

PHILADELPHIA ELECTRIC COMPANY

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March 14, 1983

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

Re: Peach Bottom Atomic Power Station Units 1, 2, and 3
Docket Nos. 50-171, 50-277, and 50-278

Dear Mr. Saltzman:

In accordance with Section 140.21 of the Commission's Regulations and my letters of July 29, 1977, and February 8, 1978, there are transmitted, herewith, on behalf of the co-owners of the Peach Bottom facility as evidence of guarantee of payment of deferred premiums the following documents:

1. Philadelphia Electric Company's, Public Service Electric and Gas Company's, Delmarva Power and Light Company's, and Atlantic City Electric Company's Annual Reports for 1982, including for each, an annual certified financial statement for the year January 1, 1982, through December 31, 1982.
2. Philadelphia Electric Company's, Public Service Electric and Gas Company's, Delmarva Power and Light Company's, and Atlantic City Electric Company's 1983 Internal Cash Flow Statements, and a Station Owners' Summary of the Cash Flow Statements. The Cash Flow Statements indicate that it would not be necessary to curtail projected capital expenditures to assure that retrospective premiums would be available for payment.

Two copies of each of the documents are enclosed.

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I PDR

Very truly yours,

Eugene J. Bradley
Eugene J. Bradley

Enclosures

Station Owner's Summary
 1983 Projected Internal Cash Flow Statement
 Peach Bottom Atomic Power Station
 (Thousands of Dollars)

	<u>Public Service Electric and Gas Company</u>	<u>Philadelphia Electric Company</u>	<u>Atlantic City Electric Company</u>	<u>Delmarva Power & Light Company</u>	<u>Total</u>
Net Income	\$ 365,335	\$ 402,661	\$ 54,232	\$ 76,079	\$ 898,307
Less: Dividends Paid	<u>299,733</u>	<u>348,826</u>	<u>46,860</u>	<u>61,611</u>	<u>757,030</u>
Retained in Business	<u>\$ 65,602</u>	<u>\$ 53,835</u>	<u>\$ 7,372</u>	<u>\$ 14,468</u>	<u>\$ 141,277</u>
Adjustments:					
Depreciation	242,577	148,566	36,215	55,217	482,575
Amortization and Other	13,175	(125,006)	2,741	8,286	(100,804)
Levelized Energy Clause (LEC)	--	--	(13,971)	--	(13,971)
Unbilled Revenue	--	--	(4,198)	--	(4,198)
Deferred Income Taxes and Investment Tax Credits	127,121	116,866	19,730	39,379	303,096
Allowance for Other Funds Used During Construction	<u>(128,993)</u>	<u>(105,392)</u>	<u>(9,371)</u>	<u>(2,003)</u>	<u>(245,759)</u>
Total Adjustments	<u>\$ 253,880</u>	<u>\$ 35,034</u>	<u>\$ 31,146</u>	<u>\$ 100,879</u>	<u>\$ 420,939</u>
Internal Cash Flow	<u>\$ 319,482</u>	<u>\$ 88,869</u>	<u>\$ 38,518</u>	<u>\$ 115,347</u>	<u>\$ 562,216</u>
Percentage of Ownership					
Peach Bottom #2	42.49%	42.49%	7.51%	7.51%	100.00%
Peach Bottom #3	42.49%	42.49%	7.51%	7.51%	100.00%
Maximum Contingent Liability (Severally and Not Jointly)	<u>\$ 8,498</u>	<u>\$ 8,498</u>	<u>\$ 1,502</u>	<u>\$ 1,502</u>	<u>\$ 20,000</u>

March 11, 1983

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

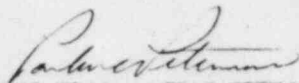
Projected Internal Cash Flow Statement
For Year 1983 - Compared to 1982 Actual
 (Thousands of Dollars)

