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REGULATORY DOCKET FILE

CAROLINA POWER AND LIGHT COMPANY

RALEIGH, NORTH CAROLINA

RATE CASE - 1976

DOCKET NOS. 18,361 and 18,387

REPORT

OF

UTILITIES DIVISION
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA



STATE OF SOUTH CAROLINA
THE PUBLIC SERVICE COMMISSION

P. O. DRAWER 11649
COLUMBIA, SOUTH CAROLINA 29211

July 6, 1976

Honorable Guy Butler, Chairman
South Carolina Public Service Commission
P. O. Drawer 11649
Columbia, South Carolina 29211

Dear Chairman Butler:

We are submitting the Utilities Division's Report pertaining to Carolina Power and Light Company's Rate Case under Docket Numbers 18,361 and 18,387.

The Accounting Department's Report was prepared under the supervision of Sam Hammond, Accounting Manager.

The Electric Department's Report was prepared by the Electric Department.

Respectfully submitted,

Charles W. Ballentine
Charles W. Ballentine, Director
Utilities Division

Harold Gooding
Harold Gooding, Assistant Director
Utilities Division

CWB/kmt

cc: Fred A. Fuller, Vice-Chairman
Lewis Moss, Commissioner
Abney A. Smith, Commissioner
Rudolph Mitchell, Commissioner
Henry Yonce, Commissioner
J. Henry Stuckey, Commissioner
Nathan Kaminski, General Counsel

CAROLINA POWER AND LIGHT COMPANY

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REPORT

OF

ACCOUNTING DEPARTMENT STAFF

UTILITIES DIVISION

THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

CAROLINA POWER AND LIGHT COMPANY

REPORT SYNOPSIS

Amount Requested	-----	\$22,486,985	-----	27.24%
Rate of Return on Rate Base - Total Retail As Adjusted	-----		-----	6.30%
Rate of Return on Rate Base - S. C. Retail As Adjusted	-----		-----	6.17%
Rate of Return on Rate Base - S. C. Retail As Adjusted	-----		-----	(PETER INCREASE) 6.47%
Rate of Return - Common Equity - Before Proposed Inc. (S. C. Retail)				2.79%
Rate of Return - Common Equity - After Proposed Inc. (S. C. Retail)				12.90%
Rate of Return - Common Equity - Before Proposed Inc. (S. C. Retail w/o Normalization Adjustment)			--	4.71%
Rate of Return - Common Equity - After Proposed Inc. (S. C. Retail w/o Normalization Adjustment)			--	14.76%
Embedded Cost:				
Long Term Debt	-----		-----	7.74%
Preferred Stock	-----		-----	8.01%

CAROLINA POWER AND LIGHT COMPANY

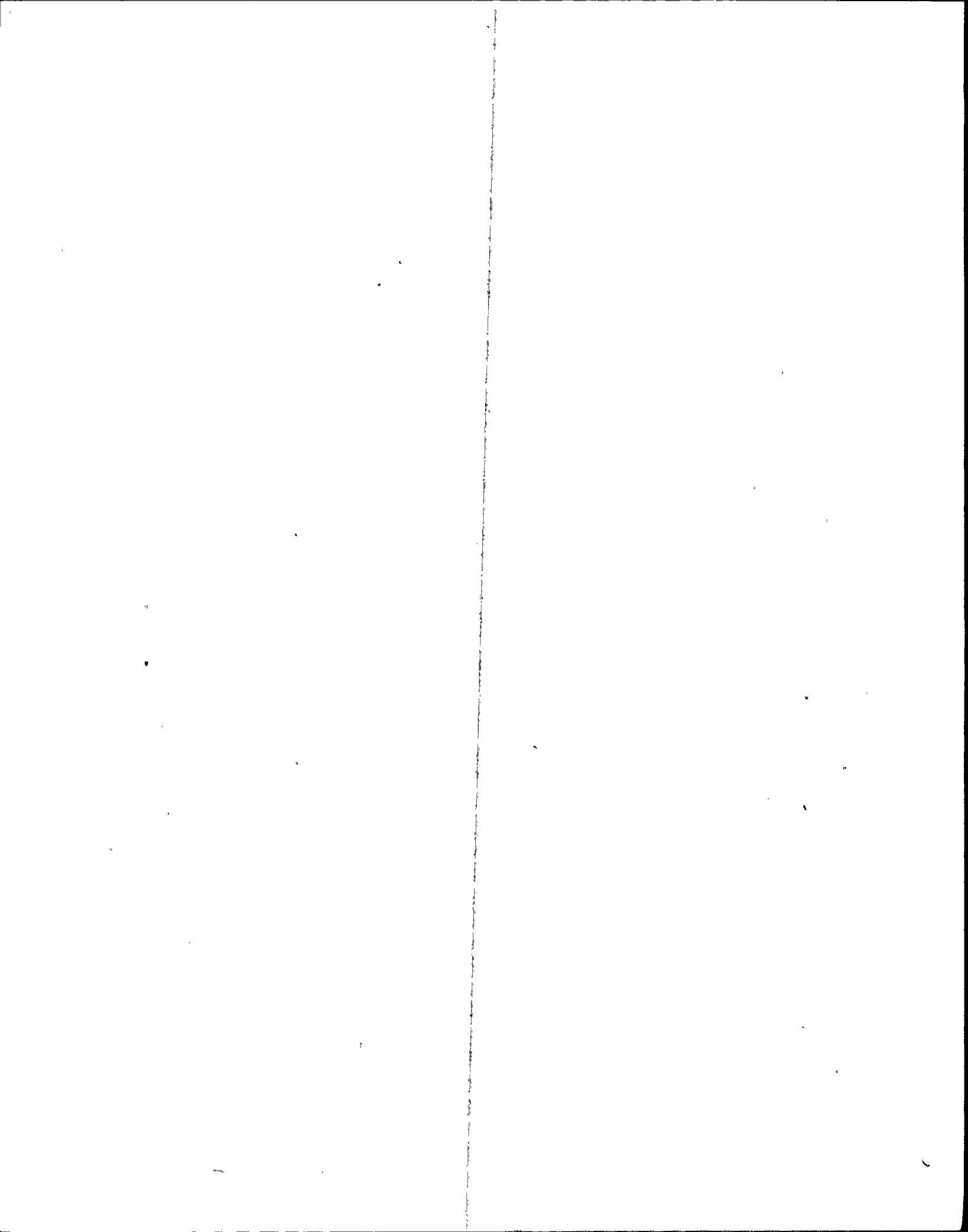
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CAROLINA POWER AND LIGHT COMPANY

RATE CASE

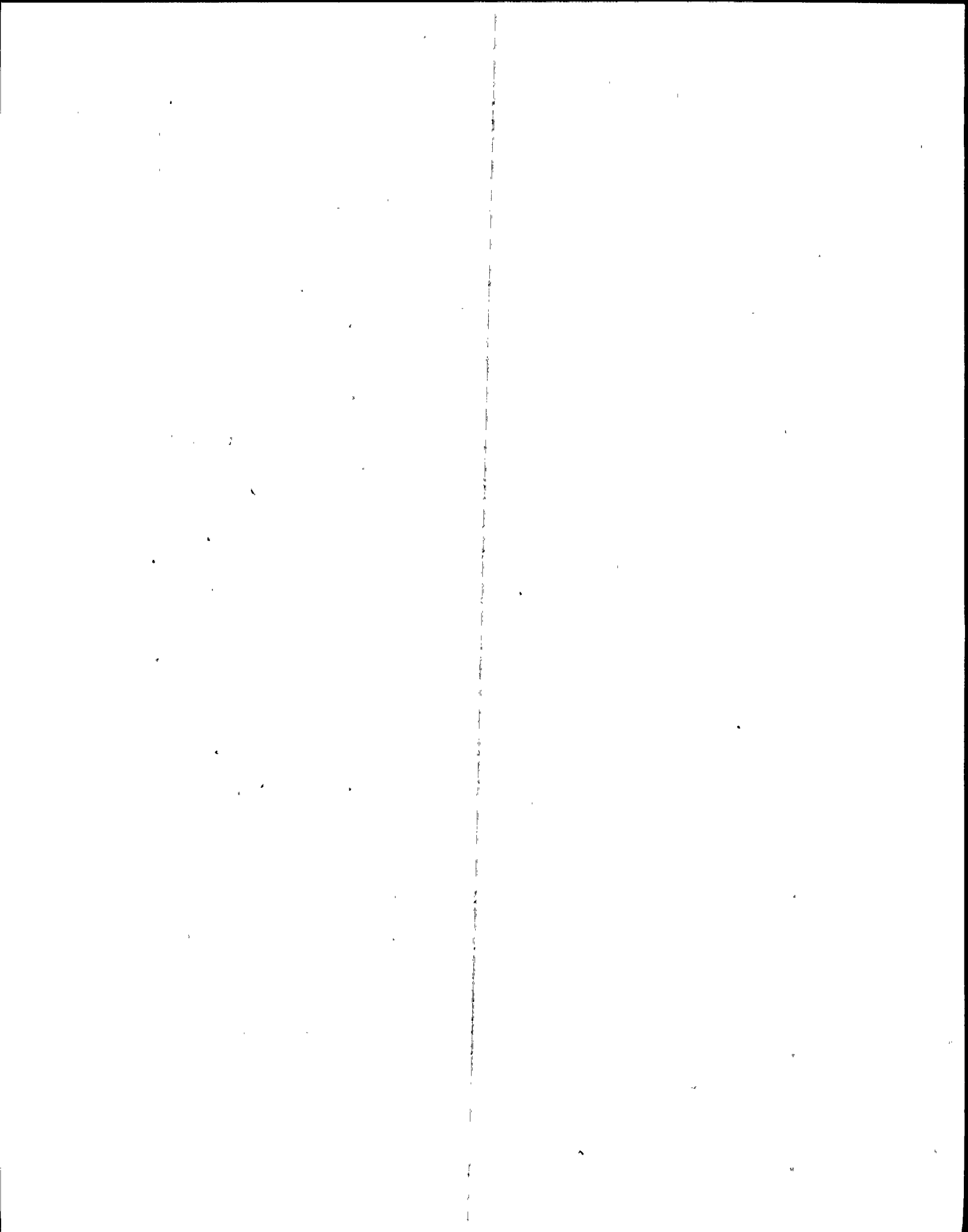
The Accounting Department Staff has made a study of the books and records of Carolina Power and Light Company (hereinafter referred to as CP&L, Carolina, Carolina Power or Company), relative to the Company's Application for authority to adjust and increase its retail electric rates, revise its depreciation rates and adjust its fuel adjustment clause under the jurisdiction of this Commission.

The Accounting Department submits the following information with reference to its study:

1. The Adjustment of retail electric rates and charges consists of two (2) Dockets and is summarized as follows:

A. Docket No. 18,631 - Application for General Rate Increase.

7-31-75: CP&L filed an Application for Authority to increase its electric rates and charges for retail customers in South Carolina by approximately \$2,012,202 (based on 1974 test period). This Application, if granted, would equalize Residential Rates in North Carolina and South Carolina.



8-1-75: The Commission issued Order No. 18,532, suspending the proposed rates until public hearings could be held on the matter, but authorized the Company to place said rates into effect subject to refund, on usage on and after September 1, 1975, pursuant to S.C. Code Ann. s 24-38 (1962).

B. Docket No. 18,387 - Application for General Rate Increase

8-11-75: On August 11, 1975, Carolina Power and Light Company filed an additional Application requesting a general increase in rates of \$19,117,335 (based on a 1974 test period) to become effective on service rendered on and after September 15, 1975.

9-2-75: The Commission issued Order No. 18,605 suspending the proposed rates until public hearings could be held on the matter, but authorized the Company to place an interim rate increase of approximately \$10,000,000 (based on a 1974 test year), subject to refund, on usage after September 15, 1975,

pursuant to S. C. Ann §24-38 (1962).

The Commission further ordered that Docket No. 18,361, dated July 31, 1975 and Docket No. 18,387, dated August 11, 1975, be consolidated for hearing purposes.

C. Docket No. 18,361 and 18,387 - Order Establishing Test Period and Requiring Updated Exhibits.

10-29-75: The Commission issued Order No. 18,764 directing CP&L to utilize a 1975, rather than a 1974 test period and to submit updated exhibits by March 1, 1976.

11-14-75: CP&L requested an extension of the March 1, 1976, filing date for updated exhibits reflecting 1975 test year information.

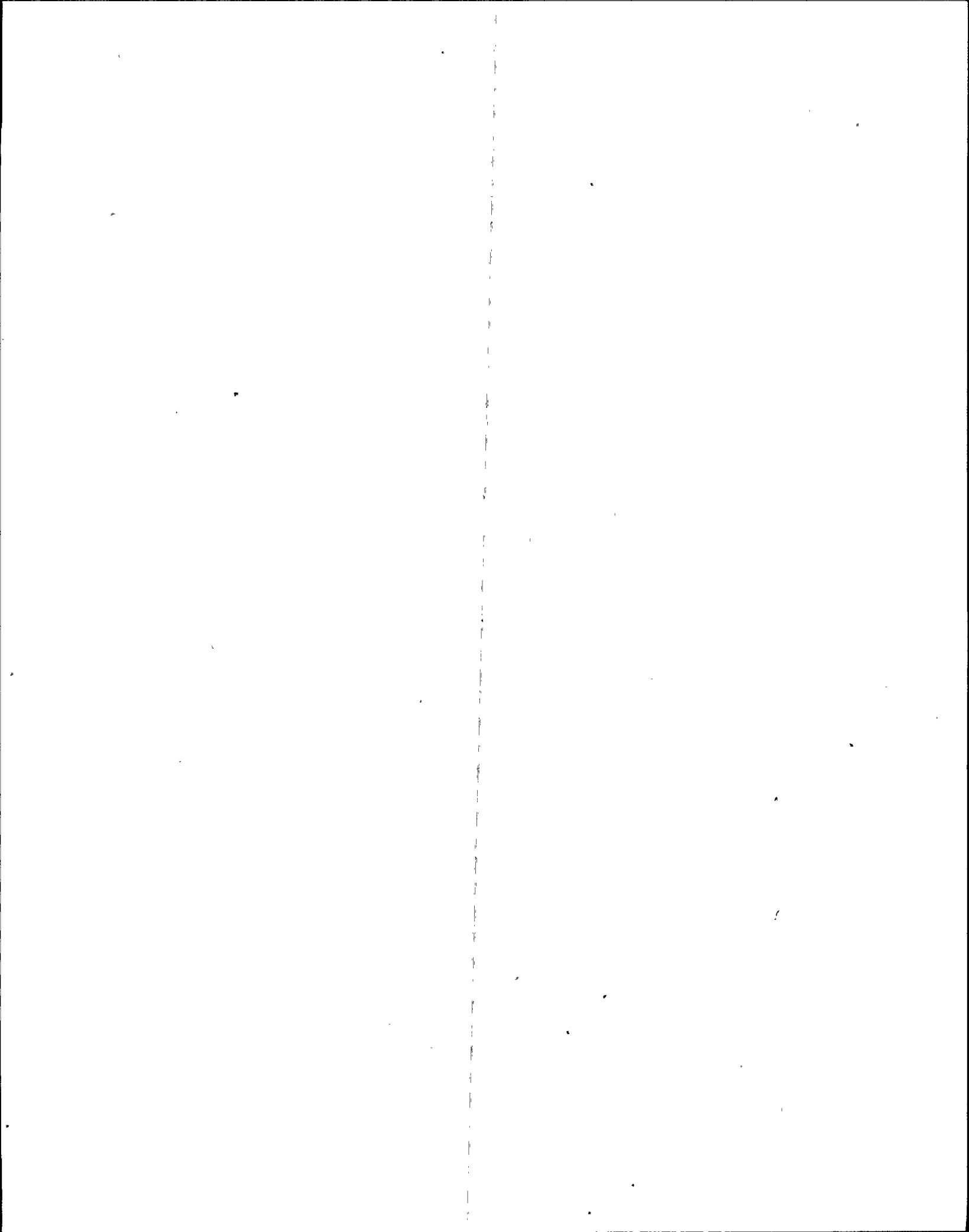
11-18-75: The Commission issued Order No. 18,808 directing CP&L to file updated exhibits reflecting 1975 test year information by May 1, 1976.

D. Docket No. 18,387 - Supplement to Application for Approval of New Depreciation Rates.

2-9-76: CP&L requested that its application under Docket No. 18,387 be supplemented to include a request for revised depreciation rates. The Company further requested that it be given permission to book these rates effective October 1, 1975,

pending a hearing thereon and a final order issued by the Commission. Permission to book the requested depreciation was granted by the Commission in Order No. 19,045, dated February 12, 1976.

2-24-76: CP&L filed an additional Application requesting that the full effect of its Application under Docket No. 18,387 be allowed to go into effect for service rendered on and after March 1, 1976, upon the condition that the Company undertake to refund to its customers any amount (with interest), if any, collected in excess of the amount which would have been collected under rates and charges finally determined to be fair and reasonable. This phase of the rate request implementation totaled approximately \$9,117,335, (based on 1974 test period). The full effect of the rates as filed on August 11, 1975, are adjusted by Rider 35A which reduces the rate schedules by \$0.005536 per KWH, which is the amount included in said rates for the cost of fossil fuel allowed in the Company's presently approved rates. This rider would be utilized since the Company is to continue to operate under its presently approved Fossil Fuel Clause.



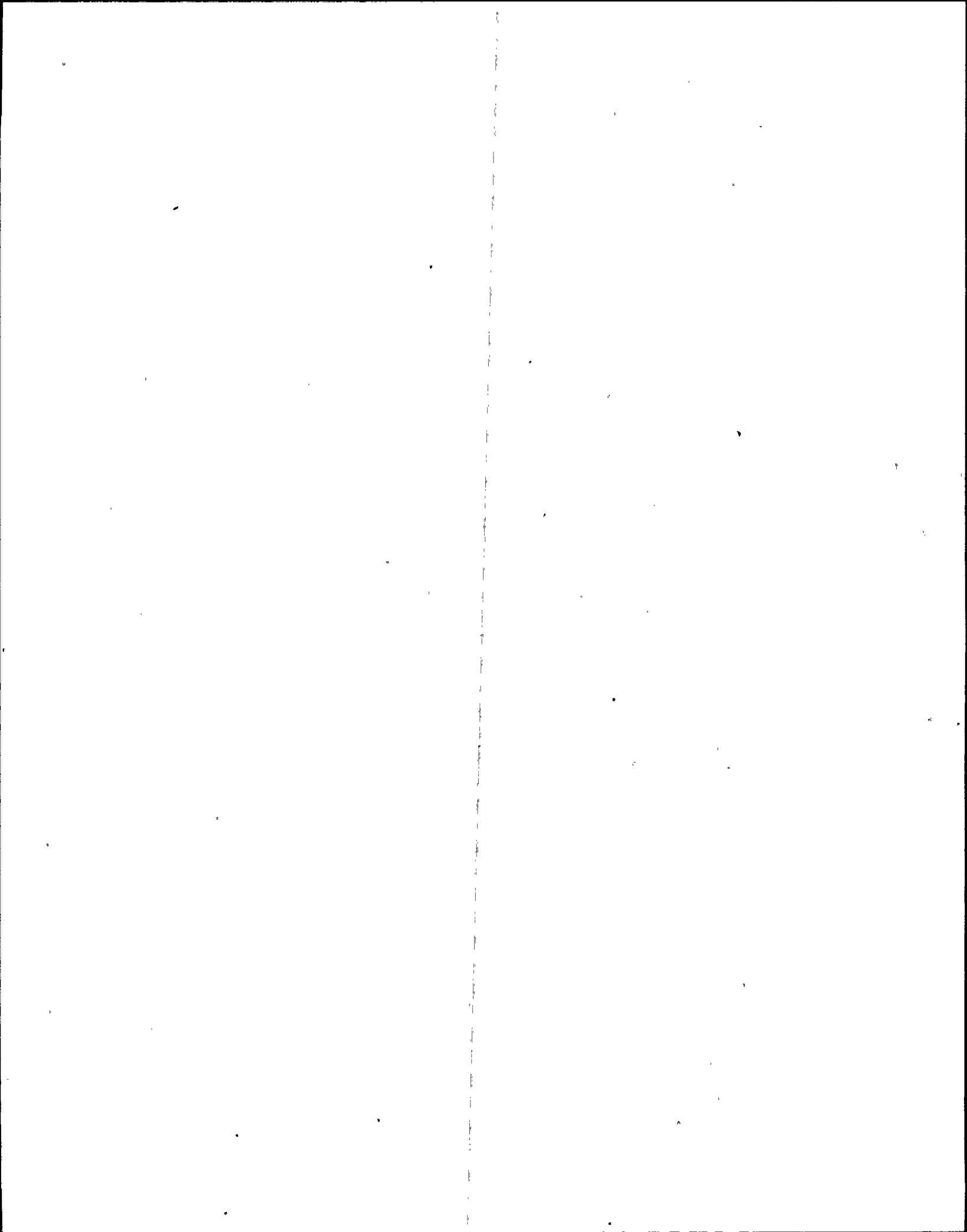
E. Docket No. 18,361 and 18,367 - Supplemental Petition from CP&L requesting the Commission to consider an alternative retail fuel adjustment clause and alternate rates.

5-4-76: CP&L filed a Supplemental Application requesting the Commission to consider an alternative retail fuel adjustment clause, Rider No. 39, and alternative rates.

2. Based on the test year 1975, (as ordered by the Commission), the proposed rates would result in additional revenue of \$22,486,985. This requested increase is summarized as follows:

(1) Type of Service	(2) Base Revenue \$	(3) \$.005536/KWH \$	(4) Base Revenue \$	(5) Proposed Rates \$	(6) Monetary Increase \$	(7) Per Cent Increase %
Total Residential	22,147,461	5,895,029	28,042,490	37,156,835	9,114,345	32.50%
Total Small General Service	9,679,685	1,975,614	11,655,299	14,048,610	2,393,311	20.53%
Total Large General Service	30,019,620	11,146,936	41,166,556	51,870,258	10,703,702	26.00%
Total Lighting	1,669,551	6,162	1,675,713	1,951,340	275,627	16.45%
TOTAL	<u>63,516,317</u>	<u>19,023,741</u>	<u>82,540,058</u>	<u>105,027,043</u>	<u>22,486,985</u>	<u>27.24%</u>

3. As of the end of the test year, CP&L had outstanding Common Stock of \$565,609,691 consisting of 32,692,791 shares of 60,000,000 shares authorized. The Outstanding Preferred Stock consists of 4,887,259 shares totaling \$336,018,400. The long term debt consists of various issues totaling \$1,109,030,000 with an embedded cost rate of 7.74% (See Exhibit D for details).

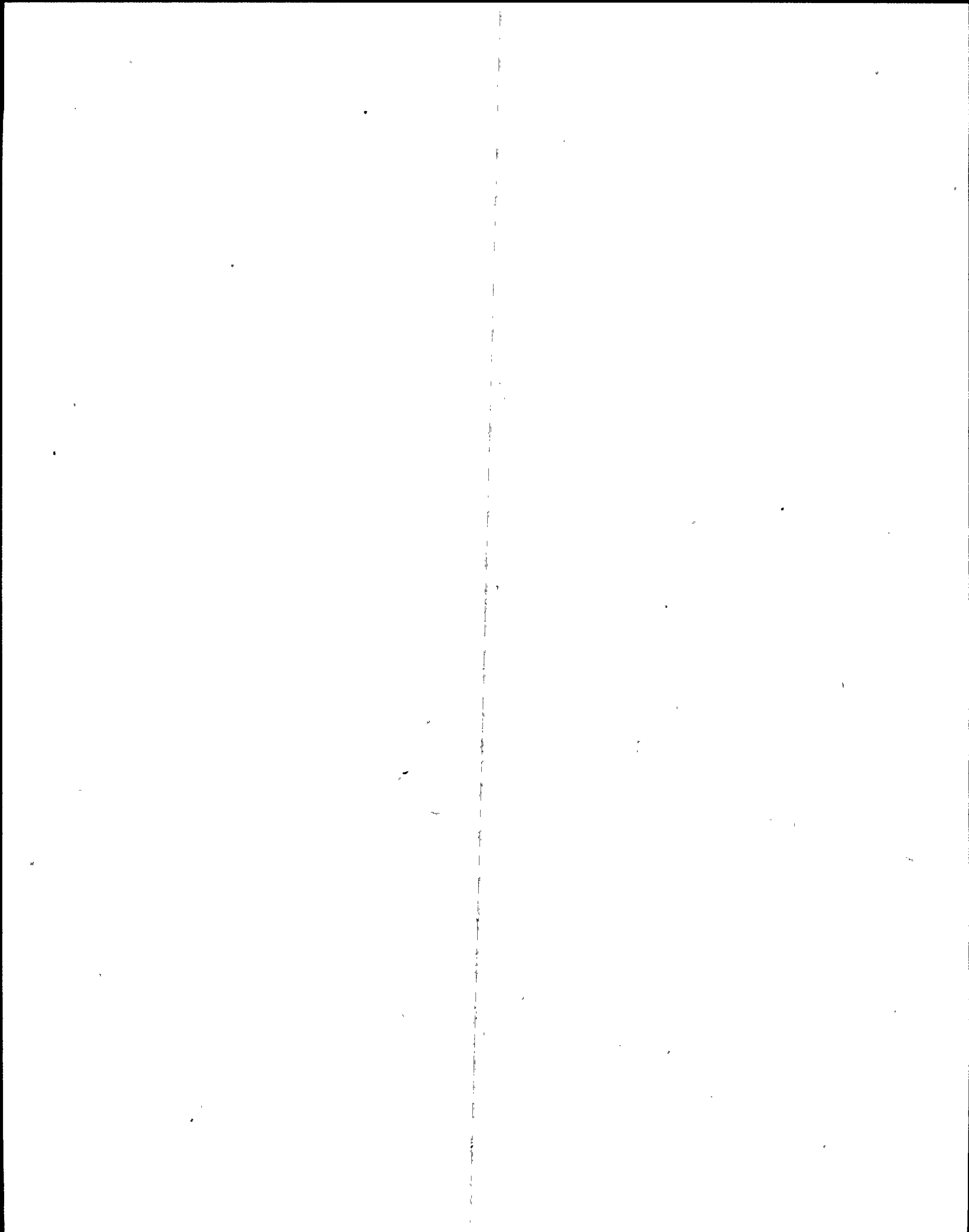


4. COMPUTER APPLICATIONS

The Staff also utilized the Auditape, a computer audit software program, developed and marketed by Haskins and Sells, Certified Public Accountants, in its audit procedures. The Staff was of the opinion that since portions of the Accounting information system was computerized it would be necessary to utilize the Auditape to increase the Staff's reliability in the system.

