



MISSISSIPPI POWER & LIGHT COMPANY

Helping Build Mississippi

P. O. BOX 1640, JACKSON, MISSISSIPPI 39205

July 15, 1983

NUCLEAR PRODUCTION DEPARTMENT

Office of State Programs
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Attention: Mr. Ira P. Dinitz

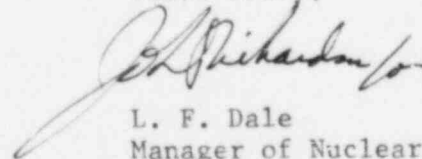
Dear Mr. Dinitz:

SUBJECT: Grand Gulf Nuclear Station
Units 1 and 2
Docket Nos. 50-416 and 50-417
License No. NPF-13
File: 0260/15175
Indemnity Fees
AECM-83/0406

Pursuant to NRC Regulation 10 CFR 140.21, Mississippi Power & Light Company (MP&L), on behalf of itself, Middle South Energy, Inc., and South Mississippi Electric Power Association (SMEPA), is submitting herewith the annual cash flow/source of funds statements of MP&L and SMEPA, which are evidence of their ability to fulfill the deferred premium obligation, relating to the Grand Gulf Nuclear Station, Unit No. 1. MP&L, as operator of the Grand Gulf Nuclear Station, Unit No. 1, is submitting evidence that it can generate a cash flow which would be available for payment of ninety percent (90%) of the deferred premiums and SMEPA is submitting evidence that it can generate a cash flow which would be available to pay ten percent (10%) of the deferred premium.

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

Yours truly,



L. F. Dale
Manager of Nuclear Services

PJR/JDR:rg

Attachments

cc: See next page

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PDR ADQCK 05000416
J PDR

Member Middle South Utilities System

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MISSISSIPPI POWER & LIGHT COMPANY

cc: Mr. J. B. Richard (w/o)
Mr. R. B. McGehee (w/c)
Mr. T. B. Conner (w/o)
Mr. G. B. Taylor (w/o)

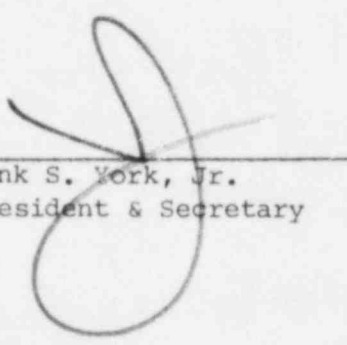
Mr. Richard C. DeYoung, Director (w/a)
Office of Inspection & Enforcement
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. J. P. O'Reilly, Regional Administrator (w/a)
Office of Inspection and Enforcement
U.S. Nuclear Regulatory Commission
Region II
101 Marietta St., N.W., Suite 2900
Atlanta, Georgia 30303

NARRATIVE STATEMENT

In the event of a nuclear incident, Mississippi Power & Light Company will meet its requirements under the Price-Anderson Act by borrowing short-term under its available line of credit and/or reducing (1) 1983 construction expenditures of \$61 million (excluding AFUDC) and (2) 1984 construction expenditures of \$60 million (excluding AFUDC) in order to fund its nine million dollar contribution. Specifically, MP&L will reduce its expenditures on Antelope Mine equipment on which \$19 million is scheduled to be spent in 1983 and/or its expenditures on construction of Independence Unit No. 2 on which \$15 million (excluding AFUDC) is scheduled to be spent in 1984.

July 7, 1983



Frank S. York, Jr.
Vice President & Secretary

Percentage Ownership

in All Operating

Nuclear Units

Grand Gulf Unit 1

90.00%

Maximum Total

Contingent Liability

\$9 million

MISSISSIPPI POWER & LIGHT COMPANY
STATEMENT OF SOURCE OF FUNDS FOR 1982-4
(Millions of Dollars)

	<u>Actual</u>	<u>Estimated</u>	
	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Internal Funds</u>			
Net income before dividends*	\$ 35	\$ 39	\$ 46
Less dividend declared	<u>36</u>	<u>43</u>	<u>34</u>
Income net of dividend	(1)	(4)	12
Depreciation/Amortization	25	31	33
Deferred income tax & ITC net	7	33	70
Working capital & misc.	<u>30</u>	<u>(66)</u>	<u>(19)</u>
Total	61	(6)	96
 <u>Financing Transactions</u>			
Common stock	-	30	36
Preferred stock	10	10	17
First mortgage bonds	30	42	40
Pollution control bonds	11	6	6
Promissory notes and other long-term debt	6	-	-
Book value of utility plant sold	15	-	-
Short term borrowings - net	(3)	(0)	-
Retirement of promissory notes and other long-term debt	(29)	-	-
Retirement of first mortgage bonds	-	(12)	-
Retirement of preferred stock	<u>-</u>	<u>-</u>	<u>-</u>
Total funds - financing	40	76	99
Total funds provided	<u>\$101</u>	<u>\$ 70</u>	<u>\$195</u>

* Includes AFUDC of: 1982: \$14 million
1983: \$ 9 million
1984: \$10 million

NARRATIVE STATMENT

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 Cooperatives Finance Corporation or using the Association's current revenue to fund its one million dollar contingent obligation.

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

By: _____

Title: _____

Date: _____

George B. Taylor
General Manager
1/1/83

Percentage Ownership

in All Operating

Nuclear Units

Grand Gulf Unit 1

10.00%

Maximum Total

Contingent Liability

\$1 million

SOUTH MISSISSIPPI ELECTRIC POWER ASSOCIATION

STATEMENT OF SOURCE OF FUNDS FOR 1982-4

(Millions of Dollars)

	Actual	Estimated	
	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Internal Funds</u>			
Revenue	157.8	180	233
Expense	157.0	177	227
Operating Margins	.8	3	6
Non-Operating Margins	1.0	1	1
Total Margins	1.8	4	7