



50-313

ARKANSAS POWER & LIGHT COMPANY  
POST OFFICE BOX 551 LITTLE ROCK, ARKANSAS 72203 (501) 371-4000

October 29, 1982

Mr. Jerome Saltzman, Asst. Director  
State and Licensee Relations  
Office of State Programs  
United States Nuclear Regulatory  
Commission  
Washington, D. C. 20555

Subject: Price-Anderson Act (Public Law 94-197)  
File: 0220, 2-0220

Dear Mr. Saltzman:

Arkansas Power & Light Company has chosen to meet its current guarantee requirements relative to the Price-Anderson Act by alternative 5, an annual financial statement and cash flow projection. Accordingly, enclosed are AP&L's:

- 1) Certified 1981 Annual Report providing financial statements for the most recent year preceeding October 29, 1982.
- 2) September, 1982 year-to-date financial statement for the last three quarters preceeding October 29, 1982.
- 3) A one year internal cash flow projection (Statement of Source of Funds) accompanied by underlying assumptions.
- 4) A narrative statement insuring that retrospective premiums up to \$20 million would be available for payment.

Very truly yours,

*Nathan E. Langston*

Nathan E. Langston  
Controller

NEL/kk

Enclosures

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ARKANSAS POWER & LIGHT COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
September 30, 1982 and December 31, 1981

	1982 (Unaudited)	1981
	(In Thousands)	
<b>ASSETS</b>		
<b>Utility Plant:</b>		
Electric.....	\$2,560,950	\$2,509,683
Natural gas.....	36,666	36,190
Construction work in progress.....	352,658	265,682
Total.....	<u>2,950,274</u>	<u>2,811,555</u>
Less - Accumulated depreciation.....	588,027	532,088
Utility plant - net.....	<u>2,362,247</u>	<u>2,279,467</u>
<b>Other Property and Investments:</b>		
Investment in associated companies, at equity...	40,145	35,859
Other, at cost (less accumulated depreciation...	474	913
Total.....	<u>40,619</u>	<u>36,772</u>
<b>Current Assets:</b>		
Cash.....	(792)	7,681
Special deposits.....	409	6,042
Temporary investments - at cost which approximates market.....	2,475	2,124
Notes receivable.....	1,240	1,216
Accounts receivable:		
Customer and other (less allowance for doubtful accounts of (in thousands) \$1,322 in 1982 and \$1,396 in 1981).....	60,657	41,105
Associated companies.....	11,979	19,106
Deferred fuel cost.....	27,671	179
Fuel inventory - at average cost.....	36,483	34,338
Materials and supplies - at average cost.....	27,381	20,753
Other.....	16,263	9,194
Total.....	<u>183,766</u>	<u>141,738</u>
Deferred Debits.....	<u>12,119</u>	<u>16,272</u>
<b>TOTAL.....</b>	<u><b>\$2,598,751</b></u>	<u><b>\$2,474,249</b></u>

**CAPITALIZATION AND LIABILITIES**

<b>Capitalization:</b>		
Common stock, \$12.50 par value, authorized 325,000,000 shares in 1982 and 50,000,000 shares in 1981; issued and outstanding 43,380,196 shares.....	\$ 542,252	\$ 542,252
Paid-in capital.....	5,447	4,933
Retained earnings.....	53,984	43,135
Total common shareholder's equity.....	<u>601,683</u>	<u>590,320</u>
Preferred stock without sinking fund.....	126,890	126,890
Preferred stock with sinking fund.....	141,386	144,120
Long-term debt.....	<u>1,055,323</u>	<u>993,163</u>
Total.....	<u>1,925,282</u>	<u>1,854,493</u>
<b>Current Liabilities:</b>		
Notes payable:		
Associated Companies.....	30,700	--
Banks.....	45,000	56,200
Currently maturing long-term debt.....	2,707	16,719
Accounts payable:		
Associated companies.....	1,771	10,672
Customer and other.....	80,568	118,696
Customer deposits.....	5,956	5,771
Taxes accrued.....	43,918	32,373
Accumulated deferred income taxes.....	15,863	(4,148)
Interest accrued.....	31,821	32,840
Dividends declared.....	26,447	23,448
Other.....	50,100	39,510
Total.....	<u>314,851</u>	<u>332,081</u>
<b>Deferred Credits:</b>		
Accumulated deferred income taxes.....	204,069	192,832
Accumulated deferred investment tax credits.....	84,497	54,494
Other.....	43,565	34,511
Total.....	<u>332,131</u>	<u>281,837</u>
Reserves.....	<u>6,487</u>	<u>5,838</u>
<b>TOTAL.....</b>	<u><b>\$2,598,751</b></u>	<u><b>\$2,474,249</b></u>