In order to accomplish this, the Staff, after meeting with the Company's personnel and reviewing the information flow, made use of the Company's computer tape files of cash disbursements and journal vouchers for the test year. These files contained all of the cash disbursements and journal vouchers issued by the Company for the test year ended December 31, 1975. These tapes were subtotaled by FPC account number, and these subtotals were agreed to ledger cards which are a part of the general ledger. This step gave the Staff reasonable assurance that the items to be selected in subsequent audit steps were reflected in the per book amounts reported in the Company's financial records.

The Auditape was also used to provide a random sample of Operation and Maintenance Expense transactions for review. These transactions were selected on a total company basis. The Staff took no exception to the items reviewed.



As a final step, the Staff used the Auditape to select for more detailed analysis, expense transactions which were directly charged to South Carolina operations. These transactions were sampled by the Staff for review. The Staff noted no exceptions in the sample items reviewed.

5. Staff exhibits relative to the Company's request for authority to increase its retail electric rates, revise its depreciation rates and adjust its fuel adjustment clause are as follows:

EXHIBIT A: OPERATING EXPERIENCE, RATE BASE AND RATE OF RETURN

Shown in Exhibit A is the Company's Operating Experience, Rate Base and Rate of Return for the test year ended December 31, 1975. The Exhibit's format is designed to reflect per book information for Total System, per book information for South Carolina Retail Operations and applicable accounting and pro forma adjustments necessary to normalize the Company's test year operations. For South Carolina Retail, the test year is normalized before and after the effect of the requested increase. Exhibit A-1 shows the details of each adjustment.

CP&L's book balances for Total System were verified to the Company's General Ledger. Customer Growth (Footnote A) and Cash Working Capital (Footnote B) were computed by Staff utilizing standard Commission procedures for electric utilities (See Exhibit A-2 and A-3 for details). Staff computed a Rate of Return of 8.30% on the Company's Per Book Total System Operations. The computation employed Total Income for Return of \$191,447(000) and a Rate Base of \$2,307,158(000).

Staff utilized Adjustments #1 through #13 which are fully explained in Exhibit A-1 to normalize the Total System Operations. These adjustments were further apportioned to Wholesale, Total Retail and South Carolina Retail. This apportionment of adjustments produced the following:

<u>Description</u>	<u>Total Income For Return</u>	<u>Rate Base</u>	<u>Rate of Return</u>
Total System	\$135,456(000)	\$2,274,143(000)	5.96%
Total Co. Whsl.	20,834(000)	456,025(000)	4.57%
Total Co. Retail	114,529(000)	1,818,118(000)	6.30%
S.C. Retail	20,636(000)	334,611(000)	6.17%

Staff utilized Column #9 (Total Requested Increase) to reflect the \$22,487(000) increase in annualized revenues sought by CP&L. Exhibit A-6, titled Implementation of Requested Increase, details the requested increase according to the date the appropriate rates were placed in effect under bond. Further, taxes of \$11,528(000) associated with the requested increase are segregated in the same format as the increased rates. CP&L is therefore projected to net \$10,959(000) from this rate case based on a 1975 test year.

Based on Staff's study of CP&L's books, the appropriate Accounting and Pro Forma Adjustments and the requested increase, Staff computed a Rate of Return of 9.47% on South Carolina Retail Operations. This Rate of Return is base on an expected Total Income for Return of \$31,672(000) and a Rate Base of \$334,611(000).

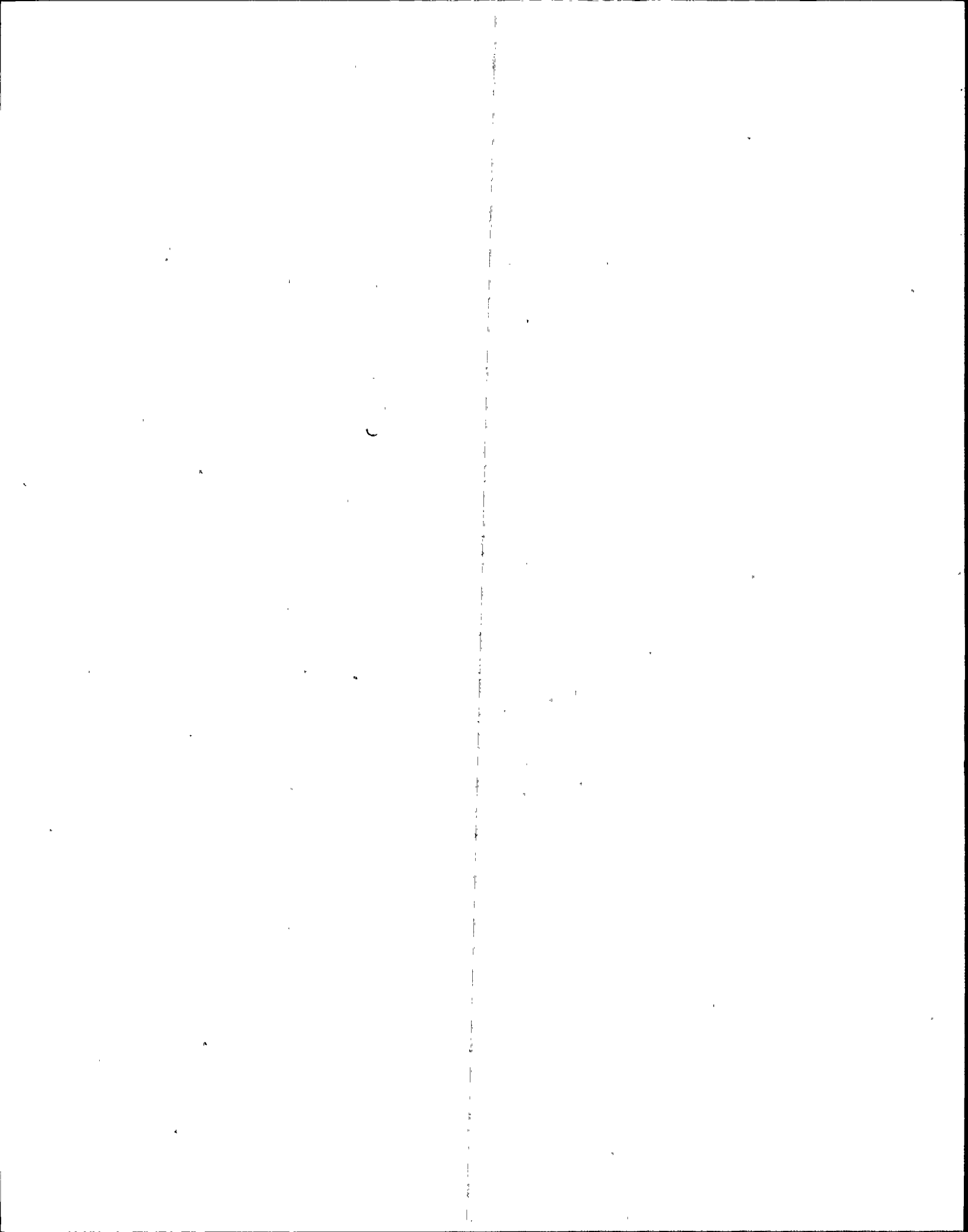
EXHIBIT A-1: SUMMARY OF ADJUSTMENTS

For comparative purposes, Staff has presented Company adjustments and Staff adjustments as Exhibit A-1 consisting of pages 1-9. Company adjustments are those presented in Davis Exhibit 1, Pages 2-8. Columns 4 and 5 include Staff's adjustments and Column 6 is Staff's adjustment number for reference to Exhibit A for both System Total and S. C. Retail.

(1) Revenue Adjustments

(a) Revenues were increased by \$65,982 for a retail rate increase which went into effect during the test year. Had the increase been in effect for the full test year, the Company would have realized this additional amount of revenue for S.C. Retail operations.

(b) During November, 1975, the Company brought on line Brunswick #2 nuclear generating unit. To annualize the effect of a full year's operation, it was necessary to adjust revenues, expenses, and Rate Base items. The Company only had the benefit of nuclear generation from the new Brunswick plant for approximately two months during the test year. Had the nuclear unit been available for the entire test year, it would have displaced generating capacity from other fossil fuel plants. Since increased costs of fossil fuel above base are automatically passed on to the ratepayer by means of the fuel adjustment clause, it was necessary to make an adjustment to fuel clause revenue to reflect the loss in revenue. Based on actual fossil fuel generation for the test year and estimated annualized generation from the



new Brunswick plant, it is projected that fuel clause revenue would decrease by (\$36,261,991) for system total operations and (\$5,060,101) for S.C. Retail Operations. A review of the workpapers and supporting documents for the adjustment has been performed by Staff Engineers of the Commission's Electric Department and Staff is in basic agreement with the projected impact of the annualization of the Brunswick unit.

(c) A portion of the requested rates in this proceeding was placed into effect on September 1, and September 15, 1975 subject to refund, and was therefore, reflected in test year operating revenues. The Company made an adjustment to remove the interim revenue effect of the proposed rate which produced (\$17,471,890) system-wide and (\$3,060,439) for S.C. Retail operations. The interim rates placed into effect during the test year in North Carolina have since been approved, but Staff has made no adjustment since it would have no effect on S.C. Retail Operations.

(d) During the test year 1975, Operating Revenues reflected a charge for estimated refunds to be made to S.C. Retail customers as a result of the last general retail rate increase. The difference between the estimated refund and the actual amount refunded and credited to 1975 revenues but attributable to 1974 operating was \$39,629 which understated revenues for the test year by that amount. An adjustment was made to properly reflect test year operations.

(2) O & M Expense Adjustments

(a) An Adjustment was proposed by the Company and accepted by Staff to increase Insurance Expense by \$109,024

for System and \$15,645 for S.C. Retail. The System total amount was capitalized during the test year and should have been expensed.

(b) During 1973, the Company expensed to Account #930 costs of "Carven County Abandoned Plant Site". As a result of the last general retail rate increase, this Commission ordered a 5-year amortization of these expenses for rate-making purposes. The adjustment totals \$94,088 for system with \$13,501 being allocated to S.C. Retail representing one year's amortization.

(c) Based on a 45-year average, the Company was able to obtain an above-average level of hydro generation for the test year. When hydro generation for the test year is normalized to represent a 45-year average, KWH production from other sources would have resulted in increased fuel costs of \$1,168,558 for Total Company and \$169,934 for S.C. Retail based on a cost of 5.13 mills per KWH (base cost of fuel).

(d) Wages and fringe benefits were annualized to an end of year level based on December 1975 payroll resulting in a total company increase to O & M expenses of \$4,560,087 with \$736,215 apportioned to S.C. Retail.

(e) The Company made an adjustment to reflect a postage increase effective December 28, 1975. Based on year-end customers the annualized effect would be an increase of \$293,331 to total system and \$50,452 to S. C. Retail.

(f) Fuel Expense is projected to decrease by (\$29,446,998) for total system and (\$4,282,247) for S. C. Retail as a result of annualizing the operation of Brunswick #2 nuclear unit. The reduced fuel expense is the result of restated generation based on a new power estimate made by the Company's Bulk Power Supply Department. Fuel requirements were then determined based on the adjusted generation from system resources including the nuclear unit.

(g) As a result of the addition of Brunswick #2, it is projected that other O & M Expenses would increase by \$2,470,000 for total system and \$356,820 for S. C. Retail. Included in these amounts are increased production expenses, excluding fuel, for a full year's operation including Supervision and Engineering, Maintenance etc.

(h) Based on the new power estimates referred to in Adjustment 2(f) including the availability of Brunswick, it is estimated that Purchased Power could be reduced by (\$7,032,261) on total system. Purchased Power for the test year was \$13,114,681.

(i) Included in Account #557 for the test year was \$20,650,131 related to Deferred Fuel Cost as a result of the time lag between incurring increased fuel costs and billing those costs to customers. Again, due to the annualization of Brunswick which resulted in decreased fuel expense (Adjustment 2(f), it is estimated that the deferred portion would also decrease by (\$11,261,289) company-wide with (\$1,497,786) allocated to S. C. Retail.

(j) Also included in Account #557 for the test year was a credit to expenses of (\$2,452,655) relating to expenses incurred for initial testing operation of Brunswick #2. For the purpose of reflecting a normalized year and since this item is non-recurring in nature, an adjustment was made to increase O & M Expenses by this amount. S. C. Retail was apportioned \$354,314.

(k) Lines 1,2, & 3 - During a normal operating year, the Company maintains that Maintenance Expense would be increased in total by \$5,217,000 representing that Maintenance, which was deferred during the test year. Maintenance classified by functional category is as follows:

	<u>Total</u>	<u>S. C. Retail</u>
Production Maintenance	\$ 507,000	\$ 73,729
Transmission Maintenance	710,000	101,324
Distribution Maintenance	4,000,000	649,236

(l) In Account #930, "Miscellaneous General Expenses," the Company included \$366,793 for "National and Local Institutional Advertising Expenses". Of this amount, \$37,747 was attributable to Energy Conservation. Staff agree with advertising to conserve energy, but is of the opinion that advertising to promote the Company and its image should be borne by the stockholders rather than the ratepayers. As a result, Staff made an adjustment to decrease O & M Expenses by (\$329,046) on system total. This has the effect of transferring Institutional Advertising excluding Conservation, to below-the-line for rate making purposes. Staff allocated the S. C. Retail portion of the adjustment by use of

the Company's Jurisdictional Allocation Study. The factor computed for S. C. Retail was 16.14%, or (\$53,108).

(m) Also included in Account #930, "Miscellaneous General Expenses", for the test year were Dues to various Chambers of Commerce totaling \$11,614. Staff feels that these expenditures are not necessary to electric operations and has excluded this amount from O & M Expenses. S. C. Retail O & M Expenses were decreased by (\$1,874).

(3) Depreciation Expense Adjustment

Depreciation Expense was adjusted by the Company to reflect an increase of \$14,919,000 for total Company and \$2,155,928 for S. C. Retail. These amounts represent what Depreciation would have been for the test year had the plant in service at year end been in service for the entire test year. Also included as a part of the adjustment is a change in Depreciation rates as recommended by Ebasco Services, Inc., based on a study of Plant in Service at December 31, 1974.

(4) Taxes Other Than Income Adjustments

(a) As a result of revenue changes made in Adjustment #1, Gross Receipts Taxes are projected to decrease by (\$2,747,794) for total system and (\$24,044) for S. C. Retail. The tax assessment rate for North Carolina is 6.0% and 0.003% for South Carolina. These rates were applied to the respective applicable revenue adjustment resulting in the projected tax decrease.

(b) Social Security Taxes are projected to increase by \$57,508, based on end of period employees, due to an increase in the FICA wage base from \$14,100 to \$15,300. Amount allocated to S.C. Retail is \$9,285.

(c) As a result of increasing Wages and Fringe Benefits to an end of year level (adjustment 2d), Payroll Taxes will also increase by \$234,822 for total company and \$37,911 for S.C. Retail.

(d) As a result of the increase to Plant in Service during the test year, Property Taxes are projected to increase by \$4,091,032 for total system based on end of year plant. Property Taxes charged to O & M Expense for the test year was \$11,792,708 while estimated taxes on end of year plant is \$15,883,740. S.C. Retail portion is an increase of \$607,108.

(5) State Income Tax Adjustments

(a) State Income Taxes were adjusted by Company and Staff to reflect the state income tax effect of previously mentioned revenue and expense adjustments. The Company's computation resulted in a decrease to State Income Taxes of (\$1,620,568) for total system and (\$481,268) for S.C. Retail. Staff's Adjustment to revenue and expense items produced a decrease of (\$1,944,826) with (\$477,969) apportioned to S. C. Retail.

(b) State Income Taxes were also decreased for the tax effect of annualizing interest on year-end plant. Total Interest Expense per books of \$89,955,262 was allocated between operating and non-operating taxes. Based on the ratio of plant at year-end

the amount of Interest allocable to operating taxes would increase as a result of the additions to plant in service, and State Income Taxes would, therefore, be less. The projected decrease is (\$646,376) for total company and (\$95,922) for S. C. Retail.

(c) State Income Taxes are projected to increase as a result of previously made adjustments to Property Taxes, FICA Taxes and Payroll Taxes capitalized during the test year. When these capitalized taxes are adjusted to end-of-period Construction Work in Progress, the result is a projected decrease in these taxes which would necessitate an increase to State Income Taxes of \$16,900 for Total System and \$2,328 for S. C. Retail.

(6) Federal Income Tax Adjustments

(a) Federal Income Taxes were adjusted to reflect the tax effect of all revenue and expense adjustments. Company Adjustments resulted in a projected decrease in Federal Income Taxes of (\$23,254,922) for Total System and (\$3,619,140) for S. C. Retail. Staff's adjustments produced a decrease to Federal Income Taxes of (\$22,935,761) for Total System and (\$3,594,332) for S. C. Retail. The difference is attributable to the tax effect of O & M Expense adjustments made by Staff which were not made by the Company.

(b) Federal Income Taxes were decreased for the reasons given in Adjustment 5(b) i.e., Interest Expense allocable to operating taxes based on Plant in Service at the end of the test year. Federal Income Taxes are decreased by (\$4,860,744) on Total System and (\$721,332) for S. C. Retail.

(c) Federal Income Taxes were increased for the reasons given in Adjustment 5(c) i.e., to compute Federal Income Tax effect based on end of year Construction Work in Progress. Again, based on end of year Construction, capitalized taxes would have been less and Federal Income Taxes would therefore, have been more in the amount of \$127,090 for total system and \$17,507 for S.C. Retail.

(7) Provision for Deferred Income Taxes Adjustments

(a) In Staff Adjustment 2 (i), it was projected that Deferred Fuel Expense could be reduced by (\$11,261,289) for total system and (\$1,497,786) for S.C. Retail if the year-end plant, to include Brunswick Nuclear, had been in service for the entire test year. Deferred Taxes related to this Deferral Fuel Expense have been recorded to Account #410.1, "Provision for Deferred Income Taxes" and subsequently credited to Account 411.1 Provision for Deferred Income Taxes Credit," when the deferral expense is recovered. Had the net fuel deferral for the test year been reduced by the amount shown in Staff Adjustment 2 (i), the credit to Deferred Income Taxes would have been reduced. Increasing net deferred taxes for the test year by \$5,405,419 for total system and \$718,937 for S.C. Retail changes deferred taxes for the reduced deferred fuel expense.

(b) Also included as an adjustment to Deferred Income Taxes is a proposal by the Company to normalize the tax benefits of certain items which have previously been "flowed-through" to the benefit of current ratepayers. These items consist of

(1) the tax effect of capitalized items (Property Taxes and Pension Costs) which are deductible for tax purposes totaling \$3,279,000 for total company and (2) a portion of the tax benefits arising from the difference between book depreciation and accelerated depreciation totaling \$12,335,000. The tax benefits arising from both of the above-mentioned items have previously been under the "flow-through" method, thereby reducing the current book income taxes and increasing Net Operating Income. The proposed adjustment requires an increase to Deferred Income Taxes in the amount of \$15,614,000 for the test year for total Company. By this normalization method taxes are not deferred for future ratepayers. Over the life of the asset, taxes will be normal as if the Company had used straight-line depreciation.

For purposes of this proceeding, Staff has disallowed a portion of the adjustment for capitalized items totaling \$3,279,000. Though Staff is basically in agreement with the normalization method of accounting, we feel that a change to full normalization is an undue burden on the current ratepayer.

Since the Company was actually under the "flow-through" method during the test year for capitalized items, Staff recommends the same treatment for rate-making purposes and would recommend that the company achieve full normalization for future rate-making purposes. Therefore, Staff's adjustment totals \$12,335,000 for total Company and \$2,197,325 for S.C. Retail.

(8) In accordance with this Commission's directive dated November 13, 1974, concerning components to be included in Total Income for Return, staff has adjusted per book Allowance for Funds During Construction to reflect only that amount which applies to end-of-period Construction Work in Progress. By this method, the Company is not required to include AFDC on construction which has already been transferred to Plant in Service. Staff feels this method more accurately reflects what the Company can reasonably be expected to earn in future periods based on an historic test year. The Adjustment totals (\$24,429,000) for total Company and \$3,513,000 on S.C. Retail.

(9) Also, in accordance with this Commission's Directive of November 13, 1974, Staff has included "Income Tax-Credit" as a part of Total Income for Return. "Income Tax-Credit" is the negative taxes taken below the line but is included as a part of Total Income for Return due to the inclusion of Construction Work in Progress in the Rate Base.

The Company's Adjustment included a re-allocation of year end Interest Expense based on the relationship of Plant in Service to Construction Work in Progress at year end. This re-allocation produced Interest Expense attributable to Construction Work in Progress of \$28,135,930 producing the "Income Tax-Credit" of \$14,383,087. Actual "Income Tax-Credit" per books taken below the line was \$19,733,336 for a difference of \$5,350,249). Since the amount of Interest Expense allocated to year end CWIP would be less, the Income Tax-Credit is reduced by this amount. S.C. Retail portion of the adjustment is (\$793,975).

(10) Plant in Service Adjustment

Adjustment #10 was necessary to reduce Plant in Service by (\$109,024) since this amount was charged to Plant in Service during the test year when it should have been expensed (See Staff Adjustment 2-a). The amount allocated to S.C. Retail is (\$15,645).

(11) Accumulated Depreciation Adjustments

Accumulated Depreciation is increased, thereby reducing Rate Base, in the amount of (\$14,919,000) for system total and (\$2,155,928) for S.C. Retail. This Adjustment is made to reflect what the charge to Depreciation Reserve would have been if the Plant in Service at year-end had been in service all year (Staff Adjustment #3). Also reflected is a change in Depreciation Rates as recommended by the firm Ebasco Services, Inc., based on an engineering study. The proposed rates have also been reviewed by Staff engineers of the Commission's Electric Department.

(12) Materials and Supplies Adjustments

(a) The Company adjusted Materials and Supplies to reflect a decrease to Deferred Fuel Stock as a result of annualizing the operation of Brunswick #2 Nuclear Unit. Included in Materials and Supplies for the test year was Deferred Fuel Stock of \$14,377,915. Had Brunswick been on line for the full test year, it is estimated that the Deferred Fuel Stock could have been reduced to \$13,158,249 based on the overall system restated generation. This amount would include the estimated Deferred Fuel related to S.C. Retail for the

months of November and December, 1975, plus the unrecovered portion of Deferred Fuel related to N. C. Retail operations. The adjustment reduces Materials and Supplies by (\$1,219,666) for total company with (\$224,499) being allocated to S. C. Retail.

(b) Included in Account #155 as a part of Materials and Supplies for the test year was "Merchandise" of \$8,222. Since Materials and Supplies is a part of Rate Base upon which investors are entitled to earn a rate of return, Staff has eliminated "Merchandise" as being unrelated to the sales of electricity. Staff computed an allocation factor of .1556 for S.C. Retail from the Company's Jurisdictional Allocation Study. Amount allocated to S.C. Retail was \$1,279.

(c) As a part of the Company's last rate application, Docket Nos. 17,134 and 17,336, before this Commission, an adjustment was proposed to increase fuel supply to an August, 1974 price level based on a 1973 test year. The adjustment was proposed due to the rapidly rising prices of coal. Since the price of coal has been decreasing, Staff feels that a similar adjustment should be made to reflect that decrease for this proceeding. Staff has, therefore, adjusted the end of year coal inventory to April 30, 1976 average cost per ton which were the latest figures available at the time of preparation of this report. Even though this adjustment encompasses a known change occurring beyond the test year, Staff has, in previous cases, accepted adjustments for known changes up to the date of filing a rate application. Staff is of the opinion that this adjustment is necessary to more accurately reflect future expectations of coal prices.

The revaluation of the ending inventory to April 30, 1976 average cost (\$25.57) per ton decreased ending inventory by (\$1,339,212). Staff computed an allocation factor of .1454 from the Company's Jurisdictional Allocation Study resulting in a decrease to inventory allocated to S. C. Retail of (\$194,721).

(13) Accumulated Deferred Income Tax Adjustments

Due to the adjustment previously discussed in Staff Adj. 7(b), Accumulated Deferred Income Taxes are increased by \$12,335,000 on total system with \$1,804,183 being allocated to S. C. Retail. This has the effect of normalizing a portion of the tax benefits associated with Accelerated Depreciation which have previously been under the "flow-through" method. Since Deferred Income Taxes are a form of cost-free capital and an element upon which Staff feels investors are not entitled to earn a rate of return, the adjusted amount of \$79,926,000 is a deduction from Rate Base on Staff Exhibit A.

EXHIBIT A-2: CALCULATION OF CUSTOMER GROWTH

The computation for Customer Growth produced a factor of 0.95% for Total Electric System. In that gains in Wholesale Customer are nominal, Staff applied this factor to Total Company Retail Operations. With reference to South Carolina Operations, Staff utilized a factor of 0.70%, applied it to Net Operating Income and arrived at a monetary growth amount of \$170(000) after accounting and pro forma adjustments.

