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YANKEE ATOMIC ELECTRIC COMPANY



20 Turnpike Road Westborough, Massachusetts 01581

April 27, 1978

Ira Dinitz, Indemnity Specialist
Anti-Trust & Indemnity Group
Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

RE: Yankee Atomic Electric Company
Docket No. 50-29

Gentlemen:

Relative to Yankee Atomic Electric Company's guarantee of retrospective premiums, enclosed is an internal cash flow statement, by quarters, for the year 1977 which shows that if Yankee had been assessed a retrospective premium in the amount of \$10,000,000 during the year, the necessary cash flow would have been available to meet the requirement of the retrospective premium. The cash flow projections are based on the premise that if Yankee is assessed a retrospective premium, the premium will be billed to our customers/stockholders on the basis of the Power Contract. A copy of the Power Contract has previously been submitted to your office.

In support of the customers/stockholders' ability to meet their percentage share of the retrospective premium assessment, we have also included cash flow statements for each Yankee stockholder for the year 1977. It is our view that the attached schedules are sufficient to demonstrate that Yankee Atomic Electric Company has the necessary cash flows to meet the requirements of the guarantee for the year 1977. We are presently developing similar schedules for the year 1978 based on our projections of cash flow for both Yankee Atomic Electric Company and our stockholder companies. We plan to have the 1978 schedules completed by the end of next week.

As you are aware we are anxious to meet the requirements of the guarantee as soon as possible and we appreciate the patience which you have shown in resolving this problem for Yankee Atomic Electric Company.

Very truly yours,

YANKEE ATOMIC ELECTRIC COMPANY

A. R. Soucy
Assistant Treasurer

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Enclosures

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YANKEE ATOMIC ELECTRIC COMPANY

Cash Flow
1977

	Quarter Ended				Total
	March 31	June 30	Sept. 30	Dec. 31	
<u>Internal Funds</u>					
Net Income	556,919	553,369	616,970	519,498	2,246,756
Depreciation	595,791	596,659	598,372	600,797	2,391,819
Fuel Accrual	1,336,087	919,074	54,824	1,616,420	3,956,405
Income Tax Accrual	413,353	480,421	419,353	466,570	1,779,697
Dividends		(1,112,150)		(1,073,800)	(2,185,950)
Federal Income Tax Payments		(300,000)	(150,000)	(150,000)	(600,000)
Pro-Forma Power Cost Assessment Under Power Contract for Retrospective Premium Payable Within 30 Days by Customer-Stockholder (See Schedule A)	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
<u>Total Pro-Forma Internal Cash Flow</u>	<u>12,902,150</u>	<u>11,137,373</u>	<u>11,569,719</u>	<u>11,979,485</u>	<u>47,588,727</u>
Other Sources - Net	430,196	(194,768)	386,985	(1,129,753)	(507,340)
External Financing - Net	(2,100,000)	200,000	300,000	2,500,000	900,000
<u>Total Funds From All Sources</u>	<u>11,232,346</u>	<u>11,142,605</u>	<u>12,256,704</u>	<u>13,349,732</u>	<u>47,981,387</u>
<u>Cash Requirements</u>					
Construction Expenditures	361,060	855,798	1,032,838	701,569	2,951,265
Nuclear Fuel Purchases	871,286	286,807	1,223,866	2,648,163	5,030,122
Pro-Forma Restrospective Premium	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
<u>Total Cash Requirements</u>	<u>11,232,346</u>	<u>11,142,605</u>	<u>12,256,704</u>	<u>13,349,732</u>	<u>47,981,387</u>

I hereby certify that I am Assistant Treasurer of Yankee Atomic Electric Company and that this statement fairly represents the Cash Flow of this Company for the period ended December 31, 1977.

