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AUTH.NAME	AUTHOR AFFILIATION
GRAHAM,W.E.	Carolina Power & Light Co.
RECIP.NAME	RECIPIENT AFFILIATION
SALTZMAN,J.	Antitrust & Indemnity Group

SUBJECT: Forwards Annual Financial Report 1979.Also forwards info re cash flow projection,to guarantee retrospective premium liability to nuclear liability insurance carriers.

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Carolina Power & Light Company

P. O. Box 1551 • Raleigh, N. C. 27602

March 27, 1980

WILLIAM E. GRAHAM, JR.
Senior Vice President
and General Counsel

Mr. Jerome Saltzman, Chief
Antitrust and Indemnity Group
Nuclear Reactor Regulation
Nuclear Regulatory Commission
Washington, D. C. 20555

Docket Nos. 50-261 (DPR-23)
50-324 (DPR-61)
50-325 (DPR-72)

Dear Mr. Saltzman:

In accordance with our previous advice to you that Carolina Power & Light Company would guarantee its retrospective premium liability to its nuclear liability insurance carriers through submittal of certified cash flow projection, we are transmitting herewith:

(1) Carolina Power & Light Company's Financial Statements for Years Ended December 31, 1979 and 1978 and Auditors' Opinion prepared by Deloitte, Haskins & Sells and dated February 20, 1980, which appear as pages 18 through 27 of Carolina Power & Light Company's Annual Report for 1979;

(2) A Projected Company Cash Flow Statement for the Year Ending December 31, 1980 certified by the Company's Chief Accounting Officer; and

(3) Carolina Power & Light Company's Annual Report for 1979 manually signed by the auditor.

Very truly yours,

William E. Graham, Jr.

William E. Graham, Jr.

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WEG,Jr:bc

Enclosures

8004010405

CAROLINA POWER & LIGHT COMPANY

1980 Internal Cash Flow Projection for Robinson Nuclear Power Plant and Brunswick Nuclear Power Plant

(Thousands of Dollars)

	Prior Year Actual Total	Projection Year Total(a)
Net income after taxes	$153,244	$178,000
Less dividends paid	(109,530)	(135,000)
Retained earnings	$ 43,714	$ 43,000
Adjustments:		
Depreciation and amortization	127,673	143,000
Deferred income taxes and investment tax credits	74,038	61,000
Allowance for funds used during construction	(80,785)	(112,000)
Total adjustments	$120,926	$ 92,000
Internal cash flow	$164,640	$135,000
Average quarterly cash flow	$ 41,160	$ 33,750

Percentage ownerships in all operating nuclear units

Robinson Unit No. 2	100.00%
Brunswick Unit No. 1	100.00%
Brunswick Unit No. 2	100.00%

Maximum total contingent liability $ 30,000

Depreciation and amortization are projected to increase primarily because of an anticipated increase in utility plant in service. Deferred income taxes and investment tax credits are projected to decrease principally because in 1979 there was (1) an increase in deferred income taxes primarily due to a reversal of previously deferred income taxes relating to a reserve for refund of revenues, and (2) a carryback of about $9 million investment tax credits; and, for 1980, no such refund or carryback is anticipated. Allowance for funds used during construction is projected to increase because of greater construction work in progress and higher capital costs rates.

(a) Projected - see attached Assumptions Supporting Internal Cash Flow Projection For the Year Ended December 31, 1980

I have examined the foregoing internal cash flow projection and underlying assumptions and certify that it fairly presents the internal cash flow position of Carolina Power & Light Company for the twelve-month period ending December 31, 1980.

Paul S. Bradshaw
Paul S. Bradshaw
Vice President and Controller

Sworn to and subscribed before me this 27th day of March, 1980.

Steve W. Snider

My commission expires: 1-7-85

CAROLINA POWER & LIGHT COMPANY

Assumptions Supporting Internal Cash Flow Projection For the Year Ended December 31, 1980

1. Electricity sales for 1980 are based upon a projected 3.2% increase over the 1979 level of sales. An assumed rate of return on estimated average common equity (beginning and end-of-year average) of 12.3%.

2. Deferred income tax provisions are estimated only to the extent such amounts are currently allowed for rate-making purposes. The Company is currently providing for all significant timing differences in the recognition of items for tax and financial reporting purposes. Investment tax credits generated and utilized after 1971 have been deferred and are being amortized over the service lives of the property.

3. Depreciation of utility plant for financial reporting purposes is computed on the straight-line method based upon estimated useful lives. Estimated depreciation for 1980 is based upon rates in effect at the beginning of the year.

4. Estimated common stock dividend amounts are based upon an assumed 6% increase in the level of common dividends paid and a 15% increase in the average shares outstanding. Preferred stock dividend amounts reflect levels in effect at the beginning of the year and additional amounts for an estimated 680,000 shares to be issued during the year.