EXHIBIT A-3: COMPUTATION OF CASH WORKING CAPITAL

Shown in this exhibit is Staff's computation of Cash Working Capital. The allowance after accounting and pro forma adjustments amounted to the following:

Total System Adjusted	-	\$47,204(000)
Total Wholesale Adjusted	-	8,530(000)
Total Retail Adjusted	-	38,674(000)
Total S.C. Retail Adj.	-	7,405(000)

EXHIBIT A-4: RECONCILIATION OF TOTAL INCOME FOR RETURN

Shown in this Exhibit is Staff's reconciliation of the Company's Total Income for Return reconciled to Staff's Total Income for Return.

EXHIBIT A-5: RECONCILIATION OF RATE BASE

Shown in this Exhibit is Staff's reconciliation of the Company's Rate Base reconciled to Staff's Rate Base.

EXHIBIT A-6: IMPLEMENTATION OF REQUESTED INCREASE

Shown in this Exhibit are the stages that CP&L implemented its requested increase in annual revenues of \$22,486,985.

EXHIBIT B: CP&L METHOD - OPERATING INCOME RATE BASE,
AND RATE OF RETURN

Operating Experience, Rate Base and Rate of Return as computed by the Company was submitted as Davis Exhibit No. 1. Staff has included these same exhibits for comparative purposes. The Company prepared schedules are included as Exhibits B through B-4. Any exceptions taken by the Staff to the Company method of computing Total Income for Return and Rate Base computation have been explained in detail in Exhibit A-1. The Company prepared schedules are as follows:

- Exhibit B - Operating Experience
- Exhibit B-1 - Summary of Adjustments
- Exhibit B-2 - Rate Base
- Exhibit B-3 - Effect of Proposed Increase
- Exhibit B-4 - Return on Common Equity

EXHIBIT C: REVENUE EFFECT OF PROPOSED INCREASE

The Company's retail customers are separated into (4) four broad classifications which include residential (Res.) small general service (SGS), large general service (LGS), and lighting.

The proposed increase for Total Residential Service is 32.50%. The largest percentage increase in this category is for the R-3 rate (Water Heating).

Total Small General Service is proposed to increase by 20.53%. Within this class the percentage increase varies from a low of 19.65% to a high of 32.92%.

Large General Services averages approximately 26% and is as high as 33% for a single class.

The proposed average percentage increase for lighting is 16.44%. The highest increase in this class is 24.89% for Sports Field Lighting.

The total requested increase is \$22,486,984 which is used in Staff's Exhibit A, Line 4, Column 9, to compute Total Income for Return after the proposed increase.

EXHIBIT D: COMPARISON OF CAPITALIZATION AND COMPUTATION
OF EMBEDDED COST OF LONG TERM DEBT AND PREFERRED
STOCK

Capitalization Ratios are compared for the calendar years 1974-75. Long Term Debt decreased from 55.33% in 1974 to 52.19% in 1975 and Preferred Stock decreased from 15.42% to 15.18% while Common Stock increased from 22.46% to 25.55%.

Amounts shown for Long Term Debt are computed on the face amounts of bonds outstanding less the Net Unamortized Premium and Discount which totals \$3,980,298 for 1975 and \$2,819,036 for 1974. Retained Earnings excludes any amount restricted for future Federal Income Taxes and excludes Investment in Subsidiary Companies of \$1,674,000 in 1974 and \$75,000 in 1975.

Also, shown in Exhibit D, page #2 is the computation for Embedded Cost on Long Term Debt of 7.74% for both 1974 and 1975. Page #3 shows an Embedded Cost on Preferred Stock using annualized dividends of 7.49% for 1974 and 8.01% for 1975.

EXHIBIT E: RETURN ON COMMON EQUITY - S.C. RETAIL OPERATIONS

Return on Common Equity for South Carolina Retail Operations is computed before and after the proposed increase. The rate base which is apportioned to South Carolina Retail Operations is allocated among various classes of capital according to the respective capitalization ratios for Long Term Debt, Preferred Stock and Common Stock. The amount of Net Operating Income necessary to cover the Embedded Cost on Long Term Debt and Preferred Stock is then computed. The balance of Net Operating Income (\$3,050,000) is allocated to Common Equity resulting in a Return on Common of 2.79% before the Proposed Increase. Overall cost for all classes of capital is 6.17% which equals the Rate of Return on Rate Base allocated to South Carolina Retail Operations on Exhibit A, Line 38, Col. 8. The amount of Net Operating Income necessary to cover Embedded Cost on Long Term Debt and Preferred Stock remains the same after the Proposed Increase. However, the Total Net Operating Income is increased to \$31,672,000 and the amount available to Common Equity is \$14,086,000. This amount, when using the South Carolina Retail Rate Base allocated to Common Equity, produces a Rate of Return on Common of 12.90%.

Page #2 of the Exhibit follows the same format as Page #1 with the difference being the Rate Base allocated to S. C. Retail and Net Operating Income were computed without the adjustment for full normalization as proposed by the Company. This method is the same as used by the Company in prior rate proceedings. This Computation produced a Return on Common of 14.76% after the requested increase.

EXHIBIT F: EARNINGS PER SHARE, DIVIDENDS PER SHARE, PAYOUT
RATIO

Earnings Per Share increased from a low of \$1.12 in 1960 to \$2.05 in 1969. In 1970, Earnings dropped to \$1.56, then gained to a high of \$2.86 in 1972. A slight reduction occurred, in 1973 (\$2.58) and 1974 (\$2.21). For the test year 1975, Earnings are shown at \$2.70 per share.. Dollar and percentage increases for the individual years are also shown.

While Earnings Per Share have experienced periods of decline, Dividends have increased in each of the years with the exception of the test year 1975 in which it remained unchanged from the previous year. Dividends Per Share for the test year were \$1.60.

The Payout Ratios shown in this exhibit show corresponding increases in years in which earnings decline. The Average Payout Ratio for 1960-1975 is 66%.

Earnings Per Share and Dividends Per Share shown on this Exhibit are computed on the average number of Common Shares outstanding.

EXHIBIT G: PLANT ADDITIONS AND RETIREMENTS

Total Electric Plant in Service at the beginning of the test year was \$1,364,183,273. This amount was composed of the following classification:

Intangible Plant	\$ 177,329
Production Plant	681,272,479
Transmission Plant	215,684,533
Distribution Plant	444,878,765
General Plant	22,170,167
TOTAL	<u>\$1,364,183,273</u>

Net Additions of \$473,149,306 during the year resulted in an ending balance of \$1,837,332,579 or a 34.68% increase in Plant in Service. Dollar amounts and percentage increases to the individual classifications are as follows:

	<u>\$ Increase</u>	<u>% Increase</u>
Intangible Plant	\$ -0-	-0-
Production Plant	414,932,065	60.90%
Transmission Plant	26,491,465	12.28%
Distribution Plant	21,512,377	4.84%
General Plant	10,213,399	46.00%
NET INCREASE	<u>\$ 473,149,306</u>	<u>34.68%</u>

\$305,552,827 was charged to Construction Work in Progress during the test year. Of this amount, Staff verified \$137,131,103 or 44.87% by tracing amounts from plant ledgers to original invoices, or to distribution sheets with supporting invoices attached.

EXHIBIT H: MISCELLANEOUS GENERAL EXPENSES (#930)

Presented in this Exhibit is a breakdown of Account #930. The most notable expense was for Nuclear Power Research in the amount of \$1,579,676. Other notable expenditures are as follows:

Industry Association Dues	\$172,972
Servicing Outstanding Securities	709,581
National and Local Inst. Advertising	366,793
Load Survey Study	147,418

Total Expenses charged to Account #930 for the test year were \$3,205,756. This amount constitutes .90% of Total O & M Expenses. Staff has eliminated expenditures of \$329,046 for Institutional Advertising not related to energy conservation from O & M Expenses for purposes of Rate of Return Computations on Rate Base and Common Equity. Staff has also transferred Chamber of Commerce Dues in the amount of \$11,614 from Account #930 to Below the Line. Details of this amount are included in Item #33 of the Data Request and are as follows:

U. S. Chamber of Commerce	\$ 2,500
Raleigh Chamber of Commerce	4,114
Asheville Chamber of Commerce	5,000
TOTAL	<u>\$11,614</u>

EXHIBIT I: BREAKDOWN OF INSTITUTIONAL ADVERTISING EXPENSES

Shown in this Exhibit is a breakdown of Institutional Advertising Expenses included in Account #930, "Miscellaneous General Expenses." Total Institutional Advertising for the test year amounted to \$366,793. Of this amount, \$37,747 was spent for energy conservation. Staff is in agreement with the amount spent on conservation however, advertising for the purpose of promoting the Company's image should be borne by the Stockholders rather than the ratepayers. For this reason, Staff has eliminated from Rate of Return computation that portion of advertising not related to conservation (\$329,046). This has the effect of transferring this amount to Account #426, "Miscellaneous Income Charges," a below-the-line expense.

EXHIBIT J: LEGAL FEES

Legal Fees for the test year ended December 31, 1975 amounted to \$911,718. Included in this amount is retainer fees to various outside firms. Total Expenditures for outside legal services constituted .26% of Operation and Maintenance Expenses.

EXHIBIT K: FINANCIAL STATEMENTS

Presented in this Exhibit is the Company's Financial Statements for the Test Year ended December 31, 1975.

The Balance Sheet is shown on pages 1 and 2 of this Exhibit and reveals Total Assets of \$2,408,472,585. Of this amount, Plant in Service is \$1,837,332,579. Net Plant in Service including Nuclear Fuel less amortization is \$2,244,413,221 and represents 93.10% of Total Assets.

Capital Stock consists of 237,259 shares of \$5 Preferred Stock, various issues of Serial Preferred totaling 2,150,000 shares and 500,000 shares of \$7.45 Series Preferred for a total amount outstanding of \$288,118,400, and 2,000,000 shares of \$2.675 Series Preference Stock totaling \$47,900,000. Also, included is Common Stock outstanding, without par value, consisting of 32,692,791 shares totaling \$565,609,691. Long-Term Debt for the test year amounted to \$1,155,254,061 (52.00% of Total Capitalization).

An Income Statement for the test period is shown on page 3. Electric Operations produced revenues for the year of \$606,329,121. Total Operating Expenses were \$495,463,091. Of this amount, Fuel was \$232,722,278, or 46.97%. Net Operating Income for the test year is \$110,866,030 which is increased by "Other Income" of \$80,710,953. Of the \$80,710,953 of "Other Income", Allowance for Funds used during Construction is \$59,956,830 or 74.29%. After the deduction of Interest Charges, Net Income is \$101,621,721. Earnings Per Share of Average Common Stock for the year is \$2.70.

Shown on page 4 is a Statement of Retained Earnings for the test year. The ending balance in Retained Earnings of \$163,437,834 includes Accumulated Deferred Income Taxes resulting from Accelerated Amortization of \$6,761,406. Staff has eliminated this amount from Retained Earnings in computations for Return on Common Equity.

Pages 5 through 11 contain notes to the financial statements.

HAMMOND POWER AND LIGHT COMPANY
OPERATING EXPENSES, RATE BASE AND RATE OF RETURN
TEST YEAR ENDING DECEMBER 31, 1975
(THOUSANDS OF DOLLARS)

Line No.	Description	(1) Total Company Per Books \$	(2) Accounting And Pro Forma Adjustments \$	(3) Total Company As Adjusted \$	(4) Total Co. Wholesale As Adjusted \$	(5) Total Co. Retail As Adjusted \$	(6) S. C. Retail Per Books \$	(7) Accounting & Pro Forma Adjustments \$	(8) S. C. Retail As Adjusted \$	(9) Total Requested Increase \$	(10) S. C. Retail After Increase \$
1	OPERATING REVENUES										
2	Gross Operating Revenue	606,329	-	-	-	-	-	-	-	-	-
3	Contract Sales Credit	(7,485)	-	-	-	-	-	-	-	-	-
4	NET OPERATING REVENUE	598,844	(53,629) (1)	545,215	93,401	451,814	88,870	(8,015) (1)	80,855	22,487 (C)	103,342
5	OPERATING EXPENSES										
6	Fuel	232,722	-	-	-	-	-	-	-	-	-
7	Purchased Power	13,115	-	-	-	-	-	-	-	-	-
8	Other Operation	77,685	-	-	-	-	-	-	-	-	-
9	Maintenance	33,686	-	-	-	-	-	-	-	-	-
10	Total O & M Expenses	357,208	-	-	-	-	-	-	-	-	-
11	Contract Sales Credit	(7,485)	-	-	-	-	-	-	-	-	-
12	Net O & M Expenses	349,723	(31,716) (2)	318,007	50,094	260,003	52,205	(4,333) (2)	47,872	-	47,872
13	Depreciation	46,648	14,919 (3)	61,567	11,407	50,160	6,961	2,156 (3)	9,117	-	9,117
14	Taxes Other Than Income	46,437	1,636 (4)	48,073	8,546	39,527	4,336	630 (4)	4,966	67	5,033
15	Income Taxes - State	2,574	(2,574) (5)	-	-	-	899	(572) (5)	327	1,345	1,672
16	Income Taxes - Federal	23,439	(27,669) (6)	(4,230)	(4,647)	417	3,666	(4,298) (6)	(632)	10,116	9,484
17	Investment Tax Credit	14,274	-	14,274	2,994	11,280	2,085	-	2,085	-	2,085
18	Provision for Def. Taxes	4,883	17,740 (7)	22,623	7,276	15,347	870	2,916 (7)	3,786	-	3,786
19	Total Operating Expenses	487,978	(27,664)	460,314	83,580	376,734	71,022	(3,501)	67,521	11,528	79,049
20	Net Operating Income	110,866	(25,965)	84,901	9,821	75,080	17,848	(4,514)	13,334	10,959	24,293
21	Less: Int. on Cust. Dep.	162	-	162	-	162	35	-	35	-	35
22	Net Operating Inc. for Ret.	110,704	(25,965)	84,739	9,821	74,918	17,813	(4,514)	13,299	10,959	24,258
23	Add: Cust. Growth (A)	1,053	(247)	806	-0-	713	125	(32)	93	77	170
24	A.F.D.C.	59,957	(24,429) (8)	35,528	8,404	27,124	8,623	(3,513) (8)	5,110	-	5,110
25	Inc. Tax Credit	19,733	(5,350) (9)	14,383	2,609	11,774	2,928	(794) (9)	2,134	-	2,134
26	Total Income for Return	191,447	(55,991)	135,456	20,834	114,529	29,489	(8,853)	20,636	11,036	31,672
27	ORIGINAL COST RATE BASE										
28	Electric Plant in Ser.	1,837,333	(109) (10)	1,837,224	333,255	1,503,969	272,660	(16) (10)	272,644	-	272,644
29	Less: Accum. Dep.	296,401	14,919 (11)	311,320	50,344	260,976	44,559	2,156 (11)	46,715	-	46,715
30	Net Electric Plant	1,540,932	(15,028)	1,525,904	282,911	1,242,993	228,101	(2,172)	225,929	-	225,929
31	Add: Net Nuclear Fuel	51,732	-	51,732	11,185	40,547	7,523	-	7,523	-	7,523
32	Const. Work in Pro.	643,069	-	643,069	152,130	490,939	92,486	-	92,486	-	92,486
33	Materials & Supplies	92,481	(2,567) (12)	89,914	17,839	72,075	14,189	(421) (12)	13,768	-	13,768
34	Cash Work. Cap. (B)	50,289	(3,085)	47,204	8,530	38,674	7,819	(414)	7,405	-	7,405
35	Less: Accum. Def. Inc. Tax.	67,591	12,335 (13)	79,926	16,570	63,356	9,886	1,804 (13)	11,690	-	11,690
36	Customer Deposits	3,754	-	3,754	-	3,754	810	-	810	-	810
37	Total Year End Rate Base	2,307,158	(33,015)	2,274,143	456,025	1,818,118	339,422	(4,811)	334,611	-	334,611
38	RATE OF RETURN	8.301	-	5.961	4.574	6.301	8.691	-	6.171	-	9.471

(A) Customer Growth Computation on Exhibit A - 2.
(B) Cash Working Capital Computation on Exhibit A - 3.
(C) See Exhibit A-6 for stages of implementation of requested increase.

(37)

EXHIBIT A
HAMMOND

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments		(3) AppORTIONED TO		(4) Staff Adjustments		(5) AppORTIONED TO	(6) Adj. No. Staff Exh. i
			System Total	S. C. Retail	Davis Exhibit #1	S. C. Retail	System Total	Staff Exhibit A.		
			\$	\$	\$	\$	\$	\$		
<u>Revenue Adjustments</u>										
1	Adjust for Annual effect of 1975 Retail Rate Increase	400	65,982	65,982	65,982	65,982				
(38) 2	Adjust Fuel Clause Revenue to Reflect Addition of Brunswick #2	400	(36,261,991)	(5,060,101)	(36,261,991)	(5,060,101)				
3	Adjust To Remove Interim Revenue Effect of Proposed Increase	400	(17,471,890)	(3,060,439)	(17,471,890)	(3,060,439)				
4	Adjust for Effect of Annualization of S. C. Residential Refund	400	39,629	39,629	39,629	39,629				
5	<u>TOTAL REVENUE ADJUSTMENTS</u>		(53,628,270)	(8,014,929)	(53,628,270)	(8,014,929)				(1)
<u>O & M EXPENSE ADJUSTMENTS</u>										
6	Adjust to Correct Insurance for Nov., Dec., 1975, Charged to Plant	924	109,024	15,645	109,024	15,645				
7	Adjust For Amortization of Craven County Plant Site	500	94,088	13,501	94,088	13,501				

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments System Total	(3) AppORTIONED To, S. C. Retail Davis Exhibit #1	(4) Staff Adjustments System Total	(5) AppORTIONED To S. C. Retail Staff Exhibit A	(6) Adj.No Staff Exh. A
1	<u>O & M Expense Adjustments Cont.</u>		\$	\$	\$	\$	
2	Adjust For Normalization of Hydro Generation	501	1,168,558	169,934	1,168,558	169,934	
3	Adjust for Wages and Fringe Benefits at end of Test Period	Var	4,560,087	736,215	4,560,087	736,215	
4	Adjust to Reflect Postage Increase	921	293,331	50,452	293,331	50,452	
5	Adjust Fuel Expense to Annualize Addition of Brunswick #2	Var	(29,446,998)	(4,282,247)	(29,446,998)	(4,282,247)	
6	Adjust Other O & M Expenses to Reflect Addition of Brunswick #2	Var	2,470,000	356,820	2,470,000	356,820	
7	Adjust Purchased Power Expense to Reflect Addition of Brunswick #2	555	(7,032,261)	(1,018,897)	(7,032,261)	(1,018,897)	
8	Adjust Fuel Deferral To Reflect Addition of Brunswick #2	557	(11,261,289)	(1,497,786)	(11,261,289)	(1,497,786)	
9	Adjust for Test Operation Brunswick #2	Var	2,452,655	354,314	2,452,655	354,314	

(39)

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments System Total	(3) AppORTIONED TO S. C. Retail Davis Exhibit #1	(4) Staff Adjustments System Total	(5) AppORTIONED TO S. C. Retail Staff Exhibit A	(6) Adj. To Staff Exh. #
			\$	\$	\$	\$	
	<u>O & M EXPENSE ADJUSTMENT CONT.</u>						
1	Adjust to Normalize Production Maintenance Expense	Var	507,000	73,729	507,000	73,729	
(40) 2	Adjust to Normalize Transmission Maintenance Expense	Var	710,000	101,324	710,000	101,324	
3	Adjust to Normalize Distribution Maintenance Expense	Var	4,000,000	649,236	4,000,000	649,236	
4	Adjust to Transfer Institutional Advertising, Excluding Conservation, to below the line	930	-	-	(329,046)	(53,108)	
5	Adjust to Transfer Chamber of Commerce Dues Included in Acct. #930 to Below the Line	930	-	-	(11,614)	(1,874)	
6	<u>Total O & M Expense Adjustments</u>		<u>(31,375,805)</u>	<u>(4,277,760)</u>	<u>(31,716,465)</u>	<u>(4,332,742)</u>	(2)
	<u>DEPRECIATION EXPENSE</u>						
7	Adjust for Plant in Service at December 31, 1975, and Change in Depreciation Rates	430	14,919,000	2,155,928	14,919,000	2,155,928	
8	<u>TOTAL DEPRECIATION ADJUSTMENTS</u>		<u>14,919,000</u>	<u>2,155,928</u>	<u>14,919,000</u>	<u>2,155,928</u>	(3)

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments		(3) AppORTIONED TO S. C. Retail		(4) Staff Adjustments		(5) AppORTIONED TO S. C. Retail	(6) Adj. To Staff Exh. A
			System Total	Davis Exhibit #1	System Total	Staff Exhibit A	System Total	Staff Exhibit A		
			\$	\$	\$	\$	\$	\$		
<u>TAXES OTHER THAN INCOME</u>										
1	Adjust for Gross Receipts Tax on Revenue Adjustments	408	(2,747,794)	(24,044)	(2,747,794)	(24,044)				
2	Adjust For Increases in FICA Taxes	408	57,508	9,285	57,508	9,285				
3	Adjust for Payroll Taxes on Wage Increase Adjustment	408	234,822	37,911	234,822	37,911				
4	Adjust Property Tax to Plant in Service at December 31, 1975	408	4,091,032	607,108	4,091,032	607,108				
5	<u>TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME</u>		1,635,568	630,260	1,635,568	630,260				(4)
<u>STATE INCOME TAX ADJUSTMENTS</u>										
6	Adjust for Tax Effect of Revenue and Expense Adjustments	409	(1,620,568)	(481,268)	(1,944,826)	(477,969)				
7	Adjust for Interest Expense on Year End Plant	409	(646,376)	(95,922)	(646,376)	(95,922)				

(41)

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments		(4) Staff Adjustments		(6) Adj. No. Staff Exh. A
			System Total	Apportioned To S. C. Retail Davis Exhibit #1 \$	System Total	Apportioned To S. C. Retail Staff Exhibit A \$	
1	Adjust for Tax Effect of Year End Construction	409	16,900	2,328	16,900	2,328	
2 (42)	<u>TOTAL STATE INCOME TAX ADJTS.</u>		(2,250,044)	(574,862)	(2,574,302)	(571,563)	5
3	<u>FEDERAL INCOME TAX ADJUSTMENTS</u>						
4	Adjust for Tax Effect of Revenue and Expense Adjts.	409	(23,254,922)	(3,619,140)	(22,935,761)	(3,594,332)	
5	Adjust for Interest Expense on Year End Plant	409	(4,860,744)	(721,332)	(4,860,744)	(721,332)	

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments System Total Davis Exhibit #1 \$	(3) Apportioned To S. C. Retail \$	(4) Staff Adjustments System Total Staff Exhibit A \$	(5) Apportioned To S. C. Retail \$	(6) Adj. To Staff Exh. A
1	Adjust for Tax Effect of Year-End Construction	409	127,090	17,507	127,090	17,507	
2 (43)	<u>TOTAL FEDERAL INCOME TAX ADJUSTMENTS</u>		(27,988,576)	(4,322,965)	(27,669,415)	(4,298,157)	(6)
	<u>PROVISION FOR DEFERRED INCOME TAXES ADJUSTMENTS</u>						
3	Adjust for Taxes on Change in Fuel Deferral Account	410	5,405,419	718,937	5,405,419	718,937	
4	Adjust for Effect of Full Normalization	410	15,614,000	2,781,315	12,335,000	2,197,325	
5	<u>TOTAL PROVISION FOR DEFERRED INCOME TAXES ADJUSTMENTS</u>		21,019,419	3,500,252	17,740,419	2,916,262	(7)
6	<u>TOTAL OPERATING EXPENSE ADJUSTMENTS</u>		(24,040,438)	(2,889,147)	(27,665,195)	(3,500,012)	
	<u>INCOME FOR RETURN ADJUSTMENTS</u>						
7	Effect of Revenue and Expense Adjustments		(29,587,832)	(5,125,782)	(25,963,075)	(4,514,917)	

CAROLINA POWER AND LIGHT COMPANY,
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments		(4) Staff Adjustments		(6) Adj. Staff Exh.
			System Total	(3) Apportioned To S. C. Retail Davis Exhibit #1	System Total	(5) Apportioned To S. C. Retail Staff Exhibit A	
			\$	\$	\$	\$	
1	Adjust Customer Growth for Revenue and Expense Adjustments	-	(281,084)	(35,880)	(247,000)	(32,000)	(Exh. A-2)
2	Adjust AFDC To Reflect only that portion capitalized on end of year Construction Work in Progress	419	N/A	N/A	(24,429,000)	(3,513,000)	(8)
3	Adjust Income Tax-Credit for Year End Interest	Var	(5,350,249)	(793,975)	(5,350,249)	(793,975)	(9)
4	<u>TOTAL INCOME FOR RETURN ADJTS.</u>		<u>(35,219,165)</u>	<u>(5,955,637)</u>	<u>(55,989,324)</u>	<u>(8,853,892)</u>	
<u>PLANT IN SERVICE ADJUSTMENTS</u>							
5	Adjust to Correct Insurance for Nov., Dec., 1975, Charged to Plant 101		(109,024)	(15,645)	(109,024)	(15,645)	
6	<u>TOTAL PLANT IN SERVICE ADJUSTMENTS</u>		<u>(109,024)</u>	<u>(15,645)</u>	<u>(109,024)</u>	<u>(15,645)</u>	(10)
<u>ACCUMULATED DEPRECIATION ADJUSTMENTS</u>							
7	Adjust for Plant in Service at December 31, 1975, and Change in Rates (Adj. #3)	Var	(14,919,000)	(2,155,928)	(14,919,000)	(2,155,928)	

