

# YANKEE ATOMIC ELECTRIC COMPANY



20 Turnpike Road Westborough, Massachusetts 01581

May 18, 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 1978 which shows that if Yankee should be assessed a retrospective premium in the amount of \$10,000,000 during the year, the necessary cash flow will be 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 projected cash flow statements for the Yankee stockholder (except Central Vermont Public Service Corporation, a 3.5% stockholder whose cash flow projections are not presently available) for the year 1978. It is our view that the attached schedules are sufficient to demonstrate that Yankee Atomic Electric Company has the necessary cash flow to meet the requirements of the guarantee for the year 1978.

As you are aware we have previously provided you with our cash flow summary for the year 1977, and we are anxious to meet the requirements of the guarantee as soon as possible.

Very truly yours,

YANKEE ATOMIC ELECTRIC COMPANY

A. R. Soucy  
Assistant Treasurer

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Attachments

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YANKEE ATOMIC ELECTRIC COMPANY


Cash Flow  
1978

Quarter Ended

Internal Funds	March 31	June 30	Sept. 30	Dec. 31	Total
Net Income	\$1,004,000 *	\$ 537,000	\$ 531,000	\$ 531,000	\$2,603,000
Depreciation	(1,253,000)*	450,000	450,000	450,000	97,000
Fuel Amortization	1,617,000	1,617,000	1,431,000	613,000	5,278,000
Income Tax Accrual	831,000 *	422,000	417,000	417,000	2,087,000
Dividends		(1,150,000)		(1,450,000)	(2,600,000)
Income Tax Payments	(675,000)	(775,000)	(1,000,000)	(1,000,000)	(3,450,000)
Pro-Forma Power Cost Assessment Under Power Contract for Retrospective Premium Payable Within 30 Days by Customer-Stockholder (See Schedule B)					
Total Pro-Forma Internal Cash Flow	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
Other Sources - Net External Financing - Net	11,524,000	11,101,000	11,829,000	9,561,000	44,015,000
Total Funds From All Sources	(5,000)	(1,461,000)	(2,000)	1,151,000	(317,000)
	3,000,000	2,000,000	500,000	600,000	6,100,000
	\$14,519,000	\$11,640,000	\$12,327,000	\$11,312,000	\$49,798,000
Cash Requirements					
Construction Expenditures	157,000	700,000	613,000	530,000	2,000,000
Nuclear Fuel Purchases	4,362,000	940,000	1,714,000	782,000	7,798,000
Pro-Forma Retrospective Premium	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
Total Cash Requirements	\$14,519,000	\$11,640,000	\$12,327,000	\$11,312,000	\$49,798,000

\* Includes effect of rate case settlement.

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 based on current estimates.

  
A. R. Soufy  
Assistant Treasurer

YANKEE ATOMIC ELECTRIC COMPANY  
Cash Flow - Yankee Stockholders  
1978 Forecast

Schedule B - Page 1 of 2  
(In Thousands)

	<u>New England Power Company</u>	<u>Conn. Light &amp; Power Company</u>	<u>Boston Edison Company</u>	<u>Central Maine Power Company</u>	<u>Hartford Electric Light Company</u>	<u>Western Mass. Electric Company</u>
<u>Internal Funds</u>						
Net Income	\$ 46,600		\$ 53,516	\$ 28,800		
Depreciation & Amortization	23,000	\$ 50,900	45,809	16,200	\$ 26,400	\$ 14,700
Deferred Income Taxes & Investment Tax Credits - Net	17,000		33,859	13,100		
Allowance for Funds Used During Construction	(16,000)	(20,900)	(898)	(11,200)	(8,700)	(5,500)
Dividends	(32,600)		(44,248)	(21,500)		
Other Internal Sources - Net	(7,000)	10,700			14,900	13,400
<u>Total Internal Cash Flow</u>	<u>36,000</u>	<u>40,700</u>	<u>88,038</u>	<u>25,400</u>	<u>32,600</u>	<u>22,600</u>
Other Sources - Net		74,200	22,039			
External Financing - Net	52,000	(12,100)	61,625	34,500	8,600	3,900
<u>Total Funds From All Sources</u>	<u>\$ 88,000</u>	<u>\$102,800</u>	<u>\$171,702</u>	<u>\$ 59,900</u>	<u>\$ 41,200</u>	<u>\$ 26,500</u>
<u>Gross Property Additions</u>	<u>\$ 88,000</u>	<u>\$102,800</u>	<u>\$171,702</u>	<u>\$ 59,900</u>	<u>\$ 41,200</u>	<u>\$ 26,500</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 Assessment	<u>\$ 8,500</u>	<u>\$ 16,000</u>	<u>\$ 11,900</u>	<u>\$ 5,750</u>	<u>\$ 8,250</u>	<u>\$ 6,000</u>

YANKEE ATOMIC ELECTRIC COMPANY  
Cash Flow - Yankee Stockholders  
1978 Forecast

Schedule B - Page 2 of 2  
(In Thousands)

	Public Service Company of New Hampshire	Montaup Electric Company	New Bedford Gas&Edison Light Company	Cambridge Electric Light Company	Central Vermont Public Service Corp.	Total
<u>Internal Funds</u>					Not Available	
Net Income	\$ 39,000	\$ 7,024	\$ 5,728	\$ 2,058		\$182,726
Depreciation & Amortization		4,892	7,169	1,882		19,952
Deferred Income Taxes & Investment Tax Credits - Net		2,862	2,971	697		70,489
Allowance for Funds Used During Construction		(3,881)	(925)	(110)		(68,114)
Dividends	(25,000)	(8,800)	(8,193)	(2,058)		(142,461)
Other Internal Sources - Net	<u>3,000</u>					<u>35,000</u>
<u>Total Internal Cash Flow</u>	<u>17,000</u>	<u>2,035</u>	<u>6,750</u>	<u>2,469</u>		<u>273,592</u>
Other Sources - Net			24,355	655		121,249
External Financing - Net	<u>164,000</u>	<u>11,500</u>	<u>(1,037)</u>	<u>757</u>		<u>323,745</u>
<u>Total Funds From All Sources</u>	<u>\$181,000</u>	<u>\$ 13,535</u>	<u>\$ 30,068</u>	<u>\$ 3,881</u>		<u>\$718,586</u>
<u>Gross Property Additions</u>	<u>\$181,000</u>	<u>\$ 13,535</u>	<u>\$ 30,068</u>	<u>\$ 3,881</u>		<u>\$718,586</u>
<u>Percentage Ownership in Nuclear Operating Plants</u>						
Yankee Rowe	7.0	4.5	2.5	2.0	3.5	100.0
Other Operating Nuclear Plants	<u>14.0</u>	<u>11.0</u>		<u>11.0</u>	<u>33.3</u>	<u>552.8</u>
Total Percentage Ownership	21.0	15.5	2.5	13.0	36.8	652.9
Maximum Premium Assessment	<u>\$ 2,100</u>	<u>\$ 1,550</u>	<u>\$ 250</u>	<u>\$ 1,300</u>	<u>\$ 3,680</u>	<u>\$ 65,280</u>

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FORWARDING APPLICANT'S INTERNAL CASH FLOW STATEMENT, BY QUARTERS, FOR THE YEAR 1978, AND PROJECTED CASH FLOW STATEMENT FOR APPLICANT'S STOCKHOLDER FOR THE YEAR 1978.

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