	<u>Actual-1982</u>	<u>Projected-1983</u>	<u>Explanation of Significant Variations</u>
Net Income	\$ 342 827	\$ 365 335	Additional Allowance for Funds Used During Construction
Less Dividends Paid	<u>281 459</u>	<u>299 733</u>	Additional Preferred and Common Shares
Retained in Business	<u>61 368</u>	<u>65 602</u>	
Adjustments:			
Depreciation and Nuclear Fuel Burnup	242 006	242 577	
Amortization and Other	215 708	13 175	Underrecovery of Fuel Costs
Deferred Income Taxes and Investment Tax Credits	141 877	127 121	Decrease in Investment Tax Credit Utilized, Offset partially by Decreased Fuel Recovery
Allowance for Funds Used During Construction	<u>(91 427)</u>	<u>(128 993)</u>	Principally Hope Creek No. 1
Total Adjustments	<u>508 164</u>	<u>253 880</u>	
Internal Cash Flow	\$ 569 532	\$ 319 482	
Average Quarterly Cash Flow	<u>\$ 142 383</u>	<u>\$ 79 871</u>	

As indicated by this statement, the Average Quarterly Cash Flow fully covers the maximum contingent liability of Public Service Electric and Gas Company which amounts to \$ 3,498,000 as shown on the Summary Sheet "Projected Internal Cash Flow Statement".

PUBLIC SERVICE ELECTRIC AND GAS COMPANY

BY


 Parker C. Peterman
 Vice President and Controller

Date

3/9/83

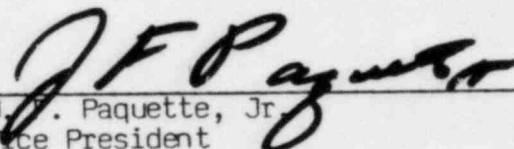
PHILADELPHIA ELECTRIC COMPANY SYSTEM
 Projected Internal Cash Flow Statement
 For Year 1983 - Compared to 1982 Actual
 (Thousands of Dollars)

	<u>Actual - 1982</u>	<u>Projected - 1983</u>	<u>Explanation of Significant Variations (1)</u>
Net Income	\$336,220	\$402,661	Full Year effect of Electric and Gas Rate Increases granted in 1982
Less: Dividends Paid	<u>299,876</u>	<u>348,826</u>	Increase in Number of Shares Outstanding and the Full Year Effect of a Higher Common Dividend Rate
Retained in Business	<u>\$ 36,344</u>	<u>\$ 53,835</u>	
Adjustments:			
Depreciation	140,955	148,566	
Amortization and Other	54,080	(125,006)	Reduction in Deferred Fuel
Deferred Income Taxes and Investment Tax Credits	91,431	116,866	Increase due primarily to Deferred Taxes on Deferred Fuel
Allowance for Other Funds Used During Construction	<u>(65,699)</u>	<u>(105,392)</u>	Increased C.W.I.P. balances
Total Adjustments	<u>220,767</u>	<u>35,034</u>	
Internal Cash Flow	<u>\$257,111</u>	<u>\$ 88,869</u>	
Average Quarterly Cash Flow	<u>\$ 64,277</u>	<u>\$ 22,217</u>	

(1) Significant variation equals \$10 million and 10%.

The Company has sufficient cash flow to ensure that its respective premiums would be available for payment.

Certified by:


 J. F. Paquette, Jr.
 Vice President
 Finance and Accounting

Date February 23, 1983

ATLANTIC CITY ELECTRIC COMPANY

PROJECTED INTERNAL CASH FLOW STATEMENT
FOR YEAR 1983 - COMPARED TO 1982 ACTUAL
(Thousands of Dollars)