(44)

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct No.	(2) Staff Adjustments		(3) Staff Adjustments		(6) Adj. No Staff Exh. A.
			System Total	Apportioned To S. C. Retail Davis Exhibit #1	System Total	Apportioned To S. C. Retail Staff Exhibit A	
			\$	\$	\$	\$	
1	<u>TOTAL ACCUMULATED DEPRECIATION ADJUSTMENTS</u>		(14,919,000)	(2,155,928)	(14,919,000)	(2,155,928)	(11)
2	<u>MATERIALS AND SUPPLIES ADJUSTMENTS</u>						
3	Adjust Materials and Supplies for Fuel Stock Deferral	151	(1,219,666)	(224,499)	(1,219,666)	(224,499)	
4	Adjust Materials and Supplies to Delete Merchandise	154	-	-	(8,222)	(1,279)	
5	Adjust Materials and Supplies for Revaluation of Coal Inventory to 4-30-76 Prices	151	-	-	(1,339,212)	(194,721)	
6	<u>TOTAL MATERIALS AND SUPPLIES ADJUSTMENTS</u>		(1,219,666)	(224,499)	(2,567,100)	(420,499)	(12)
7	<u>WORKING CAPITAL ADJUSTMENTS</u>						
8	Adjust Cash Allowance for O & M Expense Adjustments		(3,042,943)	(407,357)	(3,085,000)	(414,000)	

CAROLINA POWER AND LIGHT COMPANY
SUMMARY OF ADJUSTMENTS
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	(1) FPC Acct. No.	(2) Company Adjustments		(3) Apportioned To		(4) Staff Adjustments		(5) Apportioned To		(6) Adj.No. Staff Exh. A.
			System Total	Davis Exhibit #1	S. C. Retail	Staff Exhibit A	System Total	S. C. Retail			
1	Customer Growth Adjustment to Working Capital	-	(28,908)	(2,852)			-	-			
(46) 2	<u>TOTAL WORKING CAPITAL ADJUSTMENTS (EXCLUDING MATERIALS AND SUPPLIES WHICH STAFF HAS SHOWN AS A SEPARATE ITEM (ADJ. #12)</u>		(3,071,851)	(410,209)			(3,085,000)	(414,000)			Exh.A-3
3	<u>DEFERRED INCOME TAX ADJUSTMENTS</u>										
4	Adjust for Effect of Full Normalization	282	(12,335,000)	(1,804,183)			(12,335,000)	(1,804,183)			
5	<u>TOTAL DEFERRED INCOME TAX ADJUSTMENTS</u>		(12,335,000)	(1,804,183)			(12,335,000)	(1,804,183)			(13)
6	<u>TOTAL RATE BASE ADJUSTMENTS</u>		(31,654,541)	(4,610,464)			(33,015,124)	(4,810,255)			

CAROLINA POWER AND LIGHT COMPANY
COMPUTATION OF CUSTOMER GROWTH
TEST YEAR ENDED DECEMBER 31, 1975
(THOUSANDS OF DOLLARS)

Customer - Data	<u>Growth Factor</u>	<u>Net Op. Inc. For Return Line 20, Exh. A</u> \$	<u>Customer Growth Line 23, Exh. A</u> \$
<u>Total Company - Per Books</u>			
$\frac{660,474 - 654,259}{654,259}$.0095	110,866 =	1,053
Acctg. & Pro Forma Adjts.	.0095	(25,965) =	(247)
Total Company As Adjusted	.0095	84,901 =	806
<u>Wholesale - Per Books</u>			
$\frac{44 - 44}{44}$	-0-		
<u>Total Company Retail</u>			
	.0095	94,854 =	901
Acctg. & Pro Forma Adjustments	.0095	(19,774) =	(188)
Total Company Retail As Adj.	.0095	75,080 =	713
<u>S. C. Retail - Per Books</u>			
$\frac{113,336 - 112,552}{112,552}$.0070	17,848 =	125
Acct. & Pro Forma Adjustments	.0070	(4,514) =	(32)
S. C. Retail As Adjusted	.0070	13,334 =	93
Effect of Proposed Increase	.0070	10,959 =	77
S. C. Retail After Increase	.0070	24,258 =	170

CAROLINA POWER AND LIGHT COMPANY
COMPUTATION OF CASH WORKING CAPITAL
TEST YEAR ENDED DECEMBER 31, 1975
(THOUSANDS OF DOLLARS)

Line No.	Description	(1) Total Company Per Books \$	(2) Accounting & Pro Forma Adjustments \$	(3) Total Company As Adjusted \$	(4) Total Co. Wholesale As Adjusted \$	(5) Total Co. Retail As Adjusted \$	(6) S. C. Retail Per Books \$	(7) Accounting & Pro Forma Adjustments \$	(8) S. C. Retail As Adjusted \$	(10) S. C. Retail After Increase \$
1	Net O & M Expenses	349,723	(31,716)	318,007	58,004	260,003	52,205	(4,333)	47,872	47,872
2	Less: Purchased Power	13,115	(7,032)	6,083	1,356	4,727	1,900	(1,019)	881	881
3	Net O & M Exp. (Excl. Pur. Power)	336,608	(24,664)	311,924	56,648	255,276	50,305	(3,314)	46,991	46,991
4	12.5% of O & M Expenses	42,076	(3,085)	36,991	7,081	31,910	6,288	(414)	5,874	5,874
5	Add: Minimum Bank Balances	9,350	-	9,350	1,696	7,654	1,388	-	1,388	1,388
6	Prepayments	1,397	-	1,397	213	1,184	519	-	519	519
7	Less: Average Tax Accruals	2,534	-	2,534	460	2,074	376	-	376	376
8	Working Capital Allowance	50,289	(3,085)	47,204	8,530	38,674	7,819	(414)	7,405	7,405

(48)

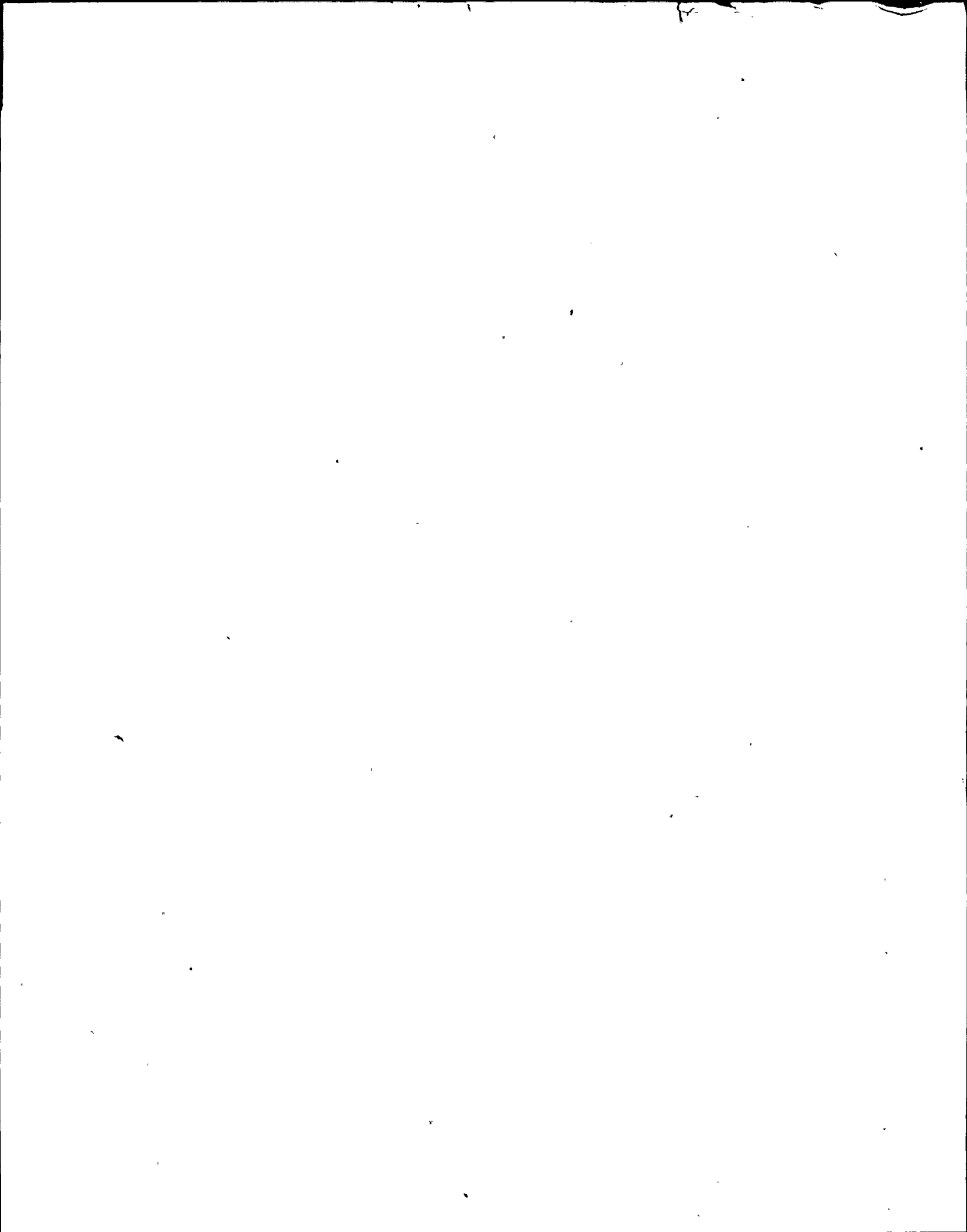
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FOURIT A-3

CAROLINA POWER AND LIGHT COMPANY
RECONCILIATION OF TOTAL INCOME FOR RETURN
TEST YEAR ENDED DECEMBER 31, 1975

	\$	Total Company As Adjusted \$	\$	S.C. Retail As Adjusted \$
Company Method - Total Income For Return - Davis Exhibit #1, Page 1 of 8 and Davis Exhibit #6, Page 1 of 3		131,799,083		20,020,111
Add: Staff's Adjustment to Transfer Institutional Advertising, Excluding Conservation, to Below the Line (Adj. 2, Staff Exhibit A-1)	329,046		53,108	
Staff's Adjustment to Transfer Chamber of Commerce dues included in Account #930 to Below the Line (Adj. 2, Staff Exhibit A-1)	11,614		1,874	
Difference in Petitioner's and Staff's Computation of State Income Tax Effect of Revenue and Expense Adjustments (Adj. 5, Staff Exhibit A-1)	324,258		(3,299)	
Difference in Petitioner's and Staff's Adjustment for Full Normalization (Adj. 7, Staff Exhibit A-1)	3,279,000		583,990	
Difference in Petitioner's and Staff's Adjustment to Customer Growth to Reflect Revenue and Expense Adjustments	34,084	3,978,002	3,880	639,553
Deduct: Difference in Petitioner's and Staff's Computation of Federal Income Tax effect of Revenue and Expense Adjustments (Adj. 6, Staff Exhibit A-1)	(319,161)	(319,161)	(24,808)	(24,808)
Staff Method: Total Income for For Return - Staff Exhibit A, Line 26, Cols. 3 and 8.		<u>135,457,924</u>		<u>20,634,856</u>

CAROLINA POWER AND LIGHT COMPANY
RECONCILIATION OF RATE BASE
TEST YEAR ENDED DECEMBER 31, 1975

	<u>Total Company As Adjusted</u>	<u>S.C. Retail As Adjusted</u>
Company Method - Original Cost Rate Base Davis Exhibit #6, Page 1 of 3 and Page 2 of 3	\$ 2,275,903,163	\$ 334,854,353
Deduct: Difference in Petitioner's and Staff's Computation of Adjustment to Working Capital for O & M Expense Adjustments (Staff Exhibit A-3)	(42,057)	(6,643)
Staff's Adjustment to Omit Customer Growth From Working Capital	(370,815)	(41,165)
Staff's Adjustment to Materials and Supplies to delete Merchandise (Adj. #12, Staff Exhibit A-1)	(8,222)	(1,279)
Staff's Adjustment to Materials and Supplies for Revaluation of Coal Inventory to 4-30-76 Prices (Adj. #12, Staff A-1)	(1,339,212)	(194,721)
Staff Method - Original Cost Rate Base Staff Exhibit A, Line 37, Cols. 3, 8, and 10	<u>2,274,142,857</u>	<u>334,610,545</u>



CAROLINA POWER AND LIGHT COMPANY
IMPLEMENTATION OF REQUESTED INCREASE
TEST YEAR ENDED DECEMBER 31, 1975
(THOUSANDS OF DOLLARS)

	Rates Effect. 9-1-75 <u>Docket #18,361</u> \$	Rates Effect. 9-15-75 <u>Docket #18,387</u> \$	Rates Effect. 3-1-76 <u>Docket #18,387</u> \$	Total Requested Increase \$
Operating Revenue	<u>2,012</u>	<u>10,668</u>	<u>9,807</u>	<u>22,487</u>
Taxes Other Than Income	6	32	29	67
Income Taxes - State	120	638	587	1,345
Income Taxes - Federal	<u>905</u>	<u>4,799</u>	<u>4,412</u>	<u>10,116</u>
Total Tax Effect	<u>1,031</u>	<u>5,469</u>	<u>5,028</u>	<u>11,528</u>
Net Operating Revenue	<u><u>981</u></u>	<u><u>5,199</u></u>	<u><u>4,779</u></u>	<u><u>10,959</u></u>

Carolina Power & Light Company
 Operating Experience
 Test Year Ended December 31, 1975

Line No.	(1)	System Total			Apportioned to S. C. Retail		
		Total Per Books (2) \$	Adjustments (3) \$	Total With Adjustments (4) \$	Total Per Books (5) \$	Adjustments (6) \$	Total With Adjustments (7) \$
1	<u>Operating Revenues</u>						
2	Gross Operating Revenue	606,329,122					
3	Contract Sales Credit	(7,485,408)					
4	Net Operating Revenue	598,843,714	(53,628,270)	545,215,444	88,869,912	(8,014,929)	80,854,983
5	<u>Operating Expenses</u>						
6	Operation & Maintenance Expenses	357,208,613					
7	Contract Sales Credit	(7,485,408)					
8	Net Operation & Maintenance Expenses	349,723,205	(31,375,805)	318,347,400	52,205,197	(4,277,760)	47,927,437
9	Depreciation	46,648,000	14,919,000	61,567,000	6,961,202	2,155,928	9,117,130
10	Taxes Other than Income	46,436,687	1,635,568	48,072,255	4,336,112	630,260	4,966,372
11	Income Taxes - State	2,574,302	(2,250,044)	324,258	899,120	(574,862)	324,258
12	Income Taxes - Federal	23,438,786	(27,988,576)	(4,549,790)	3,665,610	(4,322,965)	(657,355)
13	Investment Tax Credit	14,273,805	-	14,273,805	2,084,997	-	2,084,997
14	Provision for Deferred Income Taxes	4,882,899	21,019,419	25,902,318	869,789	3,500,252	4,370,041
15	Total Operating Expenses	487,977,684	(24,040,438)	463,937,246	71,022,027	(2,889,147)	68,132,880
16	<u>Income for Return</u>						
17	Operating Income	110,866,030	(29,587,832)	81,278,198	17,847,885	(5,125,782)	12,722,103
18	Customer Growth	1,053,227	(281,084)	772,143	124,935	(35,880)	89,055
19	Allow. for Funds During Construction	35,528,236	-	35,528,236	5,109,669	-	5,109,669
20	Income Tax - Credit	19,733,336	(5,350,249)	14,383,087	2,928,420	(793,975)	2,134,445
21	Interest on Customer Deposits	(162,581)	-	(162,581)	(35,161)	-	(35,161)
22	Total Income for Return	167,018,248	(35,219,165)	131,799,083	25,975,748	(5,955,637)	20,020,111

(52)

Summary of Adjustments
December 31, 1975, Test Year

(1)	<u>FPC Acct.</u>	<u>System Total</u>	<u>Apportioned to South Carolina Retail Operations</u>
(2)	(3)	(4)	(5)
	\$	\$	\$
<u>Revenue Adjustments</u>			
Adjust for annual effect of 1975 retail rate increase	400	65,982	65,982
Adjust fuel clause revenue to reflect addition of Brunswick #2	400	(36,261,991)	(5,060,101)
Adjust to remove interim revenue - proposed increase	400	(17,471,890)	(3,060,439)
Adjust for effect of annualization of S. C. residential refund	400	<u>39,629</u>	<u>39,629</u>
<u>Total Revenue Adjustments</u>		(53,628,270)	(8,014,929)

Summary of Adjustments
December 31, 1975, Test Year

(1)	FPC Acct. (2)	System Total (3)	AppORTIONED TO South Carolina Retail Operations (4)
		\$	\$
<u>O&M Expense Adjustments</u>			
Adjust to correct insurance for Nov.-Dec., 1975, charged to plant	924	109,024	15,645
Adjust for amortization of Craven County Plant Site	500	94,088	13,501
Adjust for normalization of hydro generation	501	1,168,558	169,934
Adjust for wages and fringe benefits at end of test period	VAR	4,560,087	736,215
Adjust to reflect postage increase	921	293,331	50,452
Adjust fuel expense to annualize addition of Brunswick #2	VAR	(29,446,998)	(4,282,247)
Adjust other O&M expenses to reflect addition of Brunswick #2	VAR	2,470,000	356,820
Adjust purchased power expense to reflect addition of Brunswick #2	555	(7,032,261)	(1,018,897)
Adjust fuel deferral to reflect addition of Brunswick #2	557	(11,261,289)	(1,497,786)
Adjust for test operation Brunswick #2	VAR	2,452,655	354,314
Adjust to normalize production maintenance expense	VAR	507,000	73,729
Adjust to normalize transmission maintenance expense	VAR	710,000	101,324
Adjust to normalize distribution maintenance expense	VAR	<u>4,000,000</u>	<u>649,236</u>
<u>Total O&M Expense Adjustments</u>		(31,375,805)	(4,277,760)

Summary of Adjustments
December 31, 1975, Test Year

(1)	FPC Acct. (2)	System Total (3)	Apportioned to South Carolina Retail Operations (4)
		\$	\$
<u>Depreciation Expense Adjustments</u>			
Adjust for plant in service at December 31, 1975, and change in rates	403	<u>14,919,000</u>	<u>2,155,928</u>
<u>Total Depreciation Expense Adjustments</u>		14,919,000	2,155,928
<u>General Tax Adjustments</u>			
Adjust for gross receipts tax on revenue adjustments	408	(2,747,794)	(24,044)
Adjust for increases in FICA taxes	408	57,508	9,285
Adjust for payroll taxes on wage increase adjustment	408	234,822	37,911
Adjust property tax to plant in service at December 31, 1975	408	<u>4,091,032</u>	<u>607,108</u>
<u>Total General Tax Adjustments</u>		1,635,568	630,260

Summary of Adjustments
December 31, 1975, Test Year

(1)	FPC Acct.	System Total	Apportioned to South Carolina Retail Operations
	(2)	(3)	(4)
		\$	\$
<u>State Income Tax Adjustments</u>			
Adjust for tax effect of revenue and expense adjustments	409	(1,620,568)	(481,268)
Adjust for interest expense on year end plant	409	(646,376)	(95,922)
Adjust for tax effect of year- end construction	409	<u>16,900</u>	<u>2,328</u>
<u>Total State Income Tax Adjustments</u>		(2,250,044)	(574,862)
<u>Federal Income Tax Adjustments</u>			
Adjust for tax effect of revenue and expense adjustments	409	(23,254,922)	(3,619,140)
Adjust for interest expense on year end plant	409	(4,860,744)	(721,332)
Adjust for tax effect of year- end construction	409	<u>127,090</u>	<u>17,507</u>
<u>Total Federal Income Tax Adjustments</u>		(27,988,576)	(4,322,965)

Summary of Adjustments
December 31, 1975, Test Year

(1)	FPC Acct. (2)	System Total (3)	Apportioned to South Carolina Retail Operations (4)
	\$	\$	
<u>Provision for Deferred Income Taxes Adjustments</u>			
Adjust for taxes on change in fuel deferral account		5,405,419	718,937
Adjust for effect of full normalization		<u>15,614,000</u>	<u>2,781,315</u>
<u>Total Provision for Deferred Income Taxes Adjustment</u>		21,019,419	3,500,252
 <u>Total Operating Expense Adjustments</u>		 (24,040,438)	 (2,889,147)
 <u>Income for Return Adjustments</u>			
Effect of Revenue and Expense Adjustments		(29,587,832)	(5,125,782)
Adjust customer growth for revenue and expense adjustments		(281,084)	(35,880)
Adjust income tax credit for year- end interest		<u>(5,350,249)</u>	<u>(793,975)</u>
<u>Total Income for Return Adjustments</u>		(35,219,165)	(5,955,637)

Summary of Adjustments
December 31, 1975, Test Year

(1)	<u>FPC Acct.</u>	<u>System Total</u>	<u>Apportioned to South Carolina Retail Operations</u>
(2)	(3)	(4)	(5)
		\$	\$
<u>Plant in Service Adjustments</u>			
Adjust to correct insurance for Nov.-Dec., 1975, charged to plant	101	(109,024)	(15,645)
<u>Total Plant in Service Adjustments</u>		(109,024)	(15,645)
<u>Accumulated Depreciation Adjustments</u>			
Adjust for plant in service at December 31, 1975, and change in rates		(14,919,000)	(2,155,928)
<u>Total Accumulated Depreciation Adjustments</u>		(14,919,000)	(2,155,928)
<u>Working Capital Adjustments</u>			
Adjust cash allowance related to O&M expense adjustments		(3,042,943)	(407,357)
Adjust materials and supplies for fuel stock deferral		(1,219,666)	(224,499)
Customer growth adjustment to cash		(28,908)	(2,852)
<u>Total Working Capital Adjustments</u>		(4,291,517)	(634,708)

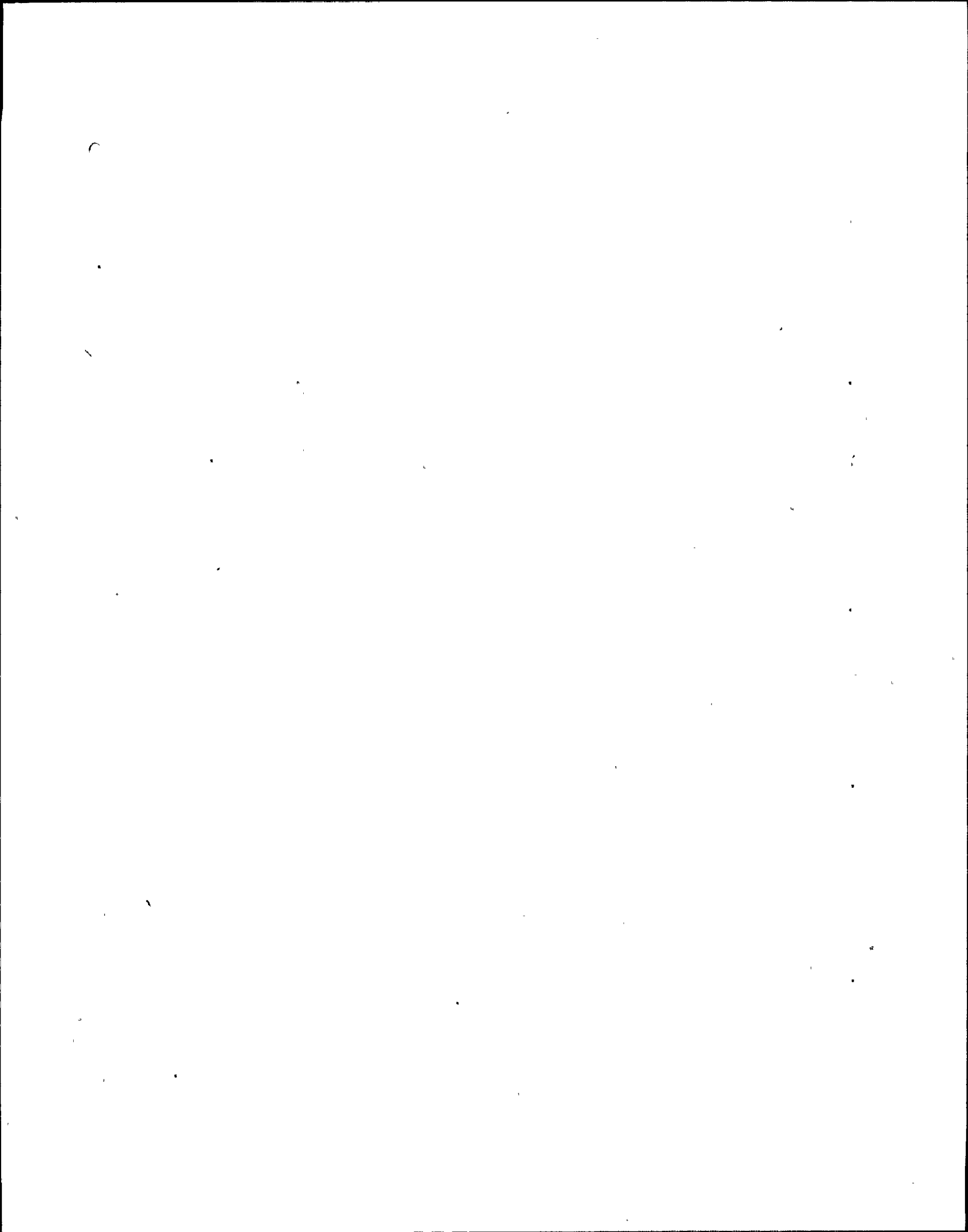
Summary of Adjustments
December 31, 1975, Test Year