ARKANSAS POWER & LIGHT COMPANY AND SUBSIDIARIES  
 STATEMENTS OF CONSOLIDATED INCOME  
 For The Three Months and Nine Months Ended  
 September 30, 1982 and 1981  
 (Unaudited)

	Three Months		Nine Months	
	1982	1981	1982	1981
	(In Thousands)		(In Thousands)	
<b>Operating Revenues:</b>				
Electric.....	\$309,637	\$314,115	\$764,662	\$736,437
Natural gas.....	6,316	5,365	38,744	30,764
Total.....	<u>315,953</u>	<u>319,480</u>	<u>803,406</u>	<u>767,201</u>
<b>Operating Expenses:</b>				
Operation:				
Fuel for electric generation.....	75,761	86,949	202,863	243,209
Purchased power.....	56,108	44,731	133,823	116,346
Gas purchased for resale.....	4,785	4,108	31,026	23,455
Deferred fuel and other.....	18,954	29,111	91,216	88,874
Maintenance.....	10,784	8,648	29,425	32,021
Depreciation.....	21,086	19,964	62,978	57,223
Taxes other than income taxes.....	8,142	7,276	23,584	21,186
Income taxes.....	45,204	41,752	68,013	51,531
Total.....	<u>240,824</u>	<u>242,539</u>	<u>642,928</u>	<u>633,845</u>
Operating Income.....	<u>75,129</u>	<u>76,941</u>	<u>160,478</u>	<u>133,356</u>
<b>Other Income:</b>				
Allowance for equity funds used during construction.....	3,134	2,334	8,573	8,879
Miscellaneous income and deductions-net.....	1,741	12,323	5,727	18,016
Income taxes - cr.....	1,610	(9,434)	4,438	(6,180)
Total.....	<u>6,485</u>	<u>5,223</u>	<u>18,738</u>	<u>20,715</u>
<b>Interest and Other Charges:</b>				
Interest on long-term debt.....	27,010	23,358	81,237	65,994
Other interest - net.....	3,448	7,444	8,849	17,809
Allowance for borrowed funds used during construction - (cr.).....	(2,621)	(2,879)	(8,117)	(9,009)
Total.....	<u>27,837</u>	<u>27,923</u>	<u>81,969</u>	<u>74,794</u>
Net Income.....	<u>\$ 53,777</u>	<u>\$ 54,241</u>	<u>\$ 97,247</u>	<u>\$ 79,277</u>

ARKANSAS POWER & LIGHT COMPANY AND SUBSIDIARIES  
 STATEMENTS OF CHANGES IN CONSOLIDATED FINANCIAL POSITION  
 For The Nine Months Ended September 30, 1982 and 1981  
 (Unaudited)