A. R. Soucy

A. R. Soucy
Assistant Treasurer

YANKEE ATOMIC ELECTRIC COMPANY

Cash Flow - Yankee Stockholders
1977

Schedule A
(In Thousands)

	New England Power Co.	Conn. Light & Power Co.	Boston Edison Co.	Central Maine Power Co.	Hartford Electric Light Co.	Western Mass. Electric Co.
<u>Internal Funds</u>						
Net Income	49,545	55,279	37,599	21,001	35,779	14,293
Depreciation & Amortization	26,600	55,537	49,040	14,736	29,117	15,866
Deferred Income Taxes & Investment Tax Credits - Net	10,437	6,111	30,831	8,702	4,163	12,317
Allowance for Funds Used During Construction	(10,792)	(17,820)	(9,067)	(3,750)	(7,476)	(4,757)
Dividends	(44,471)	(53,226)	(42,216)	(15,138)	(28,089)	(14,738)
<u>Total Internal Cash Flow</u>	<u>31,319</u>	<u>45,881</u>	<u>66,187</u>	<u>25,551</u>	<u>33,494</u>	<u>22,981</u>
Other Sources - Net	(28,821)	15,240	(22,701)	(6,151)	5,066	9,815
External Financing - Net	51,825	59,122	65,202	63,360	3,551	(8,750)
<u>Total Funds From All Sources</u>	<u>54,323</u>	<u>120,243</u>	<u>108,688</u>	<u>82,760</u>	<u>42,111</u>	<u>24,046</u>
<u>Gross Property Additions</u>	<u>54,323</u>	<u>120,243</u>	<u>108,688</u>	<u>82,760</u>	<u>42,111</u>	<u>24,046</u>
<u>Percentage Ownership in Nuclear Operating Plants</u>						
Yankee Rowe	30.0	15.0	9.5	9.5	9.5	7.0
Other Operating Nuclear Plants	55.0	145.0	109.5	48.0	73.0	53.0
Total Percentage Ownership	85.0	160.0	119.0	57.5	82.5	60.0
Maximum Premium Assesment	8,500	16,000	11,900	5,750	8,250	6,000

YANKEE ATOMIC ELECTRIC COMPANY

Cash Flow - Yankee Stockholders
1977Schedule A
(In Thousands)

	Public Service Co. of New Hampshire	Montaup Electric Co.	New Bedford Gas & Edison Light Co.	Cambridge Electric Light Co.	Central Vermont Public Service Corp.	Total
<u>Internal Funds</u>						
Net Income	21,722	5,887	6,339	2,013	7,168	256,625
Depreciation & Amortization	14,117	4,770	6,684	1,773	3,048	221,288
Deferred Income Taxes & Investment Tax Credits - Net	5,610	630	3,103	574	165	82,643
Allowance for Funds Used During Construction	(6,093)	(1,895)	(845)	(29)	(562)	(63,086)
Dividends	(19,081)	(7,385)	(5,648)	(2,335)	(6,006)	(238,333)
<u>Total Internal Cash Flow</u>	<u>16,275</u>	<u>2,007</u>	<u>9,633</u>	<u>1,996</u>	<u>3,813</u>	<u>259,137</u>
Other Sources - Net	(21,992)	(4,893)	8,974	953	4,382	(40,128)
External Financing - Net	113,934	18,125	(3,824)	(559)	2,543	364,529
<u>Total Funds From All Sources</u>	<u>108,217</u>	<u>15,239</u>	<u>14,783</u>	<u>2,390</u>	<u>10,738</u>	<u>581,538</u>
<u>Gross Property Additions</u>	<u>108,217</u>	<u>15,239</u>	<u>14,783</u>	<u>2,390</u>	<u>10,738</u>	<u>581,538</u>
<u>Percentage Ownership in Nuclear Operating Plants</u>						
Yankee Rowe	7.0	2.5	2.5	2.0	3.5	100.0
Other Operating Nuclear Plants	14.0	11.0		11.0	33.3	552.8
Total Percentage Ownership	21.0	15.5	2.5	13.0	36.8	652.8
Maximum Premium Assessment	2,100	1,550	250	1,300	3,680	65,280

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FORWARDING AN INTERNAL CASH FLOW STATEMENT SCHEDULE RELATIVE TO APPLICANT'S
GUARANTEE OF RETROSPECTIVE PREMIUMS , BY QUARTERS FOR THE YEAR 1977.

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