(1)	<u>FPC Acct.</u>	<u>System Total</u>	<u>Apportioned to South Carolina Retail Operations</u>
(1)	(2)	(3)	(4)
		\$	\$
<u>Deferred Income Taxes - Lib. Depr.</u>			
Adjust for effect of full normalization	282	<u>(12,335,000)</u>	<u>(1,804,183)</u>
<u>Total Deferred Income Tax Adjustments</u>		(12,335,000)	(1,804,183)
<u>Total Rate Base Adjustments</u>		(31,654,541)	(4,610,464)

Carolina Power & Light Company
Rate Base
Test Year Ended December 31, 1975

Line No.	Original Cost Rate Base (1)	System Total			Apportioned to S. C. Retail		
		Total (2) \$	Adjustments (3) \$	Total With Adjustments (4) \$	Total (5) \$	Adjustments (6) \$	Total With Adjustments (7) \$
1	Electric Plant in Service	1,837,332,579	(109,024)	1,837,223,555	272,659,496	(15,645)	272,643,851
2	Accumulated Provision for Depreciation	(296,400,613)	(14,919,000)	(311,319,613)	(44,559,488)	(2,155,928)	(46,715,416)
3	Net Electric Plant in Service	1,540,931,966	(15,028,024)	1,525,903,942	228,100,008	(2,171,573)	225,928,435
4	Net Nuclear Fuel	51,731,998	-	51,731,998	7,522,980	-	7,522,980
5	Working Capital:						
6	Materials and Supplies	92,480,805	(1,219,666)	91,261,139	14,188,724	(224,499)	13,964,225
7	Cash Working Capital	46,934,920	(3,071,851)	43,863,069	7,053,167	(410,209)	6,642,958
8	Construction Work in Progress	643,068,550	-	643,068,550	92,486,091	-	92,486,091
9	Deferred Income Taxes - Liberalized Depreciation	(67,590,535)	(12,335,000)	(79,925,535)	(9,886,153)	(1,804,183)	(11,690,336)
10	Total Rate Base	2,307,557,704	(31,654,541)	2,275,903,163	339,464,817	(4,610,464)	334,854,353

(09)



Carolina Power & Light Company
Original Cost of Total Electric Plant Used or Useful in the Public Service
December 31, 1975

<u>Line No.</u>	<u>System Total As Adjusted</u>	<u>Apportioned to South Carolina Retail Operations</u>
(1)	(2)	(3)
	\$	\$
1. Plant in Service:		
2. Production	1,096,095,520	157,286,415
3. Transmission	242,175,998	34,560,964
4. Distribution (N. C.)	390,108,965	-
5. Distribution (S. C.)	76,282,177	75,699,458
6. General	32,383,566	5,070,698
7. Intangible	<u>177,329</u>	<u>26,316</u>
8. Total Plant in Service	1,837,223,555	272,643,851
9. Nuclear Fuel:		
10. Nuclear Fuel	70,239,100	
11. Less Accumulated Provision for Amortization	<u>(18,507,102)</u>	
12. Net Nuclear Fuel	<u>51,731,998</u>	<u>7,522,980</u>
13. Total Electric Plant	1,888,955,553	280,166,831

Carolina Power & Light Company
Depreciation

The accrued depreciation on said property as shown on applicant's books adjusted to December 31, 1975, is as follows:

Line No.	System Total <u>As Adjusted</u>	Apportioned to South Carolina <u>Retail Operations</u>
(1)	(2)	(3)
	\$	\$
1. Accumulated Provision for Depreciation:		
2. Production	169,439,014	24,313,990
3. Transmission	30,279,306	4,321,163
4. Distribution	105,729,277	17,160,808
5. General	<u>5,872,016</u>	<u>919,455</u>
6. Total Accumulated Provision for Depreciation	311,319,613	46,715,416

The method used on computing the amount charged to depreciation is the straight-line method. The rates used are the following:

7. Steam Production Plant	-	3.446%
8. Nuclear Production Plant	-	4.348%
9. Hydro Production Plant	-	1.143%
10. Other Production Plant	-	4.081%
11. Transmission Plant	-	2.353%
12. Distribution Plant	-	3.166%
13. General Plant	-	3.512%*

(*). Composite rate for General Plant after excluding book cost of Transportation Equipment - Vehicles - Account 392. The provision for depreciation of Transportation Equipment (Automobiles and Trucks) is based on the estimated lives thereof. The amount is charged to a clearing account and allocated to operating expenses, construction and other accounts on the basis of the use of such equipment.

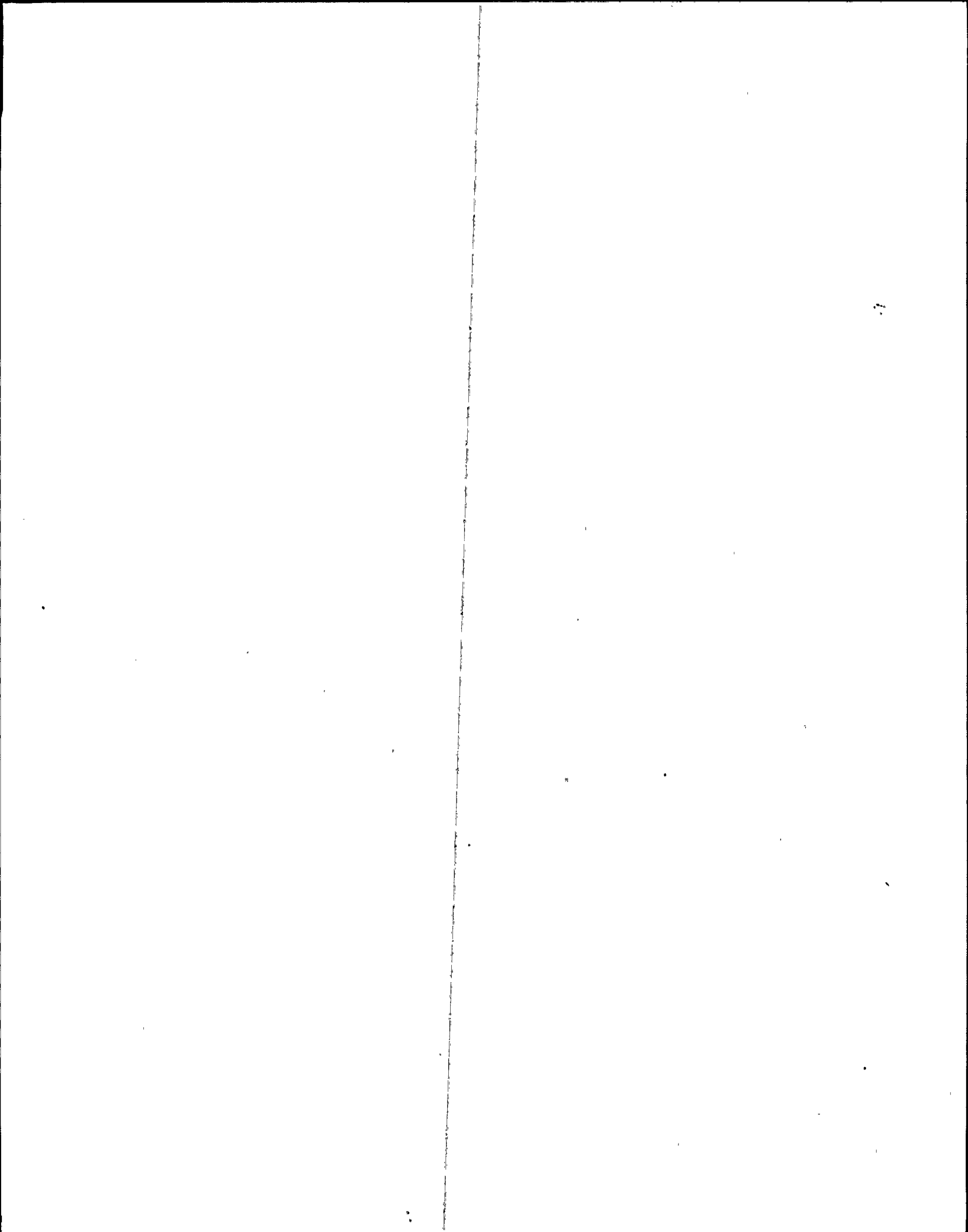
Carolina Power & Light Company
Cost of Materials and Supplies on Hand - December 31, 1975

<u>Line No.</u>	(1)	System Total <u>As Adjusted</u>	AppORTIONED TO South Carolina <u>Retail Operations</u>
		(2)	(3)
		\$	\$
1.	Materials and Supplies:		
2.	Fuel Inventory	60,008,940	8,726,631
3.	Fuel Stock Deferred	13,158,249	2,421,987
4.	Other Materials and Supplies	<u>18,093,950</u>	<u>2,815,607</u>
5.	Total Materials and Supplies	91,261,139	13,964,225

Carolina Power & Light Company . .
Cash Working Capital

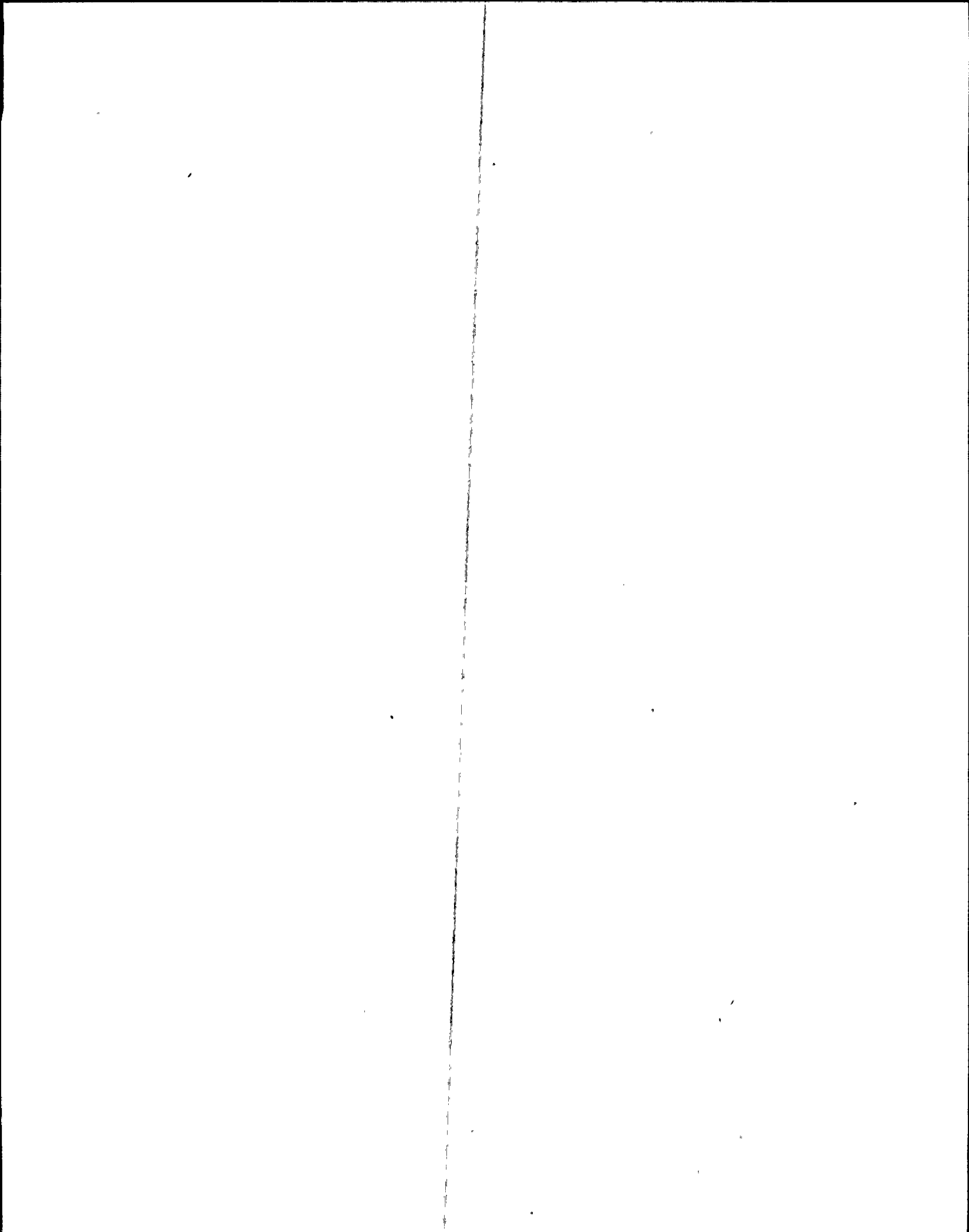
The cash working capital which the applicant finds necessary to keep on hand for the efficient, economical operation of the business is determined by adding to the minimum bank balance requirements the prepayments and one-eighth of the annual operation and maintenance expenses, exclusive of purchased power, less average Federal tax accruals and customer deposits, all for the period ended December 31, 1975.

<u>Line No.</u>	<u>Description</u>	<u>System Total After Adjustments</u>	<u>Apportioned to South Carolina Retail Operations</u>
	(1)	(2)	(3)
		\$	\$
1.	Minimum Bank Balances	9,350,000	1,387,537
2.	Prepayments	1,397,190	519,648
3.	45 Days' Expense - Cash	39,033,122	5,880,770
4.	Customer Growth	370,815	41,166
5.	Less: Average Federal Tax Accruals	(2,534,088)	(376,058)
6.	Customer Deposits	<u>(3,753,970)</u>	<u>(810,105)</u>
7.	Total Cash Working Capital	43,863,069	6,642,958



Carolina Power & Light Company
Effect of Proposed Increase - South Carolina Retail Operations
Year 1975

Line No.	(1)	S. C. Retail Present Rates (2) \$	Proposed Increase (3) \$	S. C. Retail After Increase (4) \$
1	<u>Operating Revenues</u>			
2	Net Operating Revenues	80,854,983	22,486,985	103,341,968
3	<u>Operating Revenue Deductions</u>			
4	Net Operation & Maintenance	47,927,437		47,927,437
5	Depreciation	9,117,130		9,117,130
6	Taxes Other Than Income	4,966,372	67,461	5,033,833
7	Income Taxes - State	324,258	1,345,171	1,669,429
8	Income Taxes - Federal	(657,355)	10,115,689	9,458,334
9	Investment Tax Credit	2,084,997		2,084,997
10	Deferred Income Tax - Net	4,370,041		4,370,041
11	Total Operating Revenue Deductions	<u>68,132,880</u>	<u>11,528,321</u>	<u>79,661,201</u>
12	<u>Income for Return</u>			
13	Net Operating Income	12,722,103	10,958,664	23,680,767
14	Customer Growth	89,055	76,711	165,766
15	Allow. For Funds During Construction	5,109,669		5,109,669
16	Income Tax - Credit	2,134,445		2,134,445
17	Interest on Customer Deposits	(35,161)		(35,161)
18	Total Income for Return	<u>20,020,111</u>	<u>11,035,375</u>	<u>31,055,486</u>
19	<u>Original Cost Rate Base</u>			
20	Electric Plant in Service	272,643,851		272,643,851
21	Net Nuclear Fuel	7,522,980		7,522,980
22	Less Accumulated Depreciation	(46,715,416)		(46,715,416)
23	Net Electric Plant in Service	233,451,415		233,451,415
24	Allowance for Working Capital			
25	Materials and Supplies	13,964,225		13,964,225
26	Cash Allowance	6,642,958		6,642,958
27	Total Working Capital Allowance	20,607,183		20,607,183
28	Construction Work in Progress	92,486,091		92,486,091
29	Deferred Income Taxes - Lib. Deprec.	(11,690,336)		(11,690,336)
30	Total Original Cost Rate Base	<u>334,854,353</u>		<u>334,854,353</u>
31	Return on Original Cost Rate Base	5.979		9.274



Carolina Power & Light Company
Return on Common Equity
Test Year Ended December 31, 1975

Line No.	Description (1)	Total Company Capitalization (2) \$	Ratio (3) %	Present Rates			Proposed Rates				
				S. C. Retail Original Cost Rate Base (4) \$	Rate Earned (5) %	Income for Return (6) \$	Overall Rate Earned (7) %	S. C. Retail Original Cost Rate Base (8) \$	Rate Required (9) %	Income for Return (10) \$	Overall Rate Required (11) %
1	Long Term Debt	1,155,254,061	51.594	172,764,755	7.745	13,380,630	3.996	172,764,755	7.745	13,380,630	3.996
2	Preferred Stock	336,018,400	15.007	50,251,593	8.062	4,051,283	1.210	50,251,593	8.062	4,051,283	1.210
3	Common Equity:										
4	Common Stock	565,609,691									
5	Retained Earnings	163,437,834									
6	Deferred Investment Tax Credit (1971 Rev. Act)	<u>18,787,931</u>									
7	Total Common Equity	747,835,456	33.399	111,838,005	2.314	2,588,198	0.773	111,838,005	12.181	13,623,573	4.068
8	TOTAL	2,239,107,917	100.000	334,854,353		20,020,111	5.979	334,854,353		31,055,486	9.274

(66)

CANNON POWER AND LIGHT COMPANY
REVENUE EFFECT OF PROPOSED RATES
SOUTH CAROLINA
TEST YEAR 1975

RATE	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)	
	Annualized Base Rev.	APPROX. RATES		Proposed rates As Filed	DOLLAR 18,361 INCREASE		PROPOSED RATE INCREASE		Per Cent	Amount	TOTAL	
		1975	OS.005536/2041		Adjusted Base Rev.	Per Cent	Per Cent	Amount			Per Cent	
R-2	8,041,005.65	2,369,849.68	10,410,855.33	13,541,737.00	563,955.93	5.417	2,566,925.74	24.656	3,130,881.67	30.073		
R-3	12,113,904.83	3,129,892.53	15,243,797.35	20,542,360.05	1,362,039.00	8.935	3,936,523.69	25.824	5,298,512.69	34.759		
R-4	1,992,550.14	395,286.65	2,387,836.79	3,072,737.47	85,988.50	3.601	598,912.18	25.082	684,900.68	28.683		
Total Res.	22,147,460.62	5,895,028.86	28,042,489.48	37,156,834.52	2,011,983.43	7.175	7,102,361.61	25.327	9,114,345.04	32.502		
G-1	6,071,898.00	1,587,838.63	9,659,736.63	11,626,923.32	-	-	1,967,186.69	20.365	1,967,186.69	20.365		
PF-1	101,120.52	18,185.68	119,306.20	152,125.41	-	-	32,819.21	27.508	32,819.21	27.508		
NI-1	9,313.46	2,676.53	12,011.99	15,265.92	-	-	3,953.93	32.917	3,953.93	32.917		
CS-1	635,718.30	122,103.36	757,821.66	906,740.90	-	-	118,919.24	19.651	149,919.24	19.651		
FP-1	157,399.28	46,418.19	203,817.47	250,653.09	-	-	46,835.53	22.979	46,835.53	22.979		
FC-1	20,530.96	1,843.81	22,374.77	29,573.21	-	-	7,178.44	32.054	7,178.44	32.054		
CS-2	683,684.56	196,525.48	880,210.04	1,066,627.91	-	-	186,417.87	21.179	186,417.87	21.179		
Total SGS	9,679,685.08	1,975,613.68	11,655,298.76	14,048,609.67	-	-	2,393,310.91	20.534	2,393,310.91	20.534		
G-2	13,266,399.92	4,141,779.27	17,408,179.19	21,763,237.21	-	-	4,355,058.02	25.017	4,355,058.02	25.017		
G-3	16,473,849.88	6,887,860.07	23,361,709.95	29,578,517.40	-	-	6,216,807.45	26.611	6,216,807.45	26.611		
FP-2	279,370.53	117,296.44	396,666.97	528,503.39	-	-	131,836.42	35.236	131,836.42	33.235		
GIF-3	-	-	-	-	-	-	-	-	-	-		
SC-1	-	-	-	-	-	-	-	-	-	-		
Total LGS	30,019,620.37	11,146,935.78	41,166,556.11	51,870,258.00	-	-	10,703,701.89	26.001	10,703,701.89	26.001		
TS-1	33,185.65	-	33,185.65	40,345.72	-	-	7,160.07	21.576	7,160.07	21.576		
AI-1	927,643.35	-	927,643.35	1,078,864.47	-	-	151,241.12	16.304	151,241.12	16.304		
SL-1	543,642.74	-	543,642.74	626,413.95	-	-	82,771.24	15.225	82,771.24	15.225		
SL-2	62,847.30	-	62,847.30	72,339.57	-	-	9,492.27	15.104	9,492.27	15.104		
SI-3	10,217.98	-	10,217.98	11,793.36	-	-	1,575.38	15.418	1,575.38	15.418		
SL-4	16,962.58	-	16,962.58	20,133.73	-	-	3,171.15	18.695	3,171.15	18.695		
SFI-1	75,051.32	6,162.42	81,213.74	101,429.61	-	-	20,215.87	24.892	20,215.87	24.892		
Total Lighting	1,669,550.92	6,162.42	1,675,713.34	1,951,340.44	-	-	275,627.10	16.448	275,627.10	16.448		
Total Retail	63,516,316.95	19,023,740.74	82,540,057.69	105,027,042.63	2,011,983.43	2.438	20,475,021.51	24.806	22,485,984.94	27.244		

(67)

HAMMOND
EXHIBIT C

CAROLINA POWER AND LIGHT COMPANY
CAPITALIZATION RATIOS
FOR CALENDAR YEARS 1974-1975
TOTAL COMPANY - PER BOOKS
(THOUSANDS OF DOLLARS)

	Calendar Year 1974		Calendar Year 1975	
Long Term Debt (1)	1,034,095	55.33	1,155,254	52.19
Preferred Stock	288,118	15.42	336,018	15.18
Common Stock (2)	419,702	22.46	565,610	25.55
Premium on Capital Stock	-	-	-	-
Other Paid In Capital	-	-	-	-
Capital Stock Expense	-	-	-	-
Earned Surplus (3)	127,089	6.79	156,601	7.08
TOTALS	\$ 1,869,004	100.00 %	\$ 2,213,483	100.00%

(1) Consists of:	1974	1975
	\$	\$
Bonds Outstanding (#221)	986,680	1,109,030
Other Long-Term Debt (#224)	50,234	50,204
Unamortized Premium on Long-Term Debt (#225)	637	595
Unamortized Discount on Long-Term Debt (#226)	(3,456)	(4,575)
TOTAL	1,034,095	1,155,254
(2) Consists of:		
Common Stock Issued (#201)	419,459	565,610
Common Stock Subscribed (#202)	243	-
TOTAL	419,702	565,610
(3) Consists of:		
Retained Earnings (#215,216)	128,763	156,676
Less: Investment in Subsidiary Companies	(1,674)	(75)
TOTAL	127,089	156,601

CAROLINA POWER & LIGHT COMPANY
EMBEDDED COST OF LONG-TERM DEBT
FOR CALENDAR YEARS ENDED DECEMBER 31, 1974-1975

HAMMOND
EXHIBIT D
PAGE 2 OF 3

	(1)	1975	(2)	(3)	1974	(4)
	<u>Outstanding</u>		<u>Ann. Int.</u>	<u>Outstanding</u>		<u>Ann. Int.</u>
Account 221 - Bonds						
First Mortgage Bonds:						
3 1/8% Series	\$ 15,000,000		\$ 468,750	\$ 15,000,000		\$ 628,125
3 1/8% Series	5,100,000		159,375	5,100,000		-0-
3 1/4% Series	43,930,000		1,427,725	43,930,000		1,427,725
2 7/8% Series	15,000,000		431,250	15,000,000		431,250
3 1/2% Series	20,000,000		700,000	20,000,000		700,000
4 1/8% Series	20,000,000		825,000	20,000,000		825,000
4 7/8% Series	25,000,000		1,218,750	25,000,000		1,218,750
4 1/2% Series	25,000,000		1,125,000	25,000,000		1,125,000
4 1/2% Series	30,000,000		1,350,000	30,000,000		1,350,000
5 1/8% Series	30,000,000		1,537,500	30,000,000		1,537,500
6 3/8% Series	40,000,000		2,550,000	40,000,000		2,550,000
6 7/8% Series	40,000,000		2,750,000	40,000,000		2,750,000
8 3/4% Series	40,000,000		3,500,000	40,000,000		3,500,000
8 3/4% Series	50,000,000		4,375,000	50,000,000		4,375,000
7 3/8% Series	65,000,000		4,793,750	65,000,000		4,793,750
7 3/4% Series	70,000,000		5,425,000	70,000,000		5,425,000
7 3/4% Series	100,000,000		7,750,000	100,000,000		7,750,000
7 3/4% Series	100,000,000		7,750,000	100,000,000		7,750,000
8 1/8% Series	100,000,000		8,125,000	100,000,000		8,125,000
9 3/4% Series	125,000,000		12,187,500	125,000,000		12,187,500
11 1/8% Series	50,000,000		5,562,500	27,650,000		5,562,500
11% Series	100,000,000		11,000,000	-0-		-0-
Total First Mort. Bonds	1,109,030,000		85,012,100	986,680,000		74,012,100
Six Year Promissory Note Due 7-31-78 (Int. Rate 8.33% @ 12-31-75)	50,000,000		4,165,000	50,000,000		5,850,000
Misc. Promissory Notes	204,359		8,587	234,309		8,810
Total Principal Amount	1,159,234,359		89,185,687	1,036,914,309		79,870,910
Less: Unamort. Disc. & Prem Net (#225, #226)	3,980,298			2,819,036		
Net Amort. of Debt Disc. and Exp. and Prem. (#428, #429)			269,691			122,114
Total Long-Term Debt	1,155,254,061		89,455,378	1,034,095,273		79,993,024
Embedded Cost			7.74%			7.74%

