



SACRAMENTO MUNICIPAL UTILITY DISTRICT □ 6201 S Street, Box 15830, Sacramento, California 95813; (916) 452-3211

March 5, 1981

Mr. Jerome Saltzman, Chief
Antitrust and Indemnity Group
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, DC 20555



Dear Mr. Saltzman:

Subject: Price Anderson Act
Retrospective Premium System

Pursuant to 10 CFR Section 140.21 and Regulatory Guide 9.4, the Sacramento Municipal Utility District intends to use general funds in the event of a retrospective premium assessment. To support this position, we are enclosing the District's cash flow projection for 1981, the 1981 Budget Statement of Net Revenue, the 1980 Statement of Net Revenue, and the December 31, 1980 Balance Sheet. We will send you a certified financial statement for 1980 as soon as it is completed.

We trust that these documents will satisfy the guarantee of payment provisions for 1981.

Sincerely,

John J. Mattinoc
Assistant General Manager
and Chief Engineer

Enc.

8108120391

M001
S
1/1

SACRAMENTO MUNICIPAL UTILITY DISTRICT
 1981 INTERNAL CASH FLOW PROJECTION
 RANCHO SECO NUCLEAR POWER STATION
 (thousands of dollars)

	<u>1980</u>	<u>Projected 1981</u>
Net Income After taxes	\$35,251	\$33,840
Less Dividends Paid	--	--
Retained Earnings	<u>\$35,251</u>	<u>\$33,840</u>
Adjustments:		
Depreciation and Amortization	\$47,055 ^{a/}	\$55,679 ^{b/}
Deferred Income Taxes and Investment Tax Credits	--	--
Allowance for Funds Used During Construction	<u>(7,253)</u>	<u>(9,417)</u>
Total Adjustments	<u>\$39,802</u>	<u>\$46,262</u>
Internal Cash Flow	<u>\$75,053</u>	<u>\$80,102</u>
Average Quarterly Cash Flow	\$18,763	\$20,026

100 Percent Ownership in Rancho Seco

^{a/} Consists of depreciation (\$23,720,034), amortization of nuclear fuel (\$19,601,196) and allowance for decommissioning of plant (\$3,733,725).

^{b/} Consists of depreciation (\$25,248,000), amortization of nuclear fuel (\$25,093,000) and allowance for decommissioning of plant (\$5,338,000).

SACRAMENTO MUNICIPAL UTILITY DISTRICT
 BUDGET 1981
 STATEMENT OF NET REVENUE (REVISED)

OPERATING REVENUES:

Sales of electric energy for District load -	
Residential	\$ 82,699,000
Commercial and industrial	69,836,000
Street lighting	1,701,000
Total	\$154,236,000
Sale of surplus power	54,751,000
Other electric revenue	1,824,000
Total operating revenues	\$210,811,000

OPERATING EXPENSES:

Purchased power	\$ 16,400,000
Nuclear fuel used for generation	25,093,000
Operation -	
Production	23,009,000
Transmission and distribution	7,009,000
Customer accounts	6,932,000
Customer services and informational expenses	6,929,000
Administrative and general	12,319,000
Maintenance -	
Production	18,699,000
Transmission and distribution	11,161,000
Administrative and general	1,390,000
Depreciation	25,248,000
Decommissioning of nuclear plant	5,338,000
Taxes	41,000
Total operating expenses	\$160,068,000
Net operating revenue	\$ 50,743,000

STATEMENT OF NET REVENUE (REVISED)

OTHER INCOME:

Allowance for equity funds used during construction	\$ 4,737,000
Interest income and other	8,874,000

Net revenue before interest expense	\$ 64,354,000
-------------------------------------	---------------

INCOME DEDUCTIONS:

Interest on long-term debt	\$ 32,648,000
Interest on short-term debt	2,330,000
Amortization of bond redemption premium, discount and expense in excess of amortization of bond premium	216,000
Allowance for borrowed funds used during construction-credit	(4,680,000)

Total income deductions	\$ 30,514,000
-------------------------	---------------

Net revenue	\$ 33,840,000
-------------	---------------

SACRAMENTO MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET REVENUE
DECEMBER 1980

