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 50-261 H. B. Robinson Plant, Unit 2, Carolina Power and Light 05000261  
 50-324 Brunswick Steam Electric Plant, Unit 2, Carolina Power 05000324  
 50-325 Brunswick Steam Electric Plant, Unit 1, Carolina Power 05000325

AUTH. NAME: AUTH. AFFILIATION  
 BARHAM, C. D. Carolina Power & Light Co.  
 RECI. NAME: RECIPIENT AFFILIATION  
 SALTZMAN, J. Antitrust & Economic analysis Branch (Utility Finance)

SUBJECT: Forwards Annual Financial Rept 1982, financial statements for  
 FY80-82 & projected internal cash flow statement for 866 RPD  
 1983.

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**Carolina Power & Light Company**

P. O. Box 1551 • Raleigh, N. C. 27602

*Docket*

CHARLES D. BARHAM, JR.  
Senior Vice President and General Counsel

March 31, 1983

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

RE: 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, 1982, 1981 and 1980 and Auditors' Opinion prepared by Deloitte, Haskins & Sells dated February 11, 1983, which appears as Pages 20 through 30 of Carolina Power & Light Company's Annual Report for 1982;
- (2) A Projected Internal Cash Flow Statement for the Year Ending December 31, 1983, certified by the Company's Chief Accounting Officer, and
- (3) Carolina Power & Light Company's Annual Report for 1982 manually signed by the auditor.

North Carolina Eastern Municipal Power Agency is the owner of 12.65 percent of the Brunswick Steam Electric Plant. This submittal guarantees the retrospective premium liability of both Carolina Power & Light Company and North Carolina Eastern Municipal Power Agency.

Yours very truly,

8304070323 830331  
PDR ADOCK 05000261  
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*Charles D. Barham, Jr.*

Charles D. Barham, Jr.

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CDBjr/bjl

Enclosures

cc: North Carolina Eastern Municipal Power Agency

CAROLINA POWER & LIGHT COMPANY

1983 Internal Cash Flow Projection for Robinson Nuclear Power Plant  
and Brunswick Nuclear Power Plant

(Thousands of Dollars)

|   | Prior Year<br>Actual Total   | Projection Year<br>Total (a) |
|---|--|------------------------------|
| Net income after taxes  | \$227,147  | \$243,000                    |
| Less dividends paid   | (181,865)  | (191,000)                    |
| Retained earnings   | <u>45,282</u>  | <u>52,000</u>                |
| Adjustments:  |  |                              |
| Depreciation and amortization   | 141,334  | 188,000                      |
| Deferred income taxes and investment tax credits  | 49,774   | 94,000                       |
| Sale of generating facilities   | 430,910  | 234,000                      |
| Allowance for equity funds used during<br>construction, less deferred income taxes<br>on borrowed funds | <u>(56,405)</u>  | <u>(57,000)</u>              |
| Total adjustments   | <u>565,613</u>   | <u>459,000</u>               |
| Internal cash flow  | <u>610,895</u>   | <u>511,000</u>               |
| <br>Average quarterly cash flow   | <br><u>\$152,724</u>   | <br><u>\$127,750</u>         |
| <br>Percentage ownerships in all operating nuclear<br>units   | Robinson Unit No. 2    100.00%<br>(b) Brunswick Unit No. 1   100.00%<br>(b) Brunswick Unit No. 2   100.00% |                              |
| <br>Maximum total contingent liability  |  | <u>\$30,000</u>              |

Depreciation and amortization are projected to increase primarily because of an anticipated increase in utility plant in service primarily associated with Mayo Unit No. 1 being placed into commercial operation in March 1983 and full current provisions for nuclear fuel disposal (1982 included a \$14.3 one-time reduction). Deferred income taxes for 1983 are expected to reflect no substantial reductions related to the sale of generating facilities to North Carolina Eastern Municipal Power Agency as occurred in 1982.

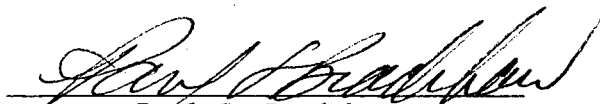
- (a) Projected - see attached Assumptions Supporting Internal Cash Flow Projection For the Year Ended December 31, 1983
- (b) North Carolina Eastern Municipal Power Agency owns 12.65 percent of Brunswick Unit No. 1 and Brunswick Unit No. 2; however, Carolina Power & Light Company is guaranteeing the contingent liability of the joint owners.

CAROLINA POWER & LIGHT COMPANY

Assumptions Supporting Internal Cash Flow Projection For the Year  
Ended December 31, 1983

1. Electricity sales for 1983 are based upon a projected .24% increase over the 1982 level of sales. An assumed rate of return on estimated average common equity (beginning and end-of-year average) of 13.00%.
2. Deferred income tax provisions are currently provided for all 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 1983 is based upon rates in effect at the beginning of the year.
4. Estimated common stock dividend amounts are based upon an assumed 1.125% increase in the level of common dividends paid and a 5% increase in the shares outstanding. Preferred stock dividend amounts reflect levels in effect at the beginning of the year.

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, 1983.

  
Paul S. Bradshaw  
Vice President and Controller

Sworn to and subscribed before me  
this 22<sup>nd</sup> day of MARCH, 1983.

  
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My commission expires: 3-16-86

(SEAL)