CAROLINA POWER & LIGHT COMPANY
EMBEDDED COST OF PREFERRED STOCK
FOR YEARS ENDED DECEMBER 31, 1974- 1975

Description	(1) 1974	(2)?	(3) 1975	(4)
	Amount Outstanding \$	Annualized Dividends \$	Amount Outstanding \$	Annualized Dividends \$
\$5 Preferred Cumulative 237,259 Shares	24,375,900	1,186,295	24,375,900	1,186,295
Serial Preferred Cumulative				
\$4.20 Series - 100,000 Shares	10,000,000	420,000	10,000,000	420,000
5.44 Series - 250,000 Shares	25,000,000	1,360,000	25,000,000	1,360,000
9.10 Series - 300,000 Shares	30,000,000	2,730,000	30,000,000	2,730,000
7.95 Series - 350,000 Shares	35,000,000	2,782,500	35,000,000	2,782,500
7.72 Series - 500,000 Shares	49,425,000	3,860,000	49,425,000	3,860,000
8.48 Series - 650,000 Shares	64,317,500	5,512,000	64,317,500	5,512,000
Preferred Stock A - Cumulative				
\$7.45 Series-500,000 Shares	50,000,000	3,725,000	50,000,000	3,725,000
Preference Stock - Cumulative				
\$2.675 Series A - 2,000,000 Shares	-0-	-0-	47,900,000	5,350,000
Totals	<u>288,118,400</u>	<u>21,575,795</u>	<u>336,018,400</u>	<u>26,925,795</u>
Embedded Cost	<u>7.49%</u>		<u>8.01%</u>	

CAROLINA POWER AND LIGHT COMPANY
 PART OF COMMON EQUITY
 SOUTH CAROLINA RETAIL OPERATIONS
 TEST YEAR ENDED DECEMBER 31, 1975
 (THOUSANDS OF DOLLARS)

Line No.	Description	(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)		(9)	(10)
		Total Company Capitalization	Ratios	SC Retail Rate Base	BEFORE PROPOSED INCREASE	INCREASE	Overall Cost/Rate	Net Oper. Income	SC Retail Rate Base	AFTER PROPOSED INCREASE	Embedded Cost/Return	Overall Cost/Rate	Net Oper. Income
		\$	%	\$	%	%	\$	\$	\$	%	%	\$	\$
1	Long-Term Debt (1)	1,155,254	52.19	174,633	7.74	4.04	13,517	174,633	7.74	4.04	13,517		
2	Preferred Stock	336,018	15.18	50,794	8.01	1.22	4,069	50,794	8.01	1.22	4,069		
3	Common Equity (2)	722,211	32.63	109,184	2.79	0.91	3,050	109,184	12.90	4.21	14,056		
4	TOTALS	2,213,483	100.00	334,611	-	6.17	20,636	334,611	-	9.47	31,672		

(1) Computed as follows:

Bonds Outstanding (#221)	\$1,109,030
Other Long-Term Debt (#224)	50,204
Unamortized Premium on Long-Term Debt	595
Unamortized Discount on Long-Term Debt	(4,575)
TOTAL	\$1,155,254

(2) Computed as follows:

Common Stock Issued (#201)	565,610
Retained Earnings (#215,216)	
Excluding Accum. Def. Inc. Tax	156,676
Less: Investment in Subsidiary Companies	(75)
TOTAL	722,211

(71)

CAROLINA POWER AND LIGHT COMPANY
 RETURN ON COMMON EQUITY - WITHOUT NORMALIZATION
 SOUTH CAROLINA RETAIL OPERATIONS
 TEST YEAR ENDED DECEMBER 31, 1975
 (THOUSANDS OF DOLLARS)

Line No.	Description	(1) Total Company Capitalization	(2) Ratios	(4) BEFORE PROPOSED INCREASE				(8) AFTER PROPOSED INCREASE			
				(3) SC Retail Rate Base	(4) Imputed Cost/Return	(5) Overall Cost/Rate	(6) Net Oper. Income	(7) SC Retail Rate Base	(8) Embedded Cost/Return	(9) Overall Cost/Rate	(10) Net Oper. Income
1	Long-Term Debt (1)	1,155,254	52.19	175,575	7.74	4.04	13,590	175,575	7.74	4.04	13,590
2	Preferred Stock	336,018	15.18	51,068	8.01	1.22	4,091	51,068	8.01	1.22	4,091
3	Common Equity (2)	722,211	32.63	109,772	4.71	1.53	5,168	109,772	14.76	4.81	16,204
4	TOTALS	2,213,483	100.00	336,415		6.79	22,849	336,415		10.07	33,885

(1) Computed as follows:

Bonds Outstanding (#221)	\$1,109,030
Other Long-Term Debt (#224)	50,204
Unamortized Premium on Long-Term Debt	595
Unamortized Discount on Long-Term Debt	(4,575)
TOTAL	\$1,155,254

(2) Computed as follows:

Common Stock Issued (#201)	\$ 565,610
Retained Earnings (#215,216)	
Excluding Accum. Def. Inc. Tax	156,676
Less: Investment in Subsidiary Companies	(75)
TOTAL	\$ 722,211

(72)

CAROLINA POWER & LIGHT COMPANY
 EARNINGS PER SHARE, DIVIDENDS PER SHARE, PAYOUT RATIO
 TOTAL COMPANY OPERATIONS
 FOR YEAR ENDED DECEMBER 31, 1960-1975

Line No.	Year	(1) Earnings Per Share \$	(2) Increase Over Previous Year \$	(3) Percentage Increase %	(4) Dividends Per Share \$	(5) Increase Over Previous Year \$	(6) Percentage Increase %	(7) Payout Ratio
1	1960	1.12	.03	2.75	.66	-0-	-0-	59
2	1961	1.19	.07	6.25	.74	.08	12.12	62
3	1962	1.34	.15	12.61	.82	.08	10.81	61
4	1963	1.41	.07	5.22	.92	.10	12.20	65
(73) 5	1964	1.62	.21	14.89	1.00	.08	8.70	62
6	1965	1.80	.18	11.11	1.16	.16	16.00	64
7	1966	1.88	.08	4.44	1.28	.12	10.34	68
8	1967	1.91	.03	1.60	1.34	.06	4.69	70
9	1968	1.98	.07	3.66	1.38	.04	2.99	70
10	1969	2.05	.07	3.54	1.42	.04	2.90	69
11	1970	1.56	(.49)	(23.90)	1.46	.04	2.82	94
12	1971	1.97	.41	26.28	1.46	-0-	-0-	74
13	1972	2.86	.89	45.18	1.48	.02	1.37	52
14	1973	2.58	(.28)	(9.79)	1.54	.06	4.05	60
15	1974	2.21	(.37)	(14.17)	1.60	.06	3.90	72
16	1975	2.70	.49	22.17	1.60	-0-	-0-	59

CAROLINA POWER AND LIGHT COMPANY
 SCHEDULE OF PLANT ADDITIONS AND RETIREMENTS
 FOR TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Account (a)	Balance beginning of year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance end of year (g)
1	I. INTANGIBLE PLANT	\$	\$	\$	\$	\$	\$
2	(301) Organization.....	177,329					177,329
3	(302) Franchises and consents.....						
4	(303) Miscellaneous intangible plant.....						
5	Total intangible plant.....	177,329					177,329
6	2. PRODUCTION PLANT						
7	STEAM PRODUCTION PLANT						
8	(310) Land and land rights.....	11,847,075	1,555,439	6,606			13,395,908
9	(311) Structures and improvements.....	62,730,031	11,505,184	4,909			74,230,306
10	(312) Boiler plant equipment.....	285,343,834	11,916,114	711,670			296,548,278
11	(313) Eng's. and eng. driven generators.....						
12	(314) Turbogenerator units.....	125,851,658	1,847,151	1,856			127,696,953
13	(315) Accessory electric equipment.....	30,806,759	1,550,927	123,900			32,233,786
14	(316) Misc. power plant equipment.....	5,958,604	203,575	19,784			6,142,395
15	Total steam production plant.....	522,537,961	28,578,390	868,725			550,247,626
16	NUCLEAR PRODUCTION PLANT						
17	(320) Land and land rights.....		5,400,063				5,400,063
18	(321) Structures and improvements.....	20,988,213	133,284,993	55			154,273,151
19	(322) Reactor plant equipment.....	25,616,150	136,559,936	8,000			162,168,086
20	(323) Turbogenerator units.....	25,918,695	54,083,277				80,001,972
21	(324) Accessory electric equipment.....	8,574,379	48,332,322				56,906,701
22	(325) Misc. power plant equipment.....	2,174,832	6,339,444	35,904			8,478,372
23	Total nuclear production plant.....	83,272,269	384,000,035	43,959			467,228,345
24	HYDRAULIC PRODUCTION PLANT						
25	(330) Land and land rights.....	2,101,829	21,172				2,123,001
26	(331) Structures and improvements.....	2,092,731	96,286	573			2,188,444
27	(332) Reservoirs, dams, and waterways..	15,524,447	1,000				15,525,447
28	(333) Wtr. whls., turb., and generators..	4,979,759					4,979,759
29	(334) Accessory electric equipment.....	1,077,487	40				1,077,527
30	(335) Misc. power plant equipment.....	201,706	4,814	360			206,160
31	(336) Roads, railroads, and bridges.....	8,258					8,258
32	Total hydraulic production plant.....	25,986,217	123,312	933			26,108,590

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CAROLINA POWER AND LIGHT COMPANY
SCHEDULE OF PLANT ADDITIONS AND RETIREMENTS
FOR TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Account (a)	Balance beginning of year (b)	Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance end of year (g)
33	OTHER PRODUCTION PLANT	\$	\$	\$	\$	\$	\$
34	(340) Land and land rights.....	250,841	(3,934)				246,907
35	(341) Structures and improvements....	5,374,203	2,394,246	650			7,767,799
36	(342) Fuel holders, prod., and access'rs..	1,337,598	75,589				1,413,187
37	(343) Prime movers.....	25,670,199	(35,232)				25,634,967
38	(344) Generators.....	11,248,693	673,015				11,921,708
39	(345) Accessory electric equipment.....	2,453,923	56,008				2,509,931
40	(346) Misc. power plant equipment.....	3,140,575	(15,097)				3,125,478
41	Total other prod. plant.....	49,476,032	3,144,595	650			52,619,977
42	Total production plant.....	681,272,479	415,846,332	914,267			1,096,204,544
43	3. TRANSMISSION PLANT						
44	(350) Land and land rights.....	28,665,748	2,141,437				30,807,185
45	(352) Structures and improvements....	9,121,635	856,376	1,950			9,976,061
46	(353) Station equipment.....	76,098,138	12,813,801	966,975			87,944,964
47	(354) Towers and fixtures.....	14,073,844	2,978,821	117,055			16,935,620
48	(355) Poles and fixtures.....	28,651,039	4,606,462	252,408		4,000	33,009,093
49	(356) Overhead conductors and devices..	59,057,214	4,753,210	324,254			63,486,170
50	(357) Underground conduit.....						
51	(358) Underground conductors and dev..						
52	(359) Roads and trails.....	16,915					16,915
53	Total transmission plant.....	215,684,533	28,150,107	1,662,642		4,000	242,175,995
54	4. DISTRIBUTION PLANT						
55	(360) Land and land rights.....	14,204,679	1,421,528	247,937		9,766	15,388,035
56	(361) Structures and improvements....	11,447,428	911,783	184,863			12,174,348
57	(362) Station equipment.....	79,237,519	6,423,060	4,075,402			81,585,177
58	(363) Storage battery equipment.....					4,073	71,454,200
59	(364) Poles, towers, and fixtures.....	67,943,160	4,905,040	1,398,073		4,323	81,365,214
60	(365) Overhead conductors and devices..	77,929,718	4,711,066	1,279,893		516	2,721,011
61	(366) Underground conduit.....	2,533,816	188,067	1,388			2,721,011
62	(367) Underground conductors and dev..	9,908,144	1,946,292	15,151		19,832	11,859,117
63	(368) Line transformers.....	110,092,146	4,953,687	1,237,649		15,385	113,823,569
64	(369) Services.....	32,230,622	2,288,629	318,152		11,385	34,212,484
65	(370) Meters.....	26,792,593	1,767,725	261,192		268	28,299,394
66	(371) Installations on cust. premises...	3,777,176	499,828	286,206			3,990,798

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CAROLINA POWER AND LIGHT COMPANY
 SCHEDULE OF PLANT ADDITIONS AND RETIREMENTS
 FOR TEST YEAR ENDED DECEMBER 31, 1975

67	(372) Leased property on cust. premises..	79,541				79,541
68	(373) Street lighting and signal systems..	8,702,223	853,300	146,837		9,438,253
69	Total distribution plant	444,878,765	30,393,605	9,452,743		466,391,244
70	5 GENERAL PLANT					
71	(389) Land and land rights	412,900	182,119	11,647		583,371
72	(390) Structures and improvements....	3,317,340	7,238,320	60,258		10,495,407
73	(391) Office furniture and equipment..	2,998,690	250,524	23,538		3,225,077
74	(392) Transportation equipment.....	8,461,116	1,105,240	523,703		9,042,653
75	(393) Stores equipment.....	317,299	28,373			345,672
76	(394) Tools, shop and garage equipment..	1,010,046	255,481	23,237		1,242,299
77	(395) Laboratory equipment.....	1,216,859	940,533	39,517		2,117,577
78	(396) Power operated equipment.....	175,683				175,683
79	(397) Communication equipment.....	4,059,161	994,094	203,257		4,849,991
80	(398) Miscellaneous equipment.....	201,073	103,957	85		304,943
81	Subtotal	22,170,167	11,098,641	885,242		32,383,500
82	(399) Other tangible property *.....					
83	Total general plant	22,170,167	11,098,641	885,242		32,383,500
84	Total (Accounts 101 and 106)....	1,364,183,273	485,993,065	12,914,894		1,837,332,579
85	(102) Electric plant purchased **.....		141,062		(97,446)	(43,616)
86	(102) Electric plant sold **.....	()				()
87	(103) Experimental Electric Plant Unclassified					
88	Total electric plant in service....	1,364,183,273	486,134,147	12,914,894	(97,446)	1,837,332,579

**Purchase of distribution facilities near Cheraw, S. C. from Lynch River Electric Co-op in November, 1974.
 Proposed entries submitted to Commission on 11-19-75 and accepted 12-09-75.

Note: Credits in column (c) represent primarily reclassifications of prior year's plant additions within Other Production Plant.

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CAROLINA POWER AND LIGHT COMPANY
MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930) (ELECTRIC)
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	Amount
		\$
1	Industry Associations Dues -----	172,972
2	Nuclear Power Research Expenses -----	1,579,676
3	Other Experimental and General Research Expenses -----	31,104
4	Publishing and Distributing Information and Reports to Stockholders,	
5	Trustee, Registrar, and Transfer Agent Fees and Expenses and Other	
6	Expenses of Servicing Outstanding Securities of the Respondent ----	709,581
7	National and Local Institutional Advertising Expenses -----	366,793
8	Fees Paid to Board of Directors -----	41,900
9	Expenses paid - Board of Directors -----	4,363
10	Amortized Insurance Premium -----	228
11	American Stock Exchange, N.Y. - Fee for Listing Stock -----	2,500
12	New York Stock Exchange, N.Y. - Annual Listing Fee, Common Stock ----	21,788
13	Moody's Investment Services, Inc., Church Street Station, N.Y.	
14	Commercial Paper Appraisal Service -----	3,000
15	Whiteville Chamber of Commerce -----	151
16	Federal Communication Commission, Washington, D.C., Communication	
17	Licenses and Renewals -----	236
18	Southeastern Association of Tax Administrators Conference,	
19	Louisville, Kentucky -----	250
20	Council of State, Chambers of Commerce, Washington, D.C. -----	100
21	South Carolina Legislative Services - Services Rendered - 1975	
22	General Assembly -----	600
23	Raleigh Little Theatre, Raleigh, N.C. - Sponsor Membership -----	250
24	Goldsboro Country Club, Goldsboro, N.C. - Retirement Luncheon for	
25	R. A. Bryan, Director -----	340
26	Big Jim's Restaurant, Sumter, S.C. - Retirement Luncheon -----	320
27	Theo Davis Sons, Inc., Zebulon, N.C. - Retirement Certificates ----	309
28	System Engineering and Construction - Costs of Development	
29	of an In-Service Fixed Asset Accounting System -----	25,097
30	Darlington County Plant #2 - Site Expenses (ER74057) -----	6,508
31	Detail Design Costs of Fixed Asset Accounting System -----	85,917
32	Environmental Assessment Group, License and Technical Unit - Labor,	
33	Vehicle and Materials Cost -----	612
34	S. C. Electric and Gas Co., Columbia, S. C. - Pro Rata Expenses	
35	S. C. Association of Assessing Officials Meeting -----	113
36	Atlantic Landmark Motor Inn, Myrtle Beach, S. C. Annual Association	
37	of Counties Convention -----	728
38	Landmark Motor Inn, Myrtle Beach, S. C. - Pro Rata Expenses -	
39	Dinner, S.C. Association of Counties Annual Meeting -----	1,698
40	Landmark Motor Inn, Myrtle Beach, S.C. - Pro Rata Expenses, Law	
41	Enforcement Assoc., Convention -----	188
42	Asheboro - Randolph, Chambers of Commerce, Asheboro, N.C. -----	120
43	Various Civic Organizations, Projects, Etc., (23) -----	651
44	Other Various Miscellaneous Charges (15) -----	245
45	Rates and Regulations Department - Load Survey Study -----	147,418
46	TOTALS	<u>3,205,756</u>

CAROLINA POWER AND LIGHT COMPANY
BREAKDOWN OF INSTITUTIONAL ADVERTISING EXPENSES
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	Amount
1	Reddy Kilowatt - Contract -----	\$ 7,373
2	Cavalier Advertisers, Inc. - Postcards, Pens, Matches, etc. -----	11,093
3	Electric Industry Exhibit - EEI Visual Communications Project -----	4,992
4	Commercial Printing Co. - Folders -----	40,547
5	Theo Davis & Sons, Inc. - Charts, Books, Check Inserts, Shareholder's	
6	Information Folders, etc. -----	14,315
7	Walraven Book Cover Co. - Book Covers -----	6,484
8	Lynch Exhibits - Storage of Exhibit Material for Harris	
9	Visitor Center -----	8,576
10	Stone's Southern School Supply Co., Inc. - Black Board and	
11	Standards -----	1,681
12	Hearst Metrotone News - Screen News Digest - Vol. 18 -----	1,664
13	McKinney, Silver & Rockett - Newspaper Ads -----	18,183
14	Transferred from Deferred Debit - Expenditures in Connection	
15	with the Costs of Displays at Harris Energy Environmental Center -----	121,790
16	Amortization of Prepaid Advertising (EEI) -----	55,995
17	Amortization of Expenses in Connection with Brunswick Visitor Center --	9,540
		<u>302,233</u>
18	Other Miscellaneous - Not Included in Above -----	64,560
19	Total Institutional Advertising -----	366,793
20	Promotional Advertising (Acct. #913) -----	-0-
21	Total Advertising -----	366,793

CAROLINA POWER & LIGHT COMPANY
LEGAL FEES
TEST YEAR ENDED DECEMBER 31, 1975

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> \$
1	Blakeney, Alexander & Machen	12,880
2	Bode & Bode	30,692
3	Debevoise, Plimpton, Lyons & Gates	27,203
4	Donelan, Cleary & Caldwell	13,411
5	Douglas & Barham	22,101
6	Greer & Chandler	35,200
7	W. Brian Howell	11,905
8	Hunton, Williams, Gay, & Gibson	28,570
9	Joyner & Howison	40,633
10	Manning, Fulton & Skinner	16,110
11	Reid & Priest	307,943
12	Charles F. Rouse	15,579
13	Shaw, Pittman, Potts, & Trowbridge	55,680
14	Wald, Harkrader & Ross	42,341
15	White, Allen, Hooten, & Hines	23,957
16	Zollicoffer & Zollicoffer	43,125
17	Allen, Steed & Pullen	4,519
18	Bailey, Dixon, Wotten, McDonald & Fountain	8,039
19	Barber, Holmes & Barber	3,100
20	Wade Barber	600
21	Barber, Stith, McCotter & Stith	1,894
22	Baskin & Baskin	600
23	Battle, Winslow & Wiley	9,822
24	Bennett & McConkey	3,988
25	Boyette & Boyette	2,227
26	Sumter C. Brawley, Jr.	6,750
27	Brown, Jefferies & Boulware	7,500
28	Brown, Ward & Haynes	1,680
29	Butler & Faircloth	1,650
30	James R. Byerly	2,450
31	Cottingham & Easterling	3,000
32	Debevoise & Liberman	993
33	J. B. Gibson	735
34	Harris, Griggs & Spruill	1,317
35	Herring, Parker, Ledgett, Gall & Edwards	1,275
36	E. Avery Hightower	1,619
37	Isham, Lincoln & Beale	4,960
38	Johnson & Johnson	607
39	W. A. Johnson	610
40	Joslin, Culbertson & Sedberry	2,049

CAROLINA POWER & LIGHT COMPANY
LEGAL FEES
TEST YEAR ENDED DECEMBER 31, 1975

Line No.	Description	Amount
41	Bruce Kennedy	2,450
42	Leath, Bynum, Kitchin & Neal	4,140
43	Ledgett, Gall & Edwards	908
44	Lee & Moise	1,602
45	Harry M. Lightsey	7,887
46	Lucas, Rand, Rose, Meyer, Jones & Orcutt	632
47	Mason, Williamson, Etheridge & Moser	1,656
48	McLean, Stacey, Henry & McLean	2,383
49	Moran D. McLindon	1,258
50	McNair, Konduros, Corley, Singletary & Dibble	8,245
51	Nance, Collier, Singleton, Kirkman & Herndon	2,718
52	Newsom, Graham, Strayhorn, Hedrick, Murray, Bryson	5,610
53	Ernest E. Parker, Jr.	3,510
54	Paulling & James	9,107
55	Poisson, Barnhill, Butler & Martin	1,592
56	Haigh Porter	729
57	Procter & Sessoms	1,530
58	Ramsey, Jackson, Hubbard & Galloway	8,980
59	James E. Ramsey	1,200
60	Rogers, Riggs & Rickenbaker	786
61	Shuford, Frue & Sluder	3,208
62	Archie L. Smith	600
63	Charles W. Smith	4,375
64	Henry L. Stevens, III	1,371
65	Taylor, Allen, Warren & Kerr	7,463
66	Thompson, Ogletree & Deakins	2,895
67	Van Winkle, Buck, Wall, Starnes & Hyde	6,302
68	Ward, Tucker, Ward & Smith	911
69	Warlick, Milstead & Dotson	2,117
70	Warren & Fowler	2,333
71	David J. White & Associates, Inc.	8,750
72	Willcox, Hardee, Palmer, O'Farrell, McLeod & Buyck	1,405
73	Wintrop, Stimson, Putman & Roberts	2,786
74	Yarborough, Jolly & Williamson	965
	GRAND TOTAL	<u>911,718</u>

CAROLINA POWER & LIGHT COMPANY

BALANCE SHEET

DECEMBER 31, 1975

ASSETS

Electric Utility Plant:	
Electric utility plant other than nuclear fuel:	
In service	\$1,837,332,579
Held for future use	8,705,994
Construction work in progress	<u>643,068,549</u>
Total	2,489,107,122
Less accumulated depreciation	<u>296,425,899</u>
Net	<u>2,192,681,223</u>
Nuclear fuel:	
In service	33,381,993
In process and other	<u>36,857,107</u>
Total	70,239,100
Less accumulated amortization	<u>18,507,102</u>
Net	<u>51,731,998</u>
Electric utility plant - net	<u>2,244,413,221</u>
Other Property and Investments	<u>2,026,358</u>
Current Assets:	
Cash in banks	9,155,772
Special deposits for dividends, interest, etc.	67,866
Working funds	130,713
Temporary cash investments	13,496,583
Accounts receivable, net	31,484,652
Materials and supplies:	
Fuel	74,386,855
Other	18,093,951
Prepayments, etc.	<u>1,472,295</u>
Total current assets	<u>148,288,687</u>
Deferred Debits:	
Unamortized debt expense	1,518,038
Other	5,775,927
Accumulated deferred income taxes	<u>6,450,354</u>
Total deferred debits	<u>13,744,319</u>
Total	<u>\$2,408,472,585</u>

See notes to financial statements.

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CAROLINA POWER & LIGHT COMPANY

BALANCE SHEET

DECEMBER 31, 1975

LIABILITIES

Capital Stock and Retained Earnings:	
Preferred stock, without par value, cumulative (entitled upon liquidation to \$100 a share) (Note 2)	\$ 336,018,400
Common stock, without par value (Note 2)	565,609,691
Retained earnings (Note 1)	<u>163,437,834</u>
Total capital stock and retained earnings	<u>1,065,065,925</u>
Long-Term Debt (Note 3)	<u>1,155,254,061</u>
Current Liabilities:	
Notes payable:	
Banks	
Other	78,385
Accounts payable:	
Construction contract retentions	5,114,161
Other	23,596,816
Customers' deposits	3,753,970
Taxes accrued	9,380,705
Interest accrued	20,932,577
Dividends declared	25,608,792
Other	<u>2,114,170</u>
Total current liabilities	<u>90,579,576</u>
Deferred Credits:	
Customers' advances for construction	202,420
Investment tax credits	18,787,931
Other	<u>459,170</u>
Total deferred credits	<u>19,449,521</u>
Reserve for Injuries and Damages	<u>794,184</u>
Accumulated Deferred Income Taxes	77,329,318
Commitments and Contingencies (Note 4)	
Total	<u>\$2,408,472,585</u>

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See notes to financial statements.

