

Docket No. 50-346
License No. NPF-3
Serial No. 1045
April 18, 1984



RICHARD P. CROUSE
Vice President
Nuclear
(419) 259-5221

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

RE: Davis-Besse Unit No. 1
Retrospect Premium Guarantee

Gentlemen:

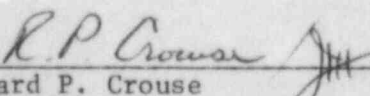
The Toledo Edison Company hereby provides the documents described below and enclosed herewith as evidence of its guarantee of its share (\$4,862,000) of the retrospective premium which may be levied against the Davis-Besse Unit No. 1 reactor licensees during the period April 23, 1984 through April 22, 1985.

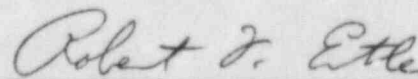
- 1) The Toledo Edison Company 1983 Annual Report to shareowners which includes certified financial statements for the calendar year 1983.
- 2) The Toledo Edison Company 1983 Fourth Quarter Quarterly Report, which includes financial statements for the quarter ending December 31, 1983 (the 1984 First Quarter Quarterly Report is not yet available).
- 3) A schedule of 1983 Actual Internal Cash Flow and 1984 Internal Cash Flow Projection.

Based on the data set forth above, The Toledo Edison Company believes that a cash flow can be generated which would be adequate should it be required to pay any retrospective premium in the amount of \$4,862,000.

Also enclosed is The Cleveland Electric Illuminating Company's Estimate of Cash Position and Source of Funds Actual 1983 and Projected 1984. This statement shows that The Cleveland Electric Illuminating Company believes that a cash flow can be generated which would be adequate should it be required to pay any retrospective premium in the amount of \$5,138,000.

Thus, the Cash Flow Statements of The Toledo Edison Company and The Cleveland Electric Illuminating Company enclosed herein demonstrate the ability to pay a combined retrospective premium of \$10,000,000 for Davis-Besse Nuclear Power Station Unit No. 1.


Richard P. Crouse
Vice President, Nuclear


Robert F. Ertle
Assistant Treasurer

cc: DB-1 NRC Resident Inspector

Enclosures

THE TOLEDO EDISON COMPANY EDISON PLAZA 300 MADISON AVENUE TOLEDO, OHIO 43652

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THE TOLEDO EDISON COMPANY
1984 INTERNAL CASH FLOW PROJECTION
FOR DAVIS-BESSE NUCLEAR POWER STATION
(Dollars in Thousands)

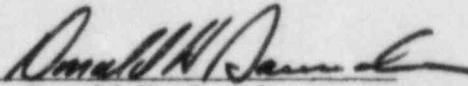
	Actual 1983	Projected 1984
Net Income after Taxes (1)	\$128,344	-
Less Dividends Declared	<u>101,340</u>	-
Retained Earnings (1)	\$ 27,004	-
Adjustments:		
Depreciation and Amortization	\$ 51,138	\$ 49,000
Deferred Income Taxes and		
Investment Tax Credits	27,724	25,200
Allowance for Funds used		
During Construction	<u>(96,028)</u>	<u>(110,200)</u>
Total Adjustments	\$(17,166)	\$ (36,000)
Internal Cash Flow	<u>\$ 9,838</u>	<u>\$ 7,000</u>
Average Quarterly Cash Flow	\$ 2,459	\$ 1,750
Bank Lines-of-Credit reserved for commitment		3,112
Average Quarterly Cash Available		<u>\$ 4,862</u>
Percentage Ownership in:		
Davis-Besse Nuclear Power Station		
Unit No. 1	48.62%	
Maximum Total Contingent Liability		<u>\$ 4,862</u>

(1) The Company does not publish its projections of net income after taxes and dividends paid. Thus, the Company has elected to show no estimate of Retained Earnings for 1984 since it can demonstrate that it is able to generate sufficient cash flow from net non-cash expenses and other sources to cover its maximum total contingent liability.

CERTIFICATION

I, Donald H. Saunders, Treasurer of The Toledo Edison Company, hereby certify that the foregoing Estimate of Cash Position and Source of Funds for calendar year 1984 is derived from accurate data and reasonable assumptions and is a reasonable estimate.

April 18, 1984
Date


Donald H. Saunders
Treasurer