

BOSTON EDISON COMPANY
GENERAL OFFICES 800 BOYLSTON STREET
BOSTON, MASSACHUSETTS 02199

ROBERT M. BUTLER
MANAGER
NUCLEAR PROJECTS DEPARTMENT

November 7, 1978

Mr. Olan D. Parr, Chief
Light Water Reactors Branch #3
Division of Project Management
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

NRC Review of Financial Qualifications:
Further Submission of
Information Requested

Dear Sir:

On October 25, 1978, NRC telecopied to BECo a list entitled "Additional Information Requested to Proceed with Financial Qualifications Review of Boston Edison Company's Application for Permit to Design and Construct Pilgrim Unit 2." This list, which included eleven items, was described by Mr. Licitra as the final request for information in your financial qualifications review. At this time we are supplying three more of the eleven items requested. We will provide the remaining four items when available.

The three responses, which are attached, are as follows:

Response #9. "Boston Edison Company, Short Term Borrowings, September, 1978", dated 10/5/78. (This is submitted in response to NRC request #9 for a statement of short-term credit arrangements, indicating present limitations, use and availability of funds, terms of repayments, compensating balance requirements and other pertinent information.)

Response #10. "Boston Edison Company, Financial Statistics" (This is submitted in response to NRC request #10 for a revised statement of financial statistics incorporating results of operations for year ended September 30, 1978, ref. Table VI-a-3 of Amendment #8.)

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BOSTON EDISON COMPANY

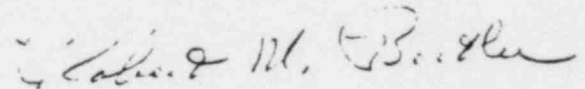
Olan D. Parr

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November 7, 1978

Response #11. "Boston Edison Company, Re: Debt Interest Coverage - Indenture Method, 12 months ended September 30, 1978." (This is submitted in response to NRC request #11 for a revised statement of debt interest coverage utilizing indenture methodology for 12 months ending September 30, 1978, ref. Table VI-a-5 of Amendment #8.)

Very truly yours,

A handwritten signature in cursive script, appearing to read "William M. Butler".

Attachment
WRG/cac

RESPONSE #9

BOSTON EDISON COMPANY

SHORT TERM BORROWINGS, SEPTEMBER, 1978

BOSTON EDISON COMPANY

RE: SHORT TERM BORROWINGS
SEPTEMBER, 1978
(000's)

	Line of Credit Amount	Terms (a)	Amount Outstanding 8/31/78	Borrowing Balances Month of September (b)		Amount Outstanding 9/30/78	Borrowing Balances Year to Date (b)		Most Recent out of loan position Mo. of Days Period Ended
				High	Low		High	Low	
Barclays Bank Int'n'l. Ltd.	\$ 15,000	(1) (2)	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	-
Citibank, N.A.	45,000	(1) (2)	11,000	11,000	11,000	11,000	28,000	11,000	-
Irving Trust Company	20,000	(1) (2)	10,000	10,000	10,000	10,000	20,000	10,000	8/ 3/76
Bankers Trust Company	10,000	(4) (5)	5,000	5,000	5,000	5,000	5,000	5,000	2/13/76
Bank of America	10,000	(1) (2)	15,000*	15,000	15,000	15,000*	15,000	15,000	-
First National Bank of Boston	30,000	(1) (2)	8,500	16,500	8,500	16,500	19,500	6,500	-
Shawmut Bank of Boston, N.A.	6,000	(1) (2)	2,000	2,000	2,000	2,000	6,000	-0-	5/ 1/78
New England Merchants Nat'l. Bank	5,000	(1) (2)	-0-	-0-	-0-	-0-	5,000	-0-	8/31/78 to present
State Street Bank & Trust Co.	5,000	(1) (2)	-0-	-0-	-0-	-0-	4,000	-0-	8/31/78 to present
BayBank Newton-Waltham Trust Co.	6,000	(1) (2)	2,000	2,000	2,000	2,000	6,000	-0-	5/ 1/78
BayBank Norfolk County Trust Co.	4,500	(1) (2)	2,500	2,500	2,500	2,500	4,500	-0-	5/ 1/78
BayBank Middlesex, N.A.	2,000	(1) (2)	1,000	1,000	-0-	-0-	2,000	-0-	9/26/78 to present
Brown Brothers Harriman & Co.	1,000	(1) (2)	-0-	-0-	-0-	-0-	1,000	-0-	8/ 3/78 to present
Unity Bank & Trust Company	180	(1) (2)	180	180	180	180	180	180	10/31/75
Total	\$159,680		\$ 72,180			\$ 79,180			