	1982	1981
	(In Thousands)	
<b>Funds Provided By:</b>		
<b>Operations:</b>		
Net income.....	\$ 97,247	\$ 79,277
Depreciation.....	62,978	57,223
Deferred income taxes and investment tax credit adjustments - net.....	55,602	43,807
Allowance for funds used during construction....	<u>(16,690)</u>	<u>(17,888)</u>
Total funds provided by operations.....	199,137	162,419
<b>Other:</b>		
Allowance for funds used during construction....	16,690	17,888
Miscellaneous - net.....	<u>20,255</u>	<u>2,740</u>
Total funds provided excluding financing transactions.....	<u>236,082</u>	<u>183,047</u>
<b>Financing transactions:</b>		
Common stock.....	--	55,000
Preferred stock.....	--	--
First mortgage bonds.....	80,000	75,000
Promissory notes and other long-term debt.....	14,305	54,735
Book value of utility plant sold.....	10,447	105,970
Short-term securities - net.....	<u>19,149</u>	<u>--</u>
Total funds provided by financing transactions.....	<u>123,901</u>	<u>290,705</u>
Total funds provided.....	<u>\$359,983</u>	<u>\$473,752</u>
 <b>Funds Applied To:</b>		
<b>Utility plant additions:</b>		
Construction expenditures for utility plant.....	\$145,922	\$292,582
Nuclear fuel.....	10,878	(1,536)
Other.....	<u>--</u>	<u>2,962</u>
Total gross additions (includes allowance for funds used during construction).....	<u>156,800</u>	<u>294,008</u>
<b>Other:</b>		
Dividends declared on preferred stock.....	18,984	19,185
Dividends declared on common stock.....	67,413	61,297
Investment in associated company.....	4,285	4,480
Increase in working capital*.....	64,406	38,167
Miscellaneous - Net.....	<u>--</u>	<u>--</u>
Total other funds applied.....	<u>155,088</u>	<u>123,129</u>
<b>Financing transactions:</b>		
Retirement of promissory notes and other long-term debt.....	29,052	--
Retirement of first mortgage bonds.....	16,309	2,241
Redemption of preferred stock.....	2,734	1,309
Short-term securities - net.....	<u>--</u>	<u>53,065</u>
Total funds applied to financing transactions.....	<u>48,095</u>	<u>56,615</u>
Total funds applied.....	<u>\$359,983</u>	<u>\$473,752</u>

\*Working capital does not include short-term securities, current maturities of long-term debt or deferred taxes included in current liabilities. The 1982 net increase in working capital is primarily due to an increase in deferred fuel cost and a decrease in accounts payable. The 1981 net increase in working capital is primarily due to increases in cash and accounts and notes receivable.

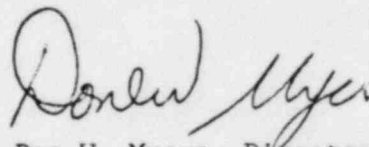
ARKANSAS POWER & LIGHT COMPANY  
STATEMENT OF SOURCE OF FUNDS  
FOR  
LAST THREE MONTHS 1982 & FIRST NINE MONTHS 1983

<u>ITEMS</u> In Thousands of Dollars	<u>FULL YEAR FORECAST</u>  <u>TOTAL</u>
Source of Funds:	
From Operations:	
Net Income	\$ 125,307
Depreciation	92,137
Deferred Income Taxes & Investment Tax	
Credit Adjustment - Net	71,282
Allowance for Funds Used During Construction	(23,683)
Total	<u>265,043</u>
Dividends Declared	
Preferred Stock	(25,180)
Common Stock	(88,400)
Total	<u>(113,580)</u>
Funds Retained in Business	151,463
From (Increase) Decrease in Working Capital (Excluding Short-Term Securities)	(16,689)
Investment in Associated Companies	(14,190)
Miscellaneous - Net	<u>17,649</u>
Total - Other	<u>(13,230)</u>
Funds Before Financing	138,233
From Sale of Properties	32,981
From Issuance (Retirement) of Securities:	
Common Stock	115,000
Preferred Stock	(991)
First Mortgage Bonds	148,898
Install. Purch. Cont. (Poll. Cont./Ind. Dev.)	
Temporary Cash Investments	
Municipal Bonds Receivable	
Short-Term Securities - Net	<u>(64,236)</u>
Total	231,652
Total Funds	<u>\$ 369,885</u>
Construction Expenditures	\$ 346,793
Nuclear Fuel	46,775
Less: Allowance for Funds	(23,683)
Net Construction Expenditures	<u>\$ 369,885</u>

+ 37,865  
+ 151,463  
need \$20 million  
have \$37.8 million of I.D.

NARRATIVE STATEMENT

In the event of a nuclear incident, Arkansas Power & Light Company will meet its guarantee requirements under the Price-Anderson Act by borrowing short-term on its available line of credit and/or reducing its 1983 construction expenditures of \$337.8 million by twenty million dollars. Specifically, AP&L would curtail construction of Independence 815 MS S.E.S. Unit 2 on which 18.3 million (excluding AFUDC) is scheduled to be spent in 1983, other production projects on which 118.2 million (excluding AFUDC) is scheduled to be spent in 1983, and transmission projects - lines and substations - on which 105.5 million (excluding AFUDC) is scheduled to be spent in 1983.



Don W. Myers, Director  
Finance & Accounting Department