remainder of the information. This "Response" also includes a description of information submitted in Amendment No. 44.

Yours very truly,

LER

Enclosure

917

DAVIS-BESSE NUCLEAR POWER STATION, UNIT 1

RESPONSE TO
REQUEST FOR ADDITIONAL FINANCIAL INFORMATION

January 28, 1977

DOCKET 50-346

1. Annual costs by year to operate for first five years.

Table I in the General Information Portion of the Application For Licenses has been revised to include all information requested. This Revision 2 to the General Information Portion of the Application is contained in Amendment No. 44, dated January 28, 1977.

Unit price per KWH on system-wide sales for Toledo Edison and Cleveland for 12-month period ending December 31, 1976.

Toledo Edison	- 3.03¢
Cleveland Electric Illuminating	- 2.93¢

2. Estimated costs of shutting down the facility.

Page 7 of the General Information Portion of the Application has been revised in Amendment No. 44 to update this data.

3. Estimate of annual cost to maintain the shutdown facility in safe condition.

Page 7 of the General Information Portion of the Application has been revised in Amendment No. 44 to update this data.

4. Provide the prospectus for the most recent security issue.

Enclosed are five (5) copies of a November 23, 1976 Prospectus for Cleveland Electric Illuminating Company first mortgage bond issue. It is our understanding that the most recent prospectus for Toledo Edison has previously been submitted and additional submittal is not necessary.

5. Describe the nature of the company's most recent rate relief.

*Not included
in this copy*

Enclosed is one (1) copy of an extensive document on this subject for Cleveland Electric Illuminating. It is our understanding that this same document has been previously submitted to the NRC in early November, 1976 in regards to the Perry Application. It is our further understanding that similar material for Toledo Edison has been previously submitted and additional submittal is not necessary.

7. Complete the form entitle "Financial Statistics" for years 1975 and 1976.

Five (5) copies of a completed form for both Toledo and Cleveland are enclosed.

8. Total estimated construction cost for the facility.

The current estimated construction costs for the Davis-Besse Station, Unit 1 is \$566,318,000. This cost is consistent with and includes the same components as reported to ERDA in the latest quarterly report (Form HQ-254 Rev. 3/69) to ERDA, Division of Nuclear Research and Application.

THE TOLEDO EDISON COMPANY
FINANCIAL STATISTICS

12 months' ended DECEMBER 31
1976 1975
(dollars in millions)

Earnings available to common equity	\$ 31.8	\$ 28.2		
Average common equity	\$259.5	\$194.3		
Rate of return on average common equity	12.2%	14.5%		
Times total interest earned before FIT:	2.61X	2.77X		
Gross income (incl. AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense				
Times long-term interest earned before FIT:	2.67X	3.17X		
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	A	A+		
Moody's	Baa	A		
Times interest and preferred dividends earned after FIT:	1.88X	1.91X		
Gross income (incl. AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends				
AFUDC	\$ 24.5	\$ 20.5		
Net income after preferred dividends	\$ 31.8	\$ 28.2		
%	77%	72%		
Market price of common	\$ 26.30	\$ 24.375		
Book value of common	\$ 22.85	\$ 22.39		
Market-book ratio (end of period)*	1.16	1.09		
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust.-deferred	\$ 27.2	\$ 24.1		
Common dividends (DECLARED)	\$ 24.7	\$ 18.6		
Ratio	1.10	1.31		
Short-term debt				
Bank loans	-0-	\$ 1.8		
Commercial paper	\$ 9.0	\$ 15.8		
Capitalization (Amount & Percent)				
Long-term debt (excl. l.t.debt due within 1 yr.)	\$188.3	50%	\$349.2	52%
Preferred stock	125.0	16%	100.0	15%
Common equity	266.4	34%	216.3	33%
	<u>\$779.7</u>	100%	<u>\$665.5</u>	100%

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
FINANCIAL STATISTICS

12 months' ended - DECEMBER 31
1976 1975

(dollars in millions)

Earnings available to common equity	64	50
Average common equity	466	383
Rate of return on average common equity	14%	13%
Times total interest earned before FIT: Gross income (incl. AFDC) + current and deferred FIT ÷ total interest charges + amortization of debt discount and expense	2.7	2.5
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	2.9	2.7
Bond ratings (end of period)		
Standard and Poor's	AA	AA
Moody's	AA	AA
Times interest and preferred dividends earned after FIT: Gross income (incl. AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends	1.9	1.8
AFUDC	35	25
Net income after preferred dividends	64	50
%	54%	50%
Market price of common	\$34.63	\$26.50
Book value of common	\$27.06	\$25.87
Market-book ratio (end of period)	1.27:1	1.02:1
Earnings avail. for common less AFDC + depreciation and amortization, deferred taxes, and invest. tax credit adjust.- deferred	73	59
Common dividends	45	39
Ratio	1.62:1	1.51:1
Short-term debt		
Bank loans	119(1)	26(2)
Commercial paper	3	33
Capitalization (<u>Amount & Percent</u>)		
Long-term debt	747 (50%)	673 (55%)
Preferred stock	230 (16%)	170 (14%)
Common equity	511 (34%)	383 (31%)

(1) Includes \$100,000,000 long-term bank loans currently due (September 1977)

(2) Includes \$8,775,000 pollution control note which was currently due
(September, 1976)