(a) Terms
(1) comp. balances 10% of line plus 10% of borrowings
(2) borrowings at prime rate
(3) commitment fee, 1.0% of line, no balances
(4) commitment fee, 0.7% on \$5,000,000
borrowings at 110% of prime rate
(5) comp. balance 10% plus 10% on \$5,000,000
borrowings at prime rate

(b) Total Borrowings Outstanding
Year to date \$124,180,000
Month of September \$ 79,180,000
High \$ 72,180,000
Low \$ 72,180,000

* Includes temporary 90 Day Loan of \$5,000,000

10/5/78

RESPONSE #10

BOSTON EDISON COMPANY

FINANCIAL STATISTICS

BOSTON EDISON COMPANY

Financial Statistics
(Millions)

12 Months Ended
September 30, 1978

Earnings available to common equity	32.9	
Average Common Equity	353.2	
Rate of return on average common equity	9.3	
Times total interest earned before FIT:		
Gross income (incl. AFDC) & current and deferred FIT ÷ total interest charges & amortization of debt discount & expense	2.57	
Times long-term interest earned before FIT:		
Gross income (incl. AFDC) + current and deferred FIT ÷ long-term interest charges and amortization of debt discount and expense	3.08	
Bond ratings		
Standard and Poor's	BEB	
Moody's	Baa	
Times interest and preferred dividends earned after FIT:		
Gross income (incl. AFDC) ÷ total interest charges + amortization of debt discount and expense + preferred dividends	1.45	
AFUDC	14.8	
Net income after preferred dividends	32.9	
Percent	45.0%	
Market price of common per share	25.5	
Book value of common per share	30.83	
Market-book ratio (end of period)	.83	
Earnings available for common less AFDC + depreciation and amortization, deferred taxes, and investments, tax credit adjustments deferred	108.5	
Common dividends	28.1	
Ratio	3.86	
Short-term debt	79.2	
Bank Loans	-	
Commercial Paper	-	
Capitalization (amount and percent)		
Long-term debt (1)	\$604.7	53.6%
Preferred Stock	\$167.6	14.9%
Common Equity	\$355.6	31.5%

(1) Includes current portion of long term debt (\$61.6) and excludes the nuclear fuel lease obligation (\$39.1).

RESPONSE #11

BOSTON EDISON COMPANY

RE: DEBT INTEREST COVERAGE -
INDENTURE METHOD, 12 MONTHS ENDED
SEPTEMBER 30, 1978

BOSTON EDISON COMPANY
RE: Debt Interest Coverage - Indenture Method
12 Months ended September 30, 1978
(000's)

Gross Operating Revenues		\$617,877
Total Operating Expenses		<u>525,562</u>
Add: Depreciation		<u>92,315</u> <u>45,673</u>
		137,988
Add: Other Income - Net		<u>(1,507)</u>
<u>"Net Earnings" - (Amount available for Debt</u>		
<u>Interest Coverage)</u>		<u>\$136,481</u>
<u>First Mortgage Bonds</u>		
Outstanding 9/30/78	\$506,688	
Annual interest thereon	-	\$ 39,523
<u>Secured Notes</u>		
Outstanding 9/30/78	\$ 23,000	
Annual interest thereon	-	<u>2,588</u>
Total		<u>\$ 42,111</u>
<u>Times Interest Earned</u>	<u>\$136,481</u> =	3.241
	<u>42,111</u>	
<u>Indenture Requirement</u>		2.000
* * * * *		
<u>Net Earnings Available for issuance of additional Bonds</u>		
Net Earnings		\$136,481
Amount needed 9/30/78 (\$42,111) x 2)		<u>84,222</u> <u>52,259</u>
Net Earnings available (\$52,259 x .50)		<u>\$ 26,130</u>
Bonds issuable @ 10 1/2		\$248,857
@ 10 1/4		254,926
@ 10		261,300
@ 9 3/4		268,000
@ 9 1/2		275,052
@ 9 1/4		282,486
@ 9		290,333
@ 8 3/4		298,628