

Entergy Operations, Inc.

Port Gibson, MS 39150 Tel 601-437-6409

W. T. Cottle

Vice President Nuclear Operation

June 14, 1990

U.S. Nuclear Regulatory Commission Mail Station P1-137 Washington, D.C. 20555

Attention: Document Control Desk

Gentlemen:

SUBJECT: Grand Gulf Nuclear Station

Unit 1

Docket No. 50-416 License No. NPF-29

Guarantee of Deferred Premiums

AECM-90/0112

Pursuant to 10CFR140.21, Entergy Operations, Inc., on behalf of System Energy Resources, Inc. (SERI) and South Mississippi Electric Power Association (SMEPA), owners of Grand Gulf Nuclear Station, Unit 1 (GGNS), is submitting evidence that a cash flow would be available for payment of the deferred premium obligation for GGNS. In accordance with the ownership agreement, SERI is responsible for generating ninety percent (90%) of the required cash flow, while SMEPA is responsible for the remaining ten (10%).

If you have any questions or need additional information, please advise.

Yours truly,

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WTC:tkm Attachment

cc: (See Next Page)

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cc: Mr. D. C. Hintz (w/a)
Mr. T. H. Cloninger (w/a)
Mr. R. B. McGehee (w/a)
Mr. N. S. Reynolds (w/a)
Mr. H. L. Thomas (w/o)
Mr. H. O. Christensen (w/a)

Mr. Stewart D. Ebneter (w/a)
Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 2900
Atlanta, Georgia 30323

Mr. L. L. Kintner, Project Manager (w/a) Office of Nuclear Reactor Regulation U.S. Nuclear Regulatory Commission Mail Stop 11D21 Washington, D.C. 20555

## SYSTEM ENERGY RESOURCES, INC. STATEMENT OF CASH FLOW FOR 1989-1991 (THOUSANDS OF DOLLARS)

Operating Activities	Actual 1989	Estimated 1991 1991	
Net income (loss)	\$(655,524)*	\$142,412	\$142,459
Net noncash items included in net income (loss)	968,352	212,315	237,743
Net cash flow provided by operating activites	312,828	354,727	380,202
Net cash flow used by investment activities	(61,015)	(80,139)	(72,407)
Net cash flow provided (used) by financing activities	(531,173)	(95,440)	(611,091)
Net increase (decrease) in cash and cash equivalents	(279,360)	179,148	(303,296)
Cash and cash equivalents at beginning of year	529,019	249,659	428,807
Cash and cash equivalents at end of year	\$249,659	\$428,807	\$125,511

<sup>\*</sup>Includes the write-off of investment in Grand Gulf Unit II.

## NARRATIVE STATEMENT

In the event of a nuclear incident, System Energy Resources, Inc. will meet its requirements under the Price-Anderson Act by using its cash reserve or borrowing short-term under available lines of credit in order to fund its nine million dollar contribution.

SYSTEM ENERGY RESOURCES, INC.

Glenn E. Harder

Vice President - Accounting & Treasurer June 7, 1990 Percentage Ownership and Leasehold Interest

in All Operating Nuclear Units Grand Gulf Unit 1 90.00%

Maximum Total

Contingent Liability

\$ 9 million



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May 10, 1990

In the event of a nuclear incident, South Mississippi Electric Power Association will meet its requirements under the Price Anderson Act by borrowing short-term under its available line of credit with National Rural Utilities Cooperative Finance Corporation or using the Association's current revenue to fund its contingent obligation.

Mr. Henry L. Thomas, General Manger

## SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION STATEMENT OF SOURCES OF FUNDS FOR 1989 - 1991 (Thousands of Dollars)

	Actual	-Estimated-	
Internal Funds	1989	1990	1991
Revenue	\$ 250,888	\$ 262,294	\$ 273,565
Expense	248,364	262,197	273,069
Operating Margins	2,524	97	496
Non-Operating Margins	3,401	2,530	2,030
Abandonment Loss - Grand Gulf Nuclear Unit No.2	<10,130>	⟨2,398⟩	<u> </u>
Net Margins (Loss)	\$ <4,205>	\$ 229	s -0-

Percentage Ownership

in All Operating

Nuclear Units

Grand Gulf Unit I

10.00%

Maximum Total

Contingent Liability

\$ 1 million