



# MISSISSIPPI POWER & LIGHT COMPANY

*Helping Build Mississippi*

P. O. BOX 1640, JACKSON, MISSISSIPPI 39215-1640

June 17, 1985

NUCLEAR LICENSING & SAFETY DEPARTMENT

Mr. Harold R. Denton, Director  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Attention: Document Control Desk

Dear Mr. Denton:

SUBJECT: Grand Gulf Nuclear Station  
Units 1 and 2  
Docket Nos. 50-416 and 50-417  
File: 0260/15175  
Guarantee Of Deferred Premiums  
AECM-85/0189

Pursuant to NRC Regulation 10 CFR 140.21, Mississippi Power & Light Company (MP&L), on behalf of itself, Middle South Energy, Inc., and South Mississippi Electric Power Association (SMEPA), is submitting evidence that it can generate a cash flow which would be available for payment of ninety percent (90%) of the deferred premium obligation for Grand Gulf Nuclear Station, Unit 1. MP&L anticipates that they will be submitting evidence by July 1, 1985 that SMEPA can generate a cash flow which would be available to pay the remaining ten percent (10%) of the deferred premium.

If you have any questions or need additional information, please advise.

Yours truly,

L. F. Dale  
Director

PJR/JGC:dmm  
Attachment

cc: (See Next Page)

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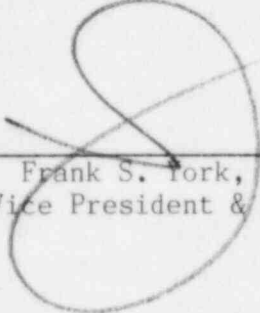
cc: Mr. J. B. Richard (w/a)  
Mr. O. D. Kingsley, Jr. (w/a)  
Mr. R. B. McGehee (w/a)  
Mr. N. S. Reynolds (w/a)  
Mr. G. B. Taylor (w/o)  
Mr. R. C. Butcher (w/a)

Mr. James M. Taylor, Director (w/a)  
Office of Inspection & Enforcement  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Dr. J. Nelson Grace, Regional Administrator (w/a)  
U. S. Nuclear Regulatory Commission  
Region II  
101 Marietta St., N. W., Suite 2900  
Atlanta, Georgia 30323

NARRATIVE STATEMENT

In the event of a nuclear incident, Mississippi Power & Light Company will meet its requirements under the Price-Anderson Act by borrowing short-term under its available line of credit and/or reducing (1) 1985 construction expenditures of \$39 million (excluding AFUDC) and (2) 1986 construction expenditures of \$45 million (excluding AFUDC) in order to fund its nine million dollar contribution.



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Frank S. York, Jr.  
Sr. Vice President & Secretary

5/31/85

MISSISSIPPI POWER & LIGHT COMPANY  
STATEMENT OF SOURCE OF FUNDS FOR 1984-1986  
(Millions of Dollars)

	<u>Actual</u>	<u>Estimated</u>	
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>Internal Funds</u>			
Net income before dividends*	\$ 48	\$ 41	\$ 47
Less dividend declared	<u>46</u>	<u>40</u>	<u>35</u>
Income net of dividend	2	1	12
Depreciation/Amortization	33	35	38
Deferred income tax & ITC net	11	28	53
Working capital and miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 82	\$ 64	\$103
 <u>Financing Transactions</u>			
Common stock	-	10	-
Preferred stock	15	-	-
First mortgage bonds	35	30	-
Pollution control bonds	4	2	(1)
Short term borrowings - net	-	-	-
Retirement of preferred stock	<u>-</u>	<u>-</u>	<u>(1)</u>
Total funds - financing	<u>\$ 54</u>	<u>\$ 42</u>	<u>\$ (2)</u>
Total funds provided	<u>\$100</u>	<u>\$106</u>	<u>\$101</u>

\* Includes AFUDC of: 1984: \$8 million  
1985: \$3 million  
1986: \$2 million

Percentage Ownership

in All Operating

Nuclear Units

Grand Gulf Unit 1

90.00%

Maximum Total

Contingent Liability

\$9 million