CAROLINA POWER & LIGHT COMPANY

STATEMENT OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1975

OPERATING REVENUES - ELECTRIC	<u>\$606,329,121</u>
OPERATING EXPENSES:	
Fuel	232,722,278
Purchased power	13,114,681
Other operation	77,685,707
Maintenance	33,685,947
Depreciation	46,648,000
Taxes:	
Taxes other than income	46,436,686
Federal income	23,438,785
State income	2,574,302
Provision for deferred income taxes	5,545,865
Income taxes deferred in prior years (credit)	662,966
Investment tax credit adjustments:	
Amount deferred	14,966,347
Amortization of amounts deferred (credit)	<u>692,542</u>
Total operating expenses	<u>495,463,091</u>
OPERATING INCOME	<u>110,866,030</u>
OTHER INCOME:	
Allowance for funds used during construction	59,956,830
Income taxes - credit	19,733,336
Other income (deductions) - net	<u>1,020,787</u>
Total other income	<u>80,710,953</u>
GROSS INCOME	<u>191,576,983</u>
INTEREST CHARGES:	
Long-term debt	85,740,401
Amortization of debt premium, discount and expense-net	269,691
Other	<u>3,945,170</u>
Total interest charges	<u>89,955,262</u>
NET INCOME	101,621,721
PREFERRED STOCK DIVIDEND REQUIREMENTS	<u>25,751,863</u>
EARNINGS FOR COMMON STOCK	<u>\$ 75,869,858</u>
AVERAGE COMMON SHARES OUTSTANDING	<u>28,109,092</u>
EARNINGS PER SHARE OF COMMON STOCK	<u>\$ 2.70</u>

See notes to financial statements.

CAROLINA POWER & LIGHT COMPANY

STATEMENT OF RETAINED EARNINGS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1975

Balance, January 1, 1975		\$136,187,098
Add - Net income for the period		<u>101,621,721</u>
Total		237,808,819
Deduct:		
Cash dividends declared:		
\$5 preferred stock	\$ 1,186,295	
Serial preferred stock - \$4.20 Series	420,000	
- \$5.44 Series	1,360,000	
- \$9.10 Series	2,730,009	
- \$7.95 Series	2,782,525	
- \$7.72 Series	3,860,000	
- \$8.48 Series	5,512,000	
Preferred Stock A - \$7.45 Series	3,725,000	
Preference Stock A - \$2.675 Series	5,513,534	
Common stock (at annual rate of \$1.60 a share)	<u>46,172,859</u>	
Total	73,262,222	
Capital stock expense	445,797	
Federal income tax deferred in prior years	<u>662,966</u>	<u>74,370,985</u>
Balance, December 31, 1975 (including \$6,761,406 restricted for future Federal taxes on income - Note 1)		<u>\$163,437,834</u>

See notes to financial statements.

CAROLINA POWER & LIGHT COMPANY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1975

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

System of Accounts. The accounting records of the Company are maintained in accordance with uniform systems of accounts prescribed by the Federal Power Commission and the regulatory commissions of North Carolina and South Carolina.

Electric Utility Plant. Electric utility plant is stated at original cost. The cost of additions, including replacements of units of property and betterments, is charged to utility plant. The Company includes in such additions an allowance for funds used during construction (8% for 1975). Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property are charged to maintenance expense. The cost of units of property replaced or renewed plus removal costs, less salvage, is charged to accumulated depreciation. Utility plant is subject to the lien of the Company's mortgage.

Allowance for Funds Used During Construction. In accordance with the uniform systems of accounts prescribed by regulatory authorities, an allowance for funds used during construction is included in construction work in progress and credited to income, recognizing that funds used for construction were provided by borrowings, preferred stock, and common equity. This accounting practice results in the inclusion in utility plant in service of amounts considered by regulatory authorities as an appropriate cost for the purpose of establishing rates for utility charges to customers over the service lives of the property.

Depreciation and Amortization. Depreciation of utility plant, other than nuclear fuel, for financial reporting purposes is computed on the straight-line method based on estimated useful lives and charged principally to depreciation expense. Depreciation provisions as a percent of average depreciable property other than nuclear fuel approximated 3.0% in 1975. Effective as of October 1, 1975 the Company adopted revised depreciation rates generally reflecting shorter estimated useful lives for utility plant, which increased the provision for depreciation by \$2,538,000 in 1975. Amortization of nuclear fuel charged to fuel expense (1975, \$9,190,000) is computed on the unit-of-production method.

Deferred Fossil Fuel Inventory Costs. In 1974, pursuant to state regulatory commission orders, and in January 1975, pursuant to Federal Power Commission order, the Company put into effect automatic fossil fuel adjustment clauses to recover increased fuel costs. The provisions of the clauses result in a time lag between the date increased fuel cost is incurred and the date such cost is billed to customers. To properly

match increased fuel costs with the related revenues, the Company defers, except for North Carolina retail operations, increased fuel cost when incurred and expenses it in the month the related revenue is billed. Beginning September 1, 1975 for North Carolina retail operations, the fossil fuel adjustment clause was replaced by an "approved fuel charge" adjustment to basic rates (which results in billing increased fuel costs on a current basis) and the Company was authorized to recover the deferred fossil fuel inventory costs accumulated at August 31, 1975 by a temporary rate surcharge over an approximate twelve-month period, with matching amortization of the deferred costs. Therefore, as a result of deferred fuel cost accounting, operating expenses include a charge of \$20,650,131 in 1975 and deferred fossil fuel inventory costs on the balance sheet decreased \$20,650,131 in 1975, representing the normalization of such costs. Related deferred income taxes have been recorded and are reflected in income tax expense; and the accumulated deferred tax liability is reflected in Current Portion of Deferred Income Taxes on the balance sheet.

Income Taxes. Deferred income tax provisions are recorded only to the extent such amounts are currently allowed for rate-making purposes. In compliance with regulatory accounting, income taxes are allocated between Operating Income and Other Income, principally with respect to interest charges related to construction work in progress. Deferred income taxes are provided relating to the deduction for income tax purposes of a coal mining subsidiary's development costs and such taxes are charged to Other Income.

Investment Tax Credits. Investment tax credits generated and utilized after 1971 have been deferred and are being amortized over the service lives of the property; substantially all credits prior to 1972 were deferred for amortization over five-year periods. At December 31, 1975 the Company had generated but not utilized investment tax credits totaling \$14,600,000.

Necessity Certificates permitted amortization over 60-month periods, for Federal income tax purposes, the cost of certain plant facilities completed during the period 1952 through 1958. Amounts equivalent to the net reduction in Federal taxes on income attributable to the excess of such amortization over depreciation ordinarily deducted were charges against income and the corresponding credit recorded in Account 216 - Retained Earnings Restricted for Future Taxes on Income pursuant to orders of State Regulatory Authorities. In the accompanying balance sheet, the accumulated credit of \$6,761,406 attributable to such accumulated deferred taxes is included in Retained Earnings. In Financial Statements filed with the Federal Power Commission and with the Securities and Exchange Commission, the accumulated credit for deferred Federal taxes on income is excluded from Retained Earnings and shown as "Accumulated Deferred Taxes on Income" consistent with the regulations of each of these commissions.

Preferred Dividends. Preferred stock dividends declared and charged to retained earnings include amounts applicable to the first quarter of the following year, except for the Preferred Stock A, \$7.45 Series which dividends are wholly applicable to the year in which declared.

Retirement Plan. The Company has a non-contributory retirement plan for all regular full-time employees and is funding the costs accrued under the plan. Retirement plan costs for 1975 were approximately \$3,526,000. In 1975, the Company amended the plan by changing, among other things, vesting provisions to conform with the requirements of the Employee Retirement Income Security Act of 1974, the interest assumption from 4½% to 5%, and the amortization of unfunded prior service cost over a period of twenty years from January 1, 1975 instead of from January 1, 1974. The effect of these changes on periodic net income is not material. At January 1, 1975, the date of the latest actuarial valuation, the unfunded prior service cost was approximately \$24 million and the actuarially computed value of vested benefits exceeded assets of the plan by approximately \$22 million.

Other Policies. At December 31, 1975 the Company had available lines of credit with various banks and maintains account balances in connection with certain of such lines. Other property and investments are stated principally at cost, less accumulated depreciation where applicable, except for the investment in its coal mining subsidiary which is accounted for on the equity basis. Temporary cash investments are stated at cost, approximating market value. Materials and supplies inventories are stated at average cost. The Company maintains an allowance for doubtful accounts receivable (1975, \$580,237). Bond premium, discount and expense are amortized over the life of the related debt.

2. CAPITAL STOCK

	<u>1975</u>	<u>1974</u>
Preferred Stock, without par value, cumulative:		
\$5 (authorized, 300,000 shares; outstanding, 237,259 shares).....	\$ 24,375,900	\$ 24,375,900
Serial (authorized, 10,000,000 shares):		
\$4.20 Series (outstanding, 100,000 shares).....	10,000,000	10,000,000
\$5.44 Series (outstanding, 250,000 shares).....	25,000,000	25,000,000
\$9.10 Series (outstanding, 300,000 shares).....	30,000,000	30,000,000
\$7.95 Series (outstanding, 350,000 shares).....	35,000,000	35,000,000
\$7.72 Series (outstanding, 500,000 shares).....	49,425,000	49,425,000
\$8.48 Series (outstanding, 650,000 shares).....	64,317,500	64,317,500
Preferred Stock A (authorized, 5,000,000 shares)-		
\$7.45 Series (outstanding, 500,000 shares).....	50,000,000	50,000,000
Total.....	<u>\$288,118,400</u>	<u>\$288,118,400</u>
Preference Stock, without par value, cumulative (authorized, 10,00,000 shares)-		
\$2.675 Series A (outstanding, 2,000,000 shares)	<u>\$ 47,900,000</u>	
Common Stock, without par value (authorized, 60,000,000 shares):		
Outstanding (1975, 32,692,791 shares; 1974, 23,438,844 shares).....	\$565,609,691	\$419,458,687
Subscribed but not issued - 19,875 shares.....		243,217
Total.....	<u>\$565,609,691</u>	<u>\$419,701,904</u>

Authorized Preference Stock was increased from 2,000,000 to 10,000,000 shares in May 1975.

Common stock outstanding increased \$146,151,004 in 1975 from the sale of 9,000,000 shares in public offerings and the sale of 253,947 shares in 1975 under the Company's Stock Purchase-Savings Program for Employees. At December 31, 1975, 711,513 shares of unissued common stock were reserved for issuance under the Program. The preference stock account increased \$47,900,000 in 1975 from the sale of 2,000,000 shares of such securities in public offerings.

The preferred stock is callable, in whole or in part, at redemption prices ranging from \$102 to \$115 a share plus accumulated dividends. The Preferred Stock A, \$7.45 Series, has a sinking fund requirement, commencing in 1984, to redeem 20,000 shares annually at \$100 per share plus accumulated dividends. In the event of liquidation, the preferred stock is entitled to \$100 a share plus accumulated dividends. The \$2.675 Preference Stock Series A is presently callable in whole or in part at \$27.68 per share plus accumulated dividends, unless refunding is involved in which case there are substantial limitations on redemption until April 1, 1980; and in the event of liquidation is entitled to \$25 a share plus accumulated dividends in preference only to the common stock.

The Company's charter and the first mortgage bond indenture as amended contain provisions limiting payments of cash dividends on common stock under certain circumstances. At December 31, 1975, none of the retained earnings was restricted under these provisions.

3. LONG-TERM DEBT --- PRINCIPAL AMOUNTS

First Mortgage Bonds:

3-1/8% Series, due 1979.....	\$ 20,100,000
3-1/4% Series, due 1979.....	43,930,000
2-7/8% Series, due 1981.....	15,000,000
3-1/2% Series, due 1982.....	20,000,000
11 % Series, due 1984.....	100,000,000*
4-1/8% Series, due 1988.....	20,000,000
4-7/8% Series, due 1990.....	25,000,000
4-1/2% Series, due 1991.....	25,000,000
4-1/2% Series, due 1994.....	30,000,000
11-1/8% Series, due 1994.....	50,000,000**
5-1/8% Series, due 1996.....	30,000,000
6-3/8% Series, due 1997.....	40,000,000
6-7/8% Series, due 1998.....	40,000,000
8-3/4% Series, due 2000.....	40,000,000
8-3/4% Series, due 2000.....	50,000,000
7-3/8% Series, due 2001.....	65,000,000
7-3/4% Series, due 2001.....	70,000,000
7-3/4% Series, due 2002.....	100,000,000
7-3/4% Series, due 2003.....	100,000,000
8-1/8% Series, due 2003.....	100,000,000
9-3/4% Series, due 2004.....	125,000,000
Total.....	1,109,030,000

*Issued in 1975

**\$22,350,000 issued in 1975

Six-year note payable to a bank, due July 31, 1978, at a fluctuating rate (8.33% at December 31, 1975) related to the bank's prime rate.....	\$ 50,000,000
Miscellaneous promissory notes (1974, \$234,310).....	<u>204,359</u>
Total long-term debt, including current maturities.....	1,159,234,359
Less long-term debt due within one year- 11-1/8% Series, due 1994.....	<u>2,000,000</u>
Total long-term debt excluding current maturities at December 31, 1975.....	<u>\$1,157,234,359</u>

The bond indenture, as amended, contains requirements that additional property be certified or that specified amounts in cash and/or principal amount of bonds be delivered annually to the Trustee as an improvement fund. Current liabilities do not include the current improvement fund requirements (approximately \$6,700,000 at December 31, 1975) since the Company meets such requirements by the certification of additional property.

Bonds of the 11-1/8% Series, due 1994, shall be redeemed under sinking fund provisions at \$2,000,000 each year commencing on December 1, 1976, at the principal amount without premium plus accrued interest.

4. COMMITMENTS AND CONTINGENCIES

It is estimated the Company's construction program for 1976 through 1978, excluding nuclear fuel, will cost approximately \$826 million. At December 31, 1975, firm commitments for construction aggregated approximately \$436 million plus approximately \$306 million for initial and replacement nuclear fuel. In addition, the Company has a contract with the Energy Research and Development Administration for nuclear fuel enrichment requirements through June 30, 2002, which is cancelable without penalty upon five years written notice. Payments for enrichment services are anticipated to approximate \$110 million during the next five years. Many contracts include escalation provisions.

The Company has entered into agreements with Pickands Mather & Co. (PM), a firm engaged in owning, operating and managing mineral properties, to develop two adjacent deep coal mines in Pike County, Kentucky, each capable of producing 1,000,000 tons of coal per year over about 25 years. A subsidiary, Leslie Coal Mining Company (LC), has been formed, owned 80% by the Company and 20% by PM, to construct and develop one of the mines. Significant aspects of LC's financial position are summarized as follows (in thousands):

	<u>December 31,</u>	
	<u>1975</u>	<u>1974</u>
Total assets.....	<u>\$17,744</u>	<u>\$2,946</u>
Notes payable to bank (guaranteed by the Company).....	<u>\$16,200</u>	

The Company has guaranteed the obligations of LC under the terms of bank loan agreements and a lease financing arrangement which can provide up to \$49.7 million in funds for the LC mine (currently estimated maximum capital cost is \$50 million). The Company has further agreed to advance any other funds required by LC and to cause LC to complete the mine not later than December 31, 1979. The Company and PM have entered into coal purchase contracts for 80% and 20%, respectively, of LC's production at prices sufficient to meet all of its costs. The adjacent mine is currently expected to cost approximately \$46.6 million.

Rentals, excluding nuclear fuel, charged to income were approximately \$7,400,000 in 1975. Minimum rental commitments under noncancelable leases (except for nuclear fuel) at December 31, 1975 were approximately (in thousands):

<u>Payable</u>	<u>ICT Generators</u>	<u>Other</u>	<u>Total</u>
1976	\$ 3,800	\$2,800	\$ 6,600
1977	3,800	2,400	6,200
1978	3,800	1,400	5,200
1979	3,800	800	4,600
1980	3,800	700	4,500
1981-1985	19,000	3,400	22,400
1986-1990	19,000	3,100	22,100
1991-1995	19,000	2,300	21,300
Remainder	13,300	6,300	19,600

Rentals under a nuclear fuel lease totaled \$5,400,000 in 1975 of which \$3,500,000 for 1975 was charged to income. Such rentals include a component based on energy produced and another computed on the lessor's unamortized acquisition cost (\$47,100,000 at December 31, 1975). Rental payments for nuclear fuel presently under lease are estimated to approximate \$11,000,000 in 1976 and 1977 and declining each year thereafter through 1980. Under the terms of the leases for the internal combustion turbine (ICT) generators and the nuclear fuel, the Company, under certain circumstances, is contingently liable to purchase the properties from the lessors. The Company is responsible for expenses in connection with most of the leased properties, including insurance, taxes and maintenance.

Electric utility plant at December 31, 1975 includes approximately \$15 million representing cost less accumulated depreciation of four hydroelectric projects licensed by the Federal Power Commission (FPC), which licenses expire in 1976, 1993 and 2008. Upon or after expiration of each license, the United States may take over the project, or the FPC may issue a new license either to the Company or a new licensee. In the event of a takeover or licensing to another licensee, the Company would be paid its "net investment" in the project, not to exceed fair value, plus severance damages, if any. No provision for amortization reserves as required for the determination of "net investment" has been recorded as such amounts, if any, are considered immaterial. In 1973, the Company applied for a new 50-year license for the Walters Hydroelectric Project which original license expires in November 1976. A competing application has been filed by a group

of rural electric cooperatives. The Company expects that its license application will be granted.

The Company is a member of Nuclear Mutual Limited, established to provide insurance coverage against property damage to members' nuclear generating facilities. The Company would be subject to a maximum assessment of about \$19 million in the event of losses.

In 1972 the Company committed a total of \$3,450,000 for research concerning development of the Liquid Metal Fast Breeder Reactor payable in ten equal annual installments through 1981.

5. PROPOSED ACCOUNTING RULES

In May 1976 the FPC published for comment certain proposed revisions in its uniform system of accounts which would provide for a formula establishing a ceiling on AFC (allowance for funds used during construction) rates and the separate reporting in the statement of income of the debt and equity portions of AFC. The ultimate effects, if any, on the Company's financial position and results of operations are not presently determinable pending definitive action on the proposal.

I. FUEL AUDIT REPORT

AUDIT SCOPE

As a part of the Staff's continuing audit of Fossil Fuel Adjustment Clauses under the jurisdiction of this Commission, and as a part of the current rate proceeding, Staff has completed an audit of the Fuel Adjustment Clause currently applied by Carolina Power and Light Company.

The scope of the audit encompassed the year ending December 31, 1975. The months of March, June, August and December, 1975, were selected for detailed audit review. The review consisted of checking computations and source documentation as deemed necessary to ascertain that the fuel adjustment factor was applied within the intent of the South Carolina Public Service Commission Order No. 18,105, which approved Carolina Power and Light's Fossil Fuel Adjustment Clause.

The Audit was conducted under the authority of the South Carolina Public Service Commission Order No. 17,186, which provides for Staff investigations of fuel adjustment clauses.

AUDIT OBJECTIVES

The specific audit objectives were:

- (1) To determine that CP&L is computing and applying the Fuel Adjustment Factor to South Carolina Retail Customers as intended under Order No. 18,105.
- (2) To update Staff's documentation of CP&L's internal control in the area of purchasing.

FACTOR APPLICATION

The first objective was accomplished using a reconciliation of the Fuel Stock Account as an audit control. The amount charged as burned cost was traced into the factor computation and test checked. The month of August, 1975, was selected for this test because average purchase cost per ton of coal was the closest to the average purchase cost per ton for the year 1975. The Staff selected coal and #2 fuel oil purchase orders for review and testing of fuel receipts. The Staff found no exceptions in its analysis of purchase orders and freight bills. Since CP&L does not have its fuel accounting system computerized, the Staff did not utilize the Auditape in its audit procedures. However, full computerization is being implemented by the Company and the Staff is planning to utilize the Auditape in future audits.

PURCHASING

The second objective was accomplished by the Staff's investigation into CP&L's fuel purchasing procedures. This investigation consisted of a review of the Company's policies for spot market purchases and company procedures for investigating the increases in contract prices passed through by contract escalation clauses.

(1) The selection of spot coal to be purchased is made from information provided by vendors in response to Carolina Power and Light's monthly bid solicitation and from historic data compiled on previous purchases. The selection is

based on the required coal specifications and quantity needed at each plant along with the total delivered cost of both spot and contract coal. Data from the supplier quotations is used in a computer evaluation program that accesses purchase history files and applies the freight rate to arrive at the most economic distribution of expected contract receipts along with the necessary spot coal purchases to each plant. The selection and distribution provided by the evaluation program is designed to allow each plant to meet the required coal specifications while incurring the lowest total delivered cost.

(2) The Staff also investigated the Company's procedures for investigating cost increases passed on to the Company through escalation clauses in coal contracts. The Staff did not perform this area of investigation with the intent of evaluating the propriety of the contracts. It was the intent of the Staff to determine if the Company is implementing cost control in its fuel purchasing in an attempt to obtain the lowest costs for the ratepayer. This area will be of continuing interest to the Staff.

The contract escalation clauses are generally for labor cost increases and for material (coal) cost increases. The Staff found that CP&L cost control procedures varied with each vendor and contract. The Staff investigated the following four vendors' contract escalation clauses:

A. United Collieries, Inc.

The contract with United contains a specific price per ton escalation as of a specific date. The purpose of the escalation was to cover the producers anticipated increased cost of production due to wage increases in the industry effective the date of the escalation. This contract was for a period of one year.

B. Eastern Associated Coal Corporation

Under terms of this contract Eastern is allowed to escalate for materials in accordance with movements in the "Index of Wholesale Prices by Durability of Product, Total Manufacturers' Durable, U. S. Department Labor, Bureau of Labor and Statistics." Eastern sends its computations to CP&L for review and approval. Company personnel evaluate the escalation, and if any differences are found the Company does not pay the escalation until these differences are resolved. Some differences have resulted in audits by Haskins and Sells, CPAs on the Company's behalf and in arbitration proceedings.

C. Continental Coal Sales Corporation

The terms of the contracts with Continental provide for escalation or deescalation for changes in the costs of mining. The escalations passed through on these contracts during 1975 were accepted subject to adjustment after audit by CP&L.

D. A.T. Massey Coal Co., Inc.

The contract with Massey provides for annual market price renegotiations and for escalation for increases in the costs of production. On November 29, 1974, Massey informed CP&L that Massey desired to renegotiate the contract price. A new contract price was agreed upon which included all increases for production costs. These increases were audited by CP&L's internal audit department.

II. EXHIBIT.: : PURCHASE COST OF COAL PER TON

This Exhibit shows the purchase cost of coal per ton from September 1973 through April 1976, along with the number of days supply on hand during that period. Coal prices declined from an average price of \$29.04 per ton (Total Cost) in 1974 to an average of \$25.87 for 1975.

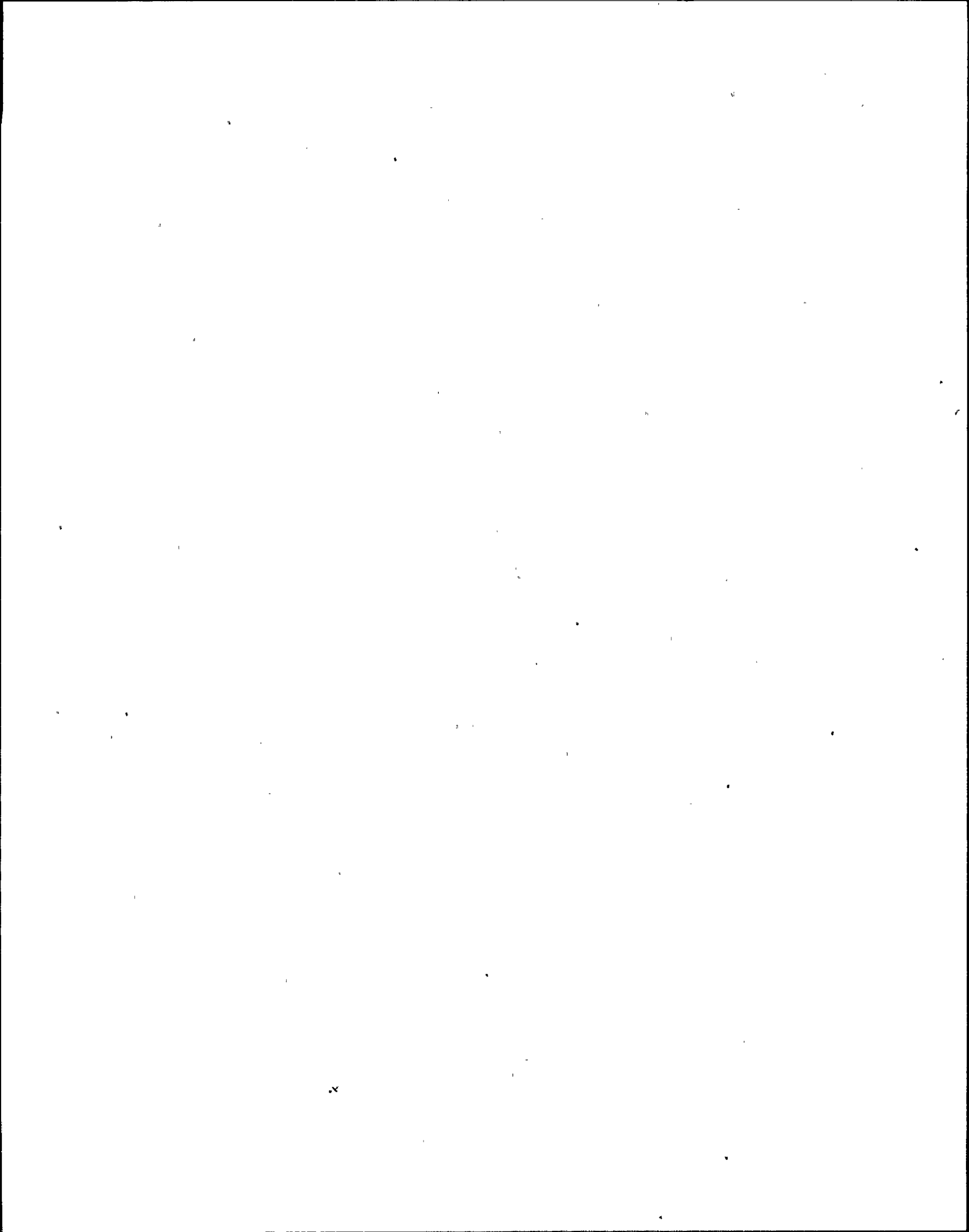
III. ACCOUNTING PROCEDURES PROPOSED FUEL ADJUSTMENT

The Staff recognizes that various procedures for implementing an Automatic Fuel Adjustment are utilized by one or more utilities under the jurisdiction of this Commission. Any procedure will consist of four related but separate steps.