	<u>Actual 1982</u>	<u>Projected 1983</u>	<u>Explanation of Si</u>
Net Income (Note)	\$ 35,129	\$ 54,232	
Less Dividends Paid	<u>39,540</u>	<u>46,860</u>	Reflects dividends on 1,500,000 September, 1982
Retained in Business	<u>(4,411)</u>	<u>7,372</u>	
Adjustments:			
Levelized Energy Clause	5,430	(13,971)	Reclassification of 1982 Over R
Depreciation	29,962	36,215	Additional Pollution Control Pl
Amortization and Other	6,097	2,741	
Deferred Income Taxes and Investment Tax Credits	16,813	19,730	
Unbilled Revenue	6,795	(4,198)	Change in Accounting method eff
Allowance for Funds Used During Construction	(8,433)	(9,371)	
Deferred Revenue Tax on L.E.A.C.	<u>(10,366)</u>	<u>-0-</u>	Negative L.E.A.C. Factor in 1982
Total Adjustments	<u>46,298</u>	<u>31,146</u>	
Internal Cash Flow	<u>\$ 41,887</u>	<u>\$ 38,518</u>	
Average Quarterly Cash Flow	<u>\$ 10,472</u>	<u>\$ 9,630</u>	
Nuclear Generating Station Percentage Ownership			
Peach Bottom Unit #2		7.51%	
Peach Bottom Unit #3		<u>7.51%</u>	
Maximum Contingent Liability (Severally and not Jointly)		<u>\$ 1,502</u>	

As indicated by this statement, the Average Quarterly Cash Flow fully covers the maximum contingent liability of amounts to \$1,502,000 as shown on the Summary Sheet "Projected Internal Cash Flow Statement."

NOTE: 1982 Net Income excludes the cumulative effect of change in Accounting Method.

ATLANTIC CITY ELEC

By L. E. Cooper
Controller

Significant Variations

shares of Common Stock issued

Recovered Fuel Costs
Amount in Service

Effective 1/1/82

, no deferred Gross Receipts T.

Atlantic City Electric Company

ELECTRIC COMPANY

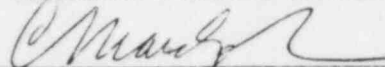
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DELMARVA POWER & LIGHT COMPANY

Projected Internal Cash Flow Statement
For Year 1983 Compared to 1982 Actual
 (Thousands of Dollars)

	<u>Actual - 1982</u>	<u>Projected - 1983</u>	<u>Explanation of Significant Variations</u>
Net Income	\$73,571	\$ 76,079	Note 1
Less Dividends Paid	<u>58,289</u>	<u>61,611</u>	Note 2
Retained in Business	<u>\$15,282</u>	<u>\$ 14,468</u>	
Adjustments:			
Depreciation	\$49,929	\$ 55,217	Note 3
Amortization & Other	6,192	8,286	Note 4
Deferred Income Taxes and Investment Tax Credits	11,717	39,379	Note 5
Allowance for Funds Used during Construction	<u>(6,059)</u>	<u>(2,003)</u>	Note 6
Total Adjustments	<u>\$61,779</u>	<u>\$100,879</u>	
Internal Cash Flow	<u>\$77,061</u>	<u>\$115,347</u>	
Average Quarterly Cash Flow	<u>\$19,265</u>	<u>\$ 28,837</u>	

The Company has sufficient cash flow to insure that its respective premiums would be available for payment.

DELMARVA POWER & LIGHT COMPANY
 By 
 C. Marchyshyn, Comptroller

Date 3/7/1983

EXPLANATIONS OF SIGNIFICANT VARIATIONS

- NOTE 1 Net income increased due to higher rates in effect in the Delaware, Maryland, Virginia, and FERC jurisdictions.
- NOTE 2 Delmarva increased the annualized dividend rate from \$1.58 to \$1.64 in December, 1982. Projected for 1983, an additional 1,071,333 shares issued through the Dividend Reinvestment Program and TRASOP Plan.
- NOTE 3 Depreciation increased due to the addition of a coal conversion of Edge Moor No. 3 and No. 4, and the amortization of an Integrated Systems Project closed in January, 1983.
- NOTE 4 Nuclear fuel amortization increased due to the refueling of Salem II in 1982.
- NOTE 5 Deferred taxes increased primarily due to tax depreciation on the closed project at Edge Moor No. 3 and No. 4 coal conversion. Investment Tax Credits are up due to higher taxable income.
- NOTE 6 AFUDC decreased in 1983 due to the closing of coal conversion at Edge Moor No. 3 and No. 4.