

JUL 30 1974

Docket Nos. 50-329
and 50-330

A. Giambusso, Deputy Director for Reactor Projects, L

THRU: V. Moore, Assistant Director, Light Water Reactors, Group 2, L Original Signed by

CONSUMERS POWER COMPANY AND THEIR CURRENT FINANCIAL QUALIFICATIONS
REGARDING CONSTRUCTION OF MIDLAND UNITS 1 AND 2

Enclosed you will find the staff's financial analysis of the recent meeting with Consumers Power Company and the Regulatory staff held on July 25, 1974 in Bethesda, Maryland.

A summary of the applicant's nuclear facilities with respect to their present financial status is listed below:

Palisades

Earnings declined in part as a result of higher fuel prices and increased high cost purchase power requirements brought about by the August 1973 shutdown of this facility. The monies to be raised through external sources during the twelve months beginning June 1, 1974 are based on the assumption that the Palisades Unit will not operate during the twelve month period.

Quanicasse Plant, Units 1 and 2

The applicant indicated that the cancellation of this facility was deemed necessary because of prevailing market conditions for utility securities and present inadequate earnings. Sufficient assurance of raising new capital over the construction period of the project in addition to the large expenditures which must be raised by the applicant for other projects over the next ten years led to project cancellation of Quanicasse Plant, Units 1 and 2.

Midland Units 1 and 2

The staff's financial assessment concludes that the applicant will be able to continue and complete construction of this facility. The applicant stated to the staff that if at any time in the future their

8006190 715

I

THIS DOCUMENT CONTAINS
POOR QUALITY PAGES

financial position rendered it impossible for the applicant to construct and operate the facility according to the criteria required to protect the health and safety of the public the project would be cancelled.

Original Signed by

Leon B. Engle, Project Manager
Light Water Reactors Branch 2-3
Directorate of Licensing

Enclosure:
Financial Analysis

cc: D. Vassallo
A. Schwencer
V. Moore
D. Kartalia
A. Braitman
B. Hurt

DISTRIBUTION:

Dockets

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

LWR 2-3 Reading

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

EGoulbourne

OGC

~~XXXXXXXXXX~~

Handwritten mark

OFFICE	x7886/LWR 2-3	<i>Handwritten initials</i>			
SURNAME	LBEngle:cjb				
DATE	7/29/74	<i>Handwritten date</i>			