These are (1) determining the cost to be passed through; (2) distributing those costs to the rate payers; (3) collecting the distributed costs from the ratepayers; and (4) accounting for the related expenses and revenues that are produced by the transaction.. It is the Accounting Staff's recommendation for the items above that each month's fuel cost above base is to be charged to that month's usage by each customer of the Company and billing should be deferred 60 days to enable the Company to use actual costs. The Company should use an expense deferral or a revenue accrual method to account for any lag in collections.

CAROLINA POWER AND LIGHT COMPANY
 PURCHASE COST OF OWM, PER TON
 SEPTEMBER 1973 - APRIL 1976

Month	(1) Contract Cost \$	(2) Contract \$	(3) Spot Cost \$	(4) Spot \$	(5) Overall Cost \$	(6) Freight \$	(7) Total Cost \$	(8) Days Supply
September 1973	8.37	72.71	8.30	27.29	8.35	3.68	12.03	74
October	8.64	60.55	8.76	39.45	8.62	3.94	12.62	57
November	8.94	60.34	8.71	39.66	8.85	3.96	12.81	60
December	6.72	67.41	8.79	32.59	8.74	4.07	12.81	47
January 1974	9.34	67.58	14.66	32.42	11.07	3.79	14.86	58
February	13.14	46.66	22.04	53.34	17.89	4.34	22.23	59
March	9.82	43.67	26.79	56.33	19.37	4.44	23.81	59
April	10.09	47.18	28.06	52.82	19.58	4.78	24.36	59
May	10.31	53.64	28.07	46.36	18.54	5.05	23.59	43
June	10.19	61.76	27.67	38.24	16.87	4.28	21.15	35
July	9.91	45.93	30.05	54.07	20.80	4.84	25.64	24
August	10.38	25.09	35.31	74.91	29.05	5.56	34.61	25
September	10.31	22.19	36.22	77.81	30.32	5.45	35.77	46
October	17.18	19.57	38.56	80.43	34.38	5.75	40.13	64
November	11.81	25.73	39.50	74.27	32.38	5.49	37.87	77
December	45.86	20.00	37.36	60.00	39.04	5.49	44.53	66
January 1975	15.12	47.64	33.93	52.36	24.97	4.67	29.64	78
February	19.14	68.22	31.18	31.78	22.97	5.06	28.03	71
March	18.71	63.10	18.99	36.90	18.81	5.43	24.21	66
April	18.83	56.82	18.54	43.18	18.70	5.55	24.25	59
May	21.69	62.89	19.06	37.11	20.71	5.29	26.00	49
June	20.84	71.07	18.83	28.13	20.28	4.97	25.25	48
July	20.48	52.50	17.01	47.59	18.83	5.23	24.06	58
August	23.86	53.24	16.73	46.76	20.52	5.32	25.84	63
September	22.51	74.07	15.08	25.93	20.58	5.39	25.97	55
October	22.30	64.99	16.10	35.01	20.13	5.48	25.61	59
November	21.37	60.72	15.78	39.28	19.18	5.75	24.93	64
December	23.26	67.77	15.51	32.23	20.76	5.91	26.67	66
January 1976	22.20	63.34	15.91	36.66	19.89	5.80	25.69	84
February	22.20	85.20	15.86	14.80	21.26	6.00	27.26	77
March	20.56	88.28	14.92	11.72	19.90	5.53	25.43	85
April	20.20	82.50	13.84	17.50	19.09	5.77	24.86	78



CAROLINA POWER AND LIGHT COMPANY

RALEIGH, NORTH CAROLINA

RATE CASE - 1976

DOCKET NOS. 18,361 and 18,387

REPORT

OF

ELECTRIC DEPARTMENT STAFF

UTILITIES DIVISION

THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

UNIT COST OF TOTAL FUEL FOR 1976

<u>Month</u>	<u>Cost</u>	<u>Sales (MWH)</u>	<u>Mills/KWH</u>
Jan.*	\$20,305,335	2,371,700	8.562
Feb.*	14,955,377	2,265,851	6.600
Mar.*	15,721,167	2,024,836.5	7.764
Apr.*	16,069,674	1,921,924.1	8.361
May	14,373,451	1,824,105	7.880
June	18,856,010	2,074,039	9.091
July	20,928,320	2,182,975	9.587
Aug.	21,654,458	2,369,617	9.138
Sept.	16,924,582	2,340,264	7.232
Oct.	15,383,571	2,065,325	7.448
Nov.	19,916,790	1,999,044	9.968
Dec.	20,423,889	2,133,789	9.572

*Actual

Average for year is 8.43 = 8.5 Mills per KWH

	<u>Cost</u>	<u>Base</u>	<u>Credit/1000 KWH</u>	<u>Debit/1000 KWH</u>
J	8.562	8.5	\$	\$0.06
F	6.600	8.5	1.90	
M	7.764	8.5	0.74	
A	8.361	8.5	0.14	
M	7.880	8.5	0.62	
J	9.091	8.5		0.59
J	9.587	8.5		1.09
A	9.138	8.5		0.64
S	7.232	8.5	1.27	
O	7.448	8.5	1.05	
N	9.968	8.5		1.18
D	9.572	8.5		1.07
			<u>\$5.72</u>	<u>\$4.57</u>

8.5 in Base allows 6 mos. Credit and 6 mos. Debit

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(With June Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED RATE		PROPOSED DOCKET		AMOUNT INCREASE	
			1-15-75*	#18,387**	DOLLARS	PERCENT		
01	General	Min	R4K \$ 2.00	R4R \$ 2.80	\$.80	40.00%		
02		100	4.74	6.04	1.30	27.43%		
03		250	9.62	12.20	2.58	26.82%		
04		500	16.10	21.36	5.26	32.67%		
05		750	22.57	30.82	8.25	36.55%		
06		1,000	28.95	39.62	10.67	36.86%		
07		2,000	54.36	74.82	20.46	37.64%		
08		3,000	79.77	110.02	30.25	37.92%		
09	Water Heater	Min	R3M 2.00	R3T 2.80	.80	40.00%		
10		100	4.74	6.04	1.30	27.43%		
11		250	9.30	11.79	2.49	26.77%		
12		500	14.61	19.09	4.48	30.66%		
13		750	19.13	26.92	7.79	40.72%		
14		1,000	25.12	35.52	10.40	41.40%		
15		2,000	50.53	70.72	20.19	39.96%		
16		3,000	75.94	105.92	29.98	39.48%		
17	All Electric	Min	R2M 2.00	R2T 2.80	.80	40.00%		
18		100	4.74	6.04	1.30	27.43%		
19		250	9.30	11.79	2.49	26.77%		
20		500	14.61	19.09	4.48	30.66%		
21		750	19.13	26.92	7.79	40.72%		
22		1,000	24.32	33.84	9.52	39.14%		
23		2,000	45.73	60.64	14.91	32.60%		
24		3,000	66.54	86.69	20.15	30.28%		

* Fuel in base rate of 0.513¢ per KWH plus F.A.C. of 0.391¢ per KWH
 ** Fuel in base rate of 1.010¢ per KWH (Based on Nuclear and Fossil Clause, therefore a deduction or credit would be necessary; 1.010 less .85 (Nuclear&Fossil Staff Proposal) equals 0.16¢ per KWH; and .85 less .84985 (Cost of total fuel burned for June) equals 0.00015¢ per KWH; therefore a deduction or credit to the consumer from proposed base of 0.16015¢ per KWH)

6/15/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(Without Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED		PROPOSED		AMOUNT	
			RATE	1-15-75*	DOCKET	#18,387**	DOLLARS	PERCENT
01	General	Min	R4K	\$ 2.00	R4R	\$ 2.80	\$.80	40.00%
02		100		4.35		6.20	1.85	42.53%
03		250		8.64		12.60	3.96	45.83%
04		500		14.14		22.16	8.02	56.72%
05		750		19.64		32.02	12.38	62.94%
06		1,000		25.04		41.22	16.18	64.62%
07		2,000		46.54		78.02	31.48	67.64%
08		3,000		68.04		114.82	46.78	68.75%
09	Water Heater	Min	R3M	2.00	R3T	2.80	.80	40.00%
10		100		4.35		6.20	1.85	42.53%
11		250		8.32		12.19	3.87	46.51%
12		500		12.65		19.89	7.24	57.23%
13		750		16.20		28.12	11.92	73.58%
14		1,000		21.21		37.12	15.91	75.01%
15		2,000		42.71		73.92	31.21	73.07%
16		3,000		64.21		110.72	46.51	72.43%
17	All Electric	Min	R2M	2.00	R2T	2.80	.80	40.00%
18		100		4.35		6.20	1.85	42.53%
19		250		8.32		12.19	3.87	46.51%
20		500		12.65		19.89	7.24	57.23%
21		750		16.20		28.12	11.92	73.58%
22		1,000		20.41		35.44	15.03	73.64%
23		2,000		37.91		63.84	25.93	68.40%
24		3,000		54.81		91.49	36.68	66.92%

* Fuel in base rate of 0.513¢ per KWH

** Fuel in base rate of 1.010¢ per KWH (Based on Nuclear and Fossil Clause) 6/15/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(With June Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED RATE		STAFF PROPOSAL 4-21-76**	AMOUNT INCREASE	
			1-15-75*			DOLLARS	PERCENT
01	General	Min	R4K	\$ 2.00	\$ 4.50	\$ 2.50	125.00%
02		100		4.74	7.82	3.08	64.98%
03		250		9.62	12.81	3.19	33.16%
04		500		16.10	21.05	4.95	30.75%
05		750		22.57	29.24	6.67	29.55%
06		1,000		28.95	37.03	8.08	27.91%
07		2,000		54.36	67.78	13.42	24.69%
08		3,000		79.77	98.53	18.76	23.52%
09	Water Heater	Min	R3M	2.00	4.50	2.50	125.00%
10		100		4.74	7.82	3.08	64.98%
11		250		9.30	12.81	3.51	37.74%
12		500		14.61	20.19	5.58	38.19%
13		750		19.13	26.94	7.81	40.83%
14		1,000		25.12	34.46	9.34	37.18%
15		2,000		50.53	65.21	14.68	29.05%
16		3,000		75.94	95.97	20.03	26.38%
17	All Electric	Min	Summer R2M	2.00	5.00	3.00	150.00%
18		100		4.74	8.32	3.58	75.53%
19		250		9.30	13.31	4.01	43.12%
20		500		14.61	20.69	6.08	41.62%
21		750		19.13	27.46	8.33	43.54%
22		1,000		24.32	34.96	10.64	43.75%
23		2,000		45.73	65.71	19.98	43.69%
24		3,000		66.54	96.46	29.92	44.97%
25		Min	Winter R2M	2.00	5.00	3.00	150.00%
26		100		4.74	8.32	3.58	75.53%
27		250		9.30	13.31	4.01	43.12%
28		500		14.61	20.69	6.08	41.62%
29		750		19.13	27.46	8.33	43.54%
30		1,000		24.32	34.76	10.44	42.93%
31		2,000		45.73	60.31	14.58	31.88%
32		3,000		66.54	81.66	15.12	22.72%

* Fuel in base rate of 0.513¢ per KWH plus F.A.C. of 0.391¢ per KWH

** Fuel in base rate of 0.850¢ per KWH (Based on Nuclear and Fossil Clause), therefore since cost of fuel burned was 0.84985¢ per KWH a credit to the customer of 0.00015¢ per KWH is necessary

6/15/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(Without Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED RATE		STAFF PROPOSAL		AMOUNT INCREASE	
			1-15-75*	1-15-75*	4-21-76**	4-21-76**	DOLLARS	PERCENT
01	General	Min	R4K	\$ 2.00	\$ 4.50	\$ 2.50	125.00%	
02		100		4.35	7.84	3.49	80.23%	
03		250		8.64	12.85	4.21	48.73%	
04		500		14.14	21.13	6.99	49.43%	
05		750		19.64	29.35	9.71	49.44%	
06		1,000		25.04	37.18	12.14	48.48%	
07		2,000		46.54	68.08	21.54	46.28%	
08		3,000		68.04	98.98	30.94	45.47%	
09	Water Heater	Min	R3M	2.00	4.50	2.50	125.00%	
10		100		4.35	7.84	3.49	80.23%	
11		250		8.32	12.85	4.53	54.45%	
12		500		12.65	20.27	7.62	60.24%	
13		750		16.20	27.07	10.87	67.10%	
14		1,000		21.21	34.61	13.40	63.18%	
15		2,000		42.71	65.51	22.80	53.39%	
16		3,000		64.21	96.41	32.20	50.15%	
17	All Electric	Min	Summer	R2M 2.00	5.00	3.00	150.00%	
18		100		4.35	8.34	3.99	91.72%	
19		250		8.32	13.35	5.03	60.46%	
20		500		12.65	20.77	8.72	68.97%	
21		750		16.20	27.57	11.37	70.19%	
22		1,000		20.41	35.11	14.70	72.02%	
23		2,000		37.91	66.01	28.10	74.12%	
24		3,000		54.81	96.91	42.10	76.81%	
25		Min	Winter	R2M 2.00	5.00	3.00	150.00%	
26		100		4.35	8.34	3.99	91.72%	
27		250		8.32	13.35	5.03	60.46%	
28		500		12.65	20.77	8.72	68.97%	
29		750		16.20	27.57	11.37	70.19%	
30		1,000		20.41	34.91	14.50	71.04%	
31		2,000		37.91	60.61	22.70	59.87%	
32		3,000		54.81	82.11	27.30	49.81%	

* Fuel in base rate of 0.513¢ per KWH

** Fuel in base rate of 0.850¢ per KWH (Nuclear and Fossil)

6/15/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(WITH JUNE FUEL ADJUSTMENT)

Line	Service	KWH	Approved Rate		Proposed Alternate Rate**		Amount Increase	
			1-15-75*				Dollars	Percent
01	General	Min	R4K	\$ 2.00	R4T	\$ 4.40	\$ 2.40	120.00%
02		100		4.74		7.72	2.98	62.87
03		250		9.62		12.71	3.09	32.12
04		500		16.10		20.95	4.85	30.12
05		750		22.57		29.14	6.57	29.11
06		1000		28.95		36.93	7.98	27.56
07		2000		54.36		67.68	13.32	24.50
08		3000		79.77		98.43	18.66	23.39
09	Water Heater	Min	R3M	2.00	R3V	4.55	2.55	127.50
10		100		4.74		7.87	3.13	66.03
11		250		9.30		12.86	3.56	38.28
12		500		14.61		20.24	5.63	38.54
13		750		19.13		27.01	7.88	41.19
14		1000		25.12		34.51	9.39	37.38
15		2000		50.53		65.26	14.73	29.15
16		3000		75.94		96.01	20.07	26.43
17	All Electric	Min	Summer R2M	2.00	R2V	5.00	3.00	150.00
18		100		4.74		8.32	3.58	75.53
19		250		9.30		13.31	4.01	43.12
20		500		14.61		20.69	6.08	41.62
21		750		19.13		27.46	8.33	43.54
22		1000		24.32		34.96	10.64	43.75
23		2000		45.73		65.71	19.98	43.69
24		3000		66.54		96.46	29.92	44.97
25		Min	Winter R2M	2.00	R2V	5.00	3.00	150.00
26		100		4.74		8.32	3.58	75.53
27		250		9.30		13.31	4.01	43.12
28		500		14.61		20.69	6.08	41.62
29		750		19.13		27.46	8.33	43.54
30		1000		24.32		34.76	10.44	42.93
31		2000		45.73		60.31	14.58	31.88
32		3000		66.54		81.66	15.12	22.72

*Fuel in base rate of 0.513¢ per KWH plus F.A.C. of 0.391¢ per KWH.
 **Fuel in base rate of 0.850¢ per KWH (Based on Nuclear and Fossil Clause), therefore since cost of fuel burned was 0.84985¢ per KWH a credit to the customer of 0.00015¢ per KWH is necessary

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(WITHOUT FUEL ADJUSTMENT)

Line	Service	KWH	Approved Rate 1-15-75*	Proposed Alternate Rate**	Amount Increase	
					Dollars	Percent
01	General	Min	R4K \$ 2.00	R4 \$ 4.40	\$ 2.40	120.00%
02		100	4.35	7.74	3.39	77.93
03		250	8.64	12.75	4.11	47.57
04		500	14.14	21.03	6.89	48.73
05		750	19.64	29.25	9.61	48.93
06		1000	25.04	37.08	12.04	48.08
07		2000	46.54	67.98	21.44	46.07
08		3000	68.04	98.88	30.84	45.33
09	Water Heater	Min	R3M 2.00	R3 4.55	2.55	127.50
10		100	4.35	7.89	3.54	81.38
11		250	8.32	12.90	4.58	55.05
12		500	12.65	20.32	7.67	60.63
13		750	16.20	27.12	10.92	67.41
14		1000	21.21	34.66	13.45	63.41
15		2000	42.71	65.56	22.85	53.50
16		3000	64.21	96.46	32.25	50.23
17	All Electric	Min	Summer R2M 2.00	R2V 5.00	3.00	150.00
18		100	4.35	8.34	3.99	91.72
19		250	8.32	13.35	5.03	60.46
20		500	12.65	20.77	8.12	64.19
21		750	16.20	27.57	11.37	70.19
22		1000	20.41	35.11	14.70	72.02
23		2000	37.91	66.01	28.10	74.13
24		3000	54.81	96.91	42.10	76.81
25		Min	Winter R2M 2.00	R2V 5.00	3.00	150.00
26		100	4.35	8.34	3.99	91.72
27		250	8.32	13.35	5.03	60.46
28		500	12.65	20.77	8.12	64.19
29		750	16.20	27.57	11.37	70.19
30		1000	20.41	34.91	14.50	71.04
31		2000	37.91	60.61	22.70	59.88
32		3000	54.81	82.11	27.30	49.81

*Fuel in base rate of 0.513¢ per KWH

**Fuel in base rate of 0.850¢ per KWH (Nuclear and Fossil)

6-15-76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(With June Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED RATE 1-15-75*	RATE UNDER BOND**	PROPOSED DOCKET #18,387***	PROPOSED ALTERNATE RATE****	STAFF PROPOSAL 4-21-76****
01	General	Min	R4K \$ 2.00	R4R \$ 2.80	R4R \$ 2.80	R4T \$ 4.40	\$ 4.50
02		100	4.74	5.65	6.04	7.72	7.82
03		250	9.62	11.22	12.20	12.71	12.81
04		500	16.10	19.39	21.36	20.95	21.05
05		750	22.57	27.87	30.82	29.14	29.24
06		1,000	28.95	35.68	39.62	36.93	37.03
07		2,000	54.36	66.95	74.82	67.68	67.78
08		3,000	79.77	98.21	110.02	98.43	98.53
09	Water Heater	Min	R3M 2.00	R3T 2.80	R3T 2.80	R3V 4.55	4.50
10		100	4.74	5.65	6.04	7.87	7.82
11		250	9.30	10.81	11.79	12.86	12.81
12		500	14.61	17.12	19.09	20.24	20.19
13		750	19.13	23.97	26.92	27.01	26.94
14		1,000	25.12	31.58	35.52	34.51	34.46
15		2,000	50.53	62.85	70.72	65.26	65.21
16		3,000	75.94	94.11	105.92	96.01	95.97
17	All Electric	Min	Summer R2M 2.00	R2T 2.80	R2T 2.80	R2V 5.00	5.00
18		100	4.74	5.65	6.04	8.32	8.32
19		250	9.30	10.81	11.79	13.31	13.31
20		500	14.61	17.12	19.09	20.69	20.69
21		750	19.13	23.97	26.92	27.46	27.46
22		1,000	24.32	29.90	33.84	34.96	34.96
23		2,000	45.73	52.77	60.64	65.71	65.71
24		3,000	66.54	74.88	86.69	96.46	96.46
25		Min	Winter R2M 2.00	R2T 2.80	R2T 2.80	R2V 5.00	5.00
26		100	4.74	5.65	6.04	8.32	8.32
27		250	9.30	10.81	11.79	13.31	13.31
28		500	14.61	17.12	19.09	20.69	20.69
29		750	19.13	23.97	26.92	27.46	27.46
30		1,000	24.32	29.90	33.84	34.76	34.75
31		2,000	45.73	52.77	60.64	60.31	60.31
32		3,000	66.54	74.88	86.69	81.66	81.66

* Fuel in base rate of 0.513¢ per KWH plus 0.391¢ per KWH F.A.C.
 ** Fuel in base rate of 1.010¢ per KWH less 0.5536¢ per KWH plus 0.391¢ per KWH F.A.C.
 *** Fuel in base rate of 1.010¢ per KWH less 0.160¢ per KWH less 0.00015¢ per KWH credit
 **** Fuel in base rate of 0.850¢ per KWH less 0.0015¢ per KWH credit F.A.C.

RESIDENTIAL SERVICE — ALL ELECTRIC

SCHEDULE R-2

Present Rates 1/

4.99¢ per KWH for the first 50 KWH
 3.71¢ per KWH for the next 100 KWH
 2.43¢ per KWH for the next 50 KWH
 1.79¢ per KWH for the next 50 KWH
 2.20¢ per KWH for the next 100 KWH
 1.42¢ per KWH for the next 450 KWH
 1.75¢ per KWH for the next 1700 KWH
 1.63¢ per KWH for all over 2500 KWH
 \$2.00 Minimum Bill

Company Proposed Rates

7.02¢ per KWH for the first 50 KWH
 5.37¢ per KWH for the next 100 KWH
 3.72¢ per KWH for the next 50 KWH
 2.90¢ per KWH for the next 50 KWH
 2.24¢ per KWH for the next 50 KWH
 3.29¢ per KWH for the next 500 KWH
 2.84¢ per KWH for the next 1700 KWH
 2.69¢ per KWH for all over 2500 KWH
 \$2.80 Minimum Bill

Staff Proposal 2/Summer 3/

\$5.00
 3.34¢
 2.72¢
 3.09¢

Winter 4/

\$5.00

 3.34¢
 2.72¢
 2.99¢
 2.15¢

Facilities Charge 5/

per KWH for the first 350 KWH
 per KWH for the next 450 KWH
 per KWH for all over 800 KWH

 per KWH for the first 350 KWH
 per KWH for the next 450 KWH
 per KWH for the next 700 KWH
 per KWH for all over 1500 KWH

- 1/ Rates approved in Commission Order No. 18,100, Docket No. 17,134; rates do not include current Approved Fuel Clause
- 2/ KWH rates include 0.8500¢/KWH for fuel in base rate
- 3/ Billing months of July through October; usage months of June through September
- 4/ Billing months of November through June; usage months of October through May
- 5/ Facilities Charge applies regardless of KWH consumption, CP&L's alternate rate is identical to Staff's

April 21, 1976

RESIDENTIAL SERVICE — WATER HEATING

SCHEDULE R-3

Present Rates 1/

4.99¢ per KWH for the first 50 KWH
 3.71¢ per KWH for the Next 100 KWH
 2.43¢ per KWH for the next 50 KWH
 1.79¢ per KWH for the next 50 KWH
 2.20¢ per KWH for the next 100 KWH
 1.42¢ per KWH for the next 450 KWH
 2.15¢ per KWH for all over 800 KWH

\$2.00 Minimum Bill

Company Proposed Rates

7.02¢ per KWH for the first 50 KWH
 5.37¢ per KWH for the next 100 KWH
 3.72¢ per KWH for the next 50 KWH
 2.90¢ per KWH for the next 50 KWH
 2.24¢ per KWH for the next 50 KWH
 3.29¢ per KWH for the next 500 KWH
 3.68¢ per KWH for all over 800 KWH

\$2.80 Minimum Bill

Staff Proposal 2/

\$4.50

Facilities Charge 3/

3.34¢

per KWH for the first 350 KWH

2.72¢

per KWH for the next 450 KWH

3.09¢

per KWH for all over 800 KWH

1/ Rates approved in Commission Order No. 18,100, Docket No. 17,134; rates do not include current approved Fuel Clause.

2/ KWH rates include 0.850¢/KWH for fuel in base rate

3/ Facilities Charge applies regardless of KWH consumption, CP&L's alternate rate uses same block rates as Staff proposal but has \$4.55 facilities charge

April 21, 1976

RESIDENTIAL SERVICE — GENERAL

SCHEDULE R-4

Present Rates 1/

4.99¢ per KWH for the first 50 KWH

3.71¢ per KWH for the next 100 KWH

2.43¢ per KWH for the next 100 KWH

2.20¢ per KWH for the next 550 KWH

2.15¢ per KWH for all over 800 KWH

\$2.00 