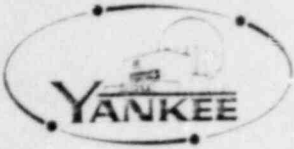


YANKEE ATOMIC ELECTRIC COMPANY

Telephone 617 872-8100



1671 Worcester Road, Framingham, Massachusetts 01701

March 24, 1981

United States Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Office of Nuclear Reactor Regulation

Reference: License No. DPR-3 (Docket No. 50-29)

Subject: Proof of Financial Protection

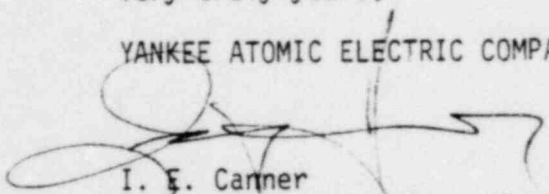
Gentlemen:

In accordance with requirements of 10 CFR, section 140.15 b (2), we enclose forty (40) copies of our Financial Statements for the year ended December 31, 1980 and a summary of financial protection in effect as of that date, pursuant to Section 170 of the Atomic Energy Act.

Please acknowledge receipt of these statements on the enclosed postcard.

Very truly yours,

YANKEE ATOMIC ELECTRIC COMPANY


I. E. Carner
Manager, Treasury Operations

IEC/jn

Enclosures

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SERVICES UNIT

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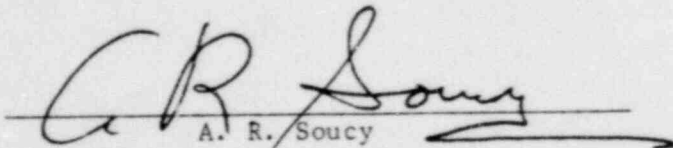
YANKEE ATOMIC ELECTRIC COMPANY
Facilities License No. DPR-3

1980 Financial Statements

and

Summary of Financial Protection
Pursuant to Section 170
of the
Atomic Energy Act

I hereby certify that I am Treasurer of the above-named Company and that the enclosed Insurance and Financial Statements for the period ended December 31, 1980 and 1979 are, in my opinion, correct.


A. R. Soucy

YANKEE ATOMIC ELECTRIC COMPANY

Telephone 617 872-8100



1671 Worcester Road, Framingham, Massachusetts 01701

Summary of the Amount and Type of Financial Protection in Effect
at December 31, 1980 Pursuant to Section 170 of the Atomic Energy Act

As of December 31, 1980, Yankee Atomic Electric Company maintained financial protection in the amount of \$160,000,000 under the following policies issued by the American Nuclear Insurers and the Mutual Atomic Energy Liability Underwriters: ANI Policy NF-76 and MAELU Policy MF-26. Copies of the foregoing policies and endorsements to date have been filed with the Commission.

YANKEE ATOMIC ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31

| | <u>1980</u> | <u>1979</u> |
|---|---------------------|---------------------|
| Operating revenues: | | |
| Electric sales | \$34,813,205 | \$26,467,525 |
| Engineering services to others | <u>17,882,665</u> | <u>12,094,327</u> |
| Total operating revenues | <u>52,695,870</u> | <u>38,561,852</u> |
| Operating expenses: | | |
| Fuel | 2,563,510 | 7,213,665 |
| Operations | 6,924,654 | 4,598,571 |
| Engineering | 25,499,539 | 15,953,822 |
| Maintenance | 8,590,235 | 2,318,404 |
| Depreciation | 2,551,565 | 2,221,871 |
| Taxes, other than federal income | 1,302,386 | 1,207,929 |
| Federal income taxes | <u>1,082,591</u> | <u>1,485,424</u> |
| Total operating expenses | <u>48,514,480</u> | <u>34,999,686</u> |
| Operating income | <u>4,181,390</u> | <u>3,562,166</u> |
| Other income-net | <u>(26,591)</u> | <u>1,554</u> |
| Operating and other income | <u>4,154,799</u> | <u>3,563,720</u> |
| Interest: | | |
| Interest on short-term debt | 1,778,550 | 1,075,025 |
| Interest on long-term debt | 889,581 | 887,153 |
| Other | 1,081 | 1,100 |
| Allowance for borrowed funds used during construction - credit | <u>(185,999)</u> | <u>(311,013)</u> |
| Total interest | <u>2,483,213</u> | <u>1,652,265</u> |
| Net income | <u>\$ 1,671,586</u> | <u>\$ 1,911,455</u> |
| Retained earnings: | | |
| Retained earnings at beginning of year | \$ 5,136,776 | \$ 5,372,921 |
| Net income | <u>1,671,586</u> | <u>1,911,455</u> |
| | 6,808,362 | 7,284,376 |
| Dividends declared | <u>1,879,150</u> | <u>2,147,600</u> |
| Retained earnings at end of year | <u>\$ 4,929,212</u> | <u>\$ 5,136,776</u> |
| Per share data: | | |
| Earnings per share | \$10.90 | \$12.46 |
| Dividends per share | \$12.25 | \$14.00 |

YANKEE ATOMIC ELECTRIC COMPANY
BALANCE SHEET
DECEMBER 31, 1980

| <u>ASSETS</u> | | <u>CAPITALIZATION AND LIABILITIES</u> | |
|--|---------------------|---|---------------------|
| Electric plant | \$57,482,992 | <u>Capitalization:</u> | |
| Less accumulated provision for depreciation | <u>36,814,620</u> | Common stock, par value \$100 per share; 153,400 shares authorized and outstanding | \$15,340,000 |
| Net electric plant | 20,668,372 | Retained earnings | <u>4,929,212</u> |
| Nuclear fuel-at amortized cost | <u>19,489,378</u> | 8 3/4% Installment note | <u>10,000,000</u> |
| Net utility plant | <u>40,157,750</u> | | <u>30,269,212</u> |
| Nonutility property-net | 819,002 | <u>Current liabilities:</u> | |
| <u>Current assets:</u> | | Short-term debt | 11,500,000 |
| Cash | 397,056 | Accounts payable | 3,606,352 |
| Accounts receivable | 7,780,564 | Accrued federal income taxes | 431,831 |
| Materials and supplies | 1,566,776 | Accrued interest | <u>455,285</u> |
| Prepayments | <u>279,356</u> | | |
| Total current assets | <u>10,023,752</u> | Total current liabilities | <u>15,993,468</u> |
| | <u>\$51,000,504</u> | Deferred federal income taxes | 3,605,905 |
| | | Unamortized investment tax credits | <u>1,131,919</u> |
| | | | <u>\$51,000,504</u> |