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 STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Publi 05000529
 STN-50-530 Palo Verde Nuclear Station, Unit 3, Arizona Publi 05000530
 AUTH. NAME AUTHOR AFFILIATION
 KRAINIK, A.K. Arizona Public Service Co. (formerly Arizona Nuclear Power
 RECIP. NAME RECIPIENT AFFILIATION
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SUBJECT: Forwards projected cash flow statements for each PVNGS participant, per 10CFR140.21 requirements. Proprietary EPEC cash flow, encl with affidavit. Without EPEC cash flow statement & affidavit.

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AAK



Angela K. Krainik
Department Leader
Regulatory Affairs
Palo Verde Nuclear
Generating Station

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102-04316-AKK/SAB/CJJ
July 23, 1999

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
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Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528/529/530
Licensee Guarantee of Payment of Deferred Premium**

Pursuant to the requirements of 10 CFR 140.21, Arizona Public Service Company (APS), for itself and on behalf of the PVNGS Participants, has enclosed projected cash flow statements for each participant in accordance with 10 CFR 140.21(e). Please note that the projected cash flow statement for the El Paso Electric Company is considered a CONFIDENTIAL DOCUMENT, for which an affidavit is provided. The affidavit sets forth the basis on which the information may be withheld from public disclosure by the Commission and specifically addresses the considerations listed in 10 CFR 2.790(b)(4). Accordingly, it is requested that the El Paso Electric Company projected cash flow statement be withheld from public disclosure.

Should you have questions regarding this submittal, please contact Scott A. Bauer at (623) 393-5978. No commitments are being made to the NRC in this letter.

Sincerely,

AKK/SAB/CJJ

Enclosure

cc: E. W. Merschoff (w/o enclosure)
N. Kalyanam (enclosure)
J. H. Moorman (w/o enclosure)

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INTERNAL CASHFLOW PROJECTION OF ARIZONA PUBLIC SERVICE COMPANY
(Joint Owner Of Palo Verde Nuclear Generating Station**)

(\$000)

	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Estimate</u>
1. Net Income After Taxes	\$251,493	\$255,247	(4)
Less:			
2. Dividends Paid on Preferred Stock	13,307	10,279	(4)
3. Dividends Paid on Common Stock	<u>170,000</u>	<u>170,000</u>	(4)
4. Retained Earnings	68,186	74,968	(4)
Adjustments:			
5. Accelerated Amortization of Regulatory Assets (1)	117,276	118,945	119,000
6. Depreciation and Amortization (2)	281,097	290,485	308,060
7. Deferred Income Taxes	(55,278)	(26,374)	(55,012)
8. Deferred ITC (Net)	(27,630)	(27,628)	(27,626)
9. Allowance for Funds Used During Construction (Equity & Borrowed)	(16,208)	(16,263)	(12,015)
10. Decommissioning	(11,444)	(11,444)	(11,444)
11. Deferred Expenses (Direct Access)	<u>-</u>	<u>(4,922)</u>	<u>(26,200)</u>
12. Total Adjustments	287,813	322,799	294,763
13. Internal Cash Flow (Line 4 + Line 12)	355,999	397,767	(4)
14. Average Quarterly Cash Flow (Line 13/4)	89,000	99,442	(4)

NOTES: ** Percentage Ownership in All Nuclear Units:
Unit 1 - 29.1%
Unit 2 - 29.1% (3)
Unit 3 - 29.1%

- (1) Related to 4/96 ACC settlement agreement.
- (2) Includes Nuclear Fuel Amortization.
- (3) Includes the leased portion of Palo Verde Unit 2.
- (4) Company policy prohibits disclosure of financial forecast data which will enable earnings or dividend forecasts by unauthorized persons, unless assured of confidentiality.

I, Gary Volkenant, Director of APS Financial Services certify that these cashflow calculations utilize the Company's approach to estimating cash flows for internal management reports and planning purposes. The 1997 and 1998 cashflows agree as appropriate with the Company's Audited Annual Reports. The 1999 estimate of cashflows is based on the 1999 Company Budget. The 1999 estimate does not reflect actual results to date, as the Budget is not revised to reflect changing conditions.



Gary Volkenant
Director, Financial Services, APS

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**Internal Cash Flow Projection of Salt River Project
As Joint Owner of Palo Verde Nuclear Generating Station
For Fiscal Year Ended April 30, 1999**

	<u>April 30, 1999 Actual</u>
Net Income after Taxes	\$ 111,519
Less dividends paid:	
Preferred dividend requirements	
Dividends on common stock	
	<hr/>
Retained Earnings	111,519
Adjustments:	
Depreciaton and amortization	290,500
Deferred income taxes and ITC's	
Allowance for funds used during construction	<hr/>
	7,878
Total Adjustments	<hr/>
	298,378
Internal Cash Flow	<hr/>
	\$ 409,897
Average Quarterly Cash Flow	<hr/>
	\$ 102,474

Percentage ownership in all nuclear units:

Unit 1	17.49%
Unit 2	17.49%
Unit 3	17.49%

I, Scott Farmer, Manager of Corporate Accounting Services for Salt River Project Agricultural Imporvementand Power District certify that the above figures are based upon our Accounting Records, and agree, as appropriate with our audited financial statements.

Scott Farmer
Scott Farmer

1999 PRO FORMA CASH FLOW STATEMENT
FOR PUBLIC SERVICE COMPANY OF NEW MEXICO
(EXCLUDING NON-UTILITY SUBSIDIARIES)

	<u>1998 Actuals</u> (In Thousands)	<u>*1999 Projected</u>
Net Income After Taxes	82,682	73,488
Less Dividends Paid	<u>32,789</u>	<u>34,011</u>
Earnings Retained	49,893	39,477
Adjustments:		
Depreciation & Amortization	98,154	96,053
Deferred Income Taxes & ADITC	14,874	8,776
AFUDC	0	0
Other, net	<u>15,277</u>	<u>21,659</u>
Total adjustments	128,305	126,488
 INTERNAL CASH FLOW	 178,198	 165,965
 Average Quarterly Cash Flow	 44,549	 41,491

*All numbers from the 1999 Business Plan

Percentage Entitlement in all Nuclear Units:

Palo Verde Unit 1---10.2%
Palo Verde Unit 2---10.2%
Palo Verde Unit 3---10.2%

BY: Tom Salegna
Tom Salegna
Assistant Controller



LOS ANGELES DEPARTMENT OF WATER AND POWER
1999 INTERNAL CASH FLOW PROJECTION
FOR PALO VERDE NUCLEAR POWER STATION

THOUSANDS OF DOLLARS

	1997-98 ACTUAL	1998-99 PROJECTION
NET INCOME	\$328,107	\$362,590
LESS: TRANSFER TO THE CITY	<u>(\$80,439)</u>	<u>(\$108,150)</u>
RETAINED EARNINGS	<u>\$247,668</u>	<u>\$254,440</u>
ADJUSTMENTS		
DEPRECIATION AND AMORTIZATION	\$251,952	\$269,120
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	<u>(\$2,899)</u>	<u>(\$2,850)</u>
TOTAL ADJUSTMENTS	<u>\$249,053</u>	<u>\$266,270</u>
INTERNAL CASH FLOW	<u>\$496,721</u>	<u>\$520,710</u>

SOUTHERN CALIFORNIA EDISON COMPANY

1999 Internal Cash Flow Projection

(Dollars in Thousands)

	1998 Actual	1999 Projected
Net Income After Taxes	\$515,122	(2)
Dividends Paid	<u>\$1,129,812</u> ⁽¹⁾	(2)
Retained Earnings	(\$614,690)	(2)
Adjustments:		
Depreciation & Decommissioning	\$1,545,735	\$1,475,870
Net Deferred Taxes & ITC	(\$94,504)	(\$275,631)
Allowance for Funds Used During Construction	<u>(\$19,872)</u>	<u>(\$19,181)</u>
Total Adjustments	\$1,431,359	\$1,181,058
Internal Cash Flow	\$816,669	(2)
Average Quarterly Cash Flow	\$204,167	(2)
Percentage Ownership in All Nuclear Units:		
San Onofre Nuclear Generating Station Units 2 & 3		
o Southern California Edison Company	75.05%	
o San Diego Gas & Electric Company	20.00%	
o City of Anaheim	3.16%	
o City of Riverside	1.79%	
Palo Verde Nuclear Generating Station Units 1, 2 & 3	15.80%	
Maximum Total Contingent Liability:		
San Onofre Nuclear Generating Station Unit 2	\$10,000	
San Onofre Nuclear Generating Station Unit 3	\$10,000	
Palo Verde Nuclear Generating Station Unit 1	\$1,580	
Palo Verde Nuclear Generating Station Unit 2	\$1,580	
Palo Verde Nuclear Generating Station Unit 3	<u>\$1,580</u>	
Total	\$24,740	

⁽¹⁾ Dividends Paid includes common stock share repurchase

⁽²⁾ Company policy prohibits disclosure of financial data which will enable unauthorized persons to forecast earnings or dividends, unless assured confidentiality.



11-11-11



Southern California
Public Power Authority

April 30, 1999

Ms. Juanita J. Cartwright, CPCU, ARM, CPIW
Risk & Insurance Management
Arizona Public Service Company
Mail Station 8488
Post Office Box 53933
Phoenix, Arizona 85072-3933

Member Cities

Anaheim
Azusa
Banning
Burbank
Colton
Glendale
Los Angeles
Pasadena
Riverside
Vernon
and the
Imperial Irrigation
District

Dear Juanita:


***Palo Verde Insurance Program
Request for Projected Cash Flow Projection***

As you requested in your letter dated February 22, 1999, please find enclosed a copy of the financial report entitled, "Southern California Public Power Authority (Authority), Report with Financial Statements and Supplemental Financial Information, June 30, 1998 and 1997," being submitted for compliance with Nuclear Regulatory Commission 10CFR Part 140.21 (e), Licensee Guarantee of Payment of Deferred Premium.

Also enclosed is the Authority's 1997-98 Annual Report.

For additional information regarding this matter, please call Mr. Avery Neaman of my staff at (213) 367-4678.

Sincerely,


for
MARILYN S. FUCHS
Risk Manager

cml

Enclosures (2)

c: Avery Neaman

111 N. Hope Street
Room 405
Los Angeles, CA
90012

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or
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FAX:
(213) 367-4330