	Current Month		Twelve Months to Date	
	Amount	Over (Under) Prior Year	Amount	Over (Under) Prior Year
OPERATING REVENUES:				
Sales of electric energy for District load				
Residential	\$ 5 682 859	\$ 689 800	\$ 68 446 205	\$ 7 609 305
Commercial and industrial	4 842 260	745 616	59 538 580	6 894 723
Street lighting	129 180	21 923	1 414 030	189 520
Total	\$10 654 299	\$ 1 457 339	\$129 398 815	\$ 14 693 548
Sale of surplus power	11 160 104	5 410 837	50 053 138	14 670 823
Other electric revenue	19 139	15 428	171 525	31 537
Total operating revenues	\$21 833 542	\$ 6 883 604	\$179 623 478	\$ 29 395 908
OPERATING EXPENSES:				
Operation				
Purchased power (Note 2)	\$ 1 637 042	\$ 145 107	\$ 16 401 560	\$ 1 429 303
Nuclear fuel used for generation	3 270 624	186 261	19 601 196	(1 611 320)
Production	2 397 747	1 071 327	19 767 590	9 037 377
Transmission and distribution	562 717	141 558	5 708 604	262 240
Customer accounts	502 380	106 780	5 734 199	618 016
Customer service and information expense	377 447	75 513	3 196 724	995 527
Administrative and general	1 017 326	413 945	10 080 084	2 351 454
Total operation	\$ 9 765 283	\$ 2 140 491	\$ 80 489 957	\$ 13 082 597
Maintenance	2 295 703	461 006	23 129 117	7 175 696
Provision for depreciation	2 017 606	(367 669)	23 720 034	1 025 468
Provision for decommissioning	301 575	301 575	3 733 725	3 733 725
Taxes	5 158	2 060	40 145	4 165
Total operating expenses	\$14 385 325	\$ 2 537 463	\$131 112 978	\$ 25 021 651
Net operating revenue	\$ 7 448 217	\$ 4 346 141	\$ 48 510 500	\$ 4 374 257
OTHER INCOME:				
AFUDC - equity funds	496 155	275 010	3 555 268	1 519 566
Write - off of generation projects	(1 413)	13 962	(76 018)	2 415 927
Interest income and other	1 092 748	(111 159)	8 994 733	355 935
Insulation program	16 921	(8 415)	39 566	(54 916)
Net revenue before interest expense	\$ 9 052 628	\$ 4 515 539	\$ 61 024 049	\$ 8 610 769
INCOME DEDUCTIONS:				
Interest on debt	\$ 2 714 573	\$ 248 118	\$ 29 280 963	\$ 2 316 410
Amortization of bond premium, discount and expense - net	15 477	(413)	189 125	23 417
AFUDC - borrowed funds - credit	(515 993)	(277 654)	(3 697 420)	(1 503 444)
Total income deductions	\$ 2 214 057	\$ (29 949)	\$ 25 772 668	\$ 836 383
Net revenue	\$ 6 838 571	\$ 4 545 488	\$ 35 251 381	\$ 7 774 386

SACRAMENTO MUNICIPAL UTILITY DISTRICT
BALANCE SHEETS
DECEMBER 31, 1980 AND 1979

ASSETS

	<u>1980</u>	<u>1979</u>
ELECTRIC UTILITY PLANT, at original cost:		
Plant in service	\$ 893 252 657	\$ 840 320 052
Less - Reserve for depreciation	183 973 944	162 547 313
	-----	-----
Construction work in progress	\$ 709 278 713	\$ 677 772 739
	77 491 680	60 860 839
	-----	-----
	\$ 786 770 393	\$ 738 633 578
	-----	-----
NUCLEAR FUEL, at cost less amortization	\$ 113 398 987	\$ 90 821 386
	-----	-----
SEGREGATED FUNDS:		
Cash and securities at cost -		
Nuclear plant decommissioning fund	\$ 3 733 725	\$ -
Revenue bond reserve funds -		
Electric System Bonds	1 000 000	1 000 000
Electric Revenue Bonds	20 267 920	20 501 565
All Parity Bonds	5 372 322	5 552 347
White Rock Project Bonds	929 986	929 986
	-----	-----
	\$ 31 303 953	\$ 27 983 898
	-----	-----
CURRENT ASSETS:		
Cash and securities at cost -		
General fund	\$ 28 566 364	\$ 52 591 937
For payment of debt service	13 930 301	13 877 949
Accounts receivable, less reserves of \$445,904 and \$387,390, respectively	10 352 095	9 977 269
Receivable from sale of bulk power	15 323 171	9 358 825
Interest receivable	1 647 297	2 429 975
Materials and supplies, at average cost	18 500 643	13 157 849
Prepayments and special deposits	1 192 614	1 315 002
Purchased power rate increase - Escrow deposit (Note 2)	20 028 134	8 755 277
	-----	-----
	\$ 109 540 619	\$ 111 464 083
	-----	-----
DEFERRED CHARGES:		
Unamortized bond redemption premium, debt discount, and expense	\$ 2 023 248	\$ 2 153 650
Energy exchange account	1 487 500	1 490 648
Other	4 783 171	1 555 960
	-----	-----
	\$ 8 293 919	\$ 5 200 258
	-----	-----
	\$1 049 307 871	\$ 974 103 203

CUSTOMERS' EQUITY AND LIABILITIES

	<u>1980</u>	<u>1979</u>
CAPITALIZATION:		
Customers' equity employed in the business -		
Balance beginning of year	\$ 386 271 433	\$ 358 794 438
Net revenue for the year	35 251 381	27 476 995
	-----	-----
Total customers' equity	\$ 421 522 814	\$ 386 271 433
	-----	-----
Long-term debt (Note 1)	509 576 740	526 736 445
	-----	-----
	\$ 931 099 554	\$ 913 007 878
	-----	-----
CURRENT LIABILITIES:		
Commercial paper	\$ 39 936 608	\$ -
Accounts payable	17 492 178	15 748 734
Accrued salaries and wages	2 045 096	1 547 497
Accrued vacation	2 343 081	2 656 784
Long-term debt due within one year	17 216 453	16 484 774
Accrued interest on debt	6 935 742	7 053 639
Customers' deposits	3 234 806	2 619 141
Purchased power rate increase (Note 2)	21 292 669	11 797 243
Other	3 970 840	3 172 331
	-----	-----
	\$ 114 467 473	\$ 61 080 143
	-----	-----
DEFERRED CREDITS:		
Reserve for decommissioning	\$ 3 733 725	\$ -
Other	7 119	15 182
	-----	-----
	\$ 3 740 844	\$ 15 182
	-----	-----
	\$1 049 307 871	\$ 974 103 203