



THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

P.O. BOX 5000 - CLEVELAND, OHIO 44101 - TELEPHONE (216) 622-9800 - ILLUMINATING BLDG. - 55 PUBLIC SQUARE

Serving The Best Location in the Nation

Terrence R. Moran
TREASURER

March 17, 1988

Mr. Ira Dinitz
Policy Development & Financial
Evaluation Section
Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852

Re: Docket Nos. 50-346, 50-440, 50-412
Retrospective Premium Guarantee

Dear Mr. Dinitz:

The Cleveland Electric Illuminating Company hereby provides the documents described below and enclosed herewith as evidence of its guarantee of its shares of the retrospective premiums which may be levied against the Davis-Besse Unit No. 1 (\$5,138,000), Perry Unit No. 1 (\$3,111,000) and Beaver Valley Unit No. 2 (\$2,447,000) reactor licenses.

1. A Certificate of the Company, signed by Terrence R. Moran, Treasurer, stating that the Company will guarantee payment of deferred premiums by reserving a portion of a Line of Credit with AmeriTrust Bank.
2. Acknowledgment by AmeriTrust that the bank is reserving a portion of the Company's Line of Credit for this purpose.

Sincerely,

Terrence R. Moran
Treasurer

TRM:rmo

Enclosures

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PDR ADOCK 05000346
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CERTIFICATE OF THE COMPANY

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
GUARANTEE OF PAYMENT OF DEFERRED PREMIUMS

The Cleveland Electric Illuminating Company certifies that it elects to guarantee its share of payment of deferred premiums which may be levied against Davis-Besse Unit No. 1, Perry Unit No. 1, and Beaver Valley Unit No. 2, by reserving \$10,696,000 of its presently unused \$30,000,000 Line of Credit with AmeriTrust Bank.

The deferred premiums and the Company's ownership share of each unit is as follows:

<u>Unit</u>	<u>Deferred Premiums</u>	<u>Company Ownership Share</u>
Davis-Besse No. 1	\$ 5,138,000	51.38%
Perry No. 1	3,111,000	31.11%
Beaver Valley No. 2	<u>2,447,000</u>	24.47%
	\$ 10,696,000	

THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY

By: 
Terrence R. Moran, Treasurer

Ameritrust Company
National Association
900 Euclid Avenue
P.O. Box 5937
Cleveland, Ohio 44101
(216) 687-5000

Ameritrust

March 17, 1988

Mr. Terrence R. Moran
Treasurer
The Cleveland Electric Illuminating Co.
55 Public Square
Cleveland, OH 44113

Dear Terry:

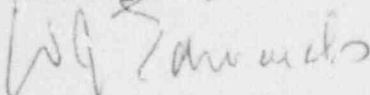
I am pleased to inform you that we have established a sublimit of \$10,696,000 under an already established line of credit of \$30,000,000 to The Cleveland Electric Illuminating Company. The purpose of the sublimit is for potential assessments, known as Retrospective Premium Assessments, that might be levied against CEI under the Nuclear Regulatory Commission regulations Section 140.211.

The availability of the line as we have already informed you shall expire on May 1, 1988, however upon receipt of your year end financial statements we will be happy to consider a renewal of this facility.

You should be aware that this is not a commitment on the part of Ameritrust to grant any Loans to you under this facility.

I hope this is satisfactory to you Terry.

Best regards,



William J. Edwards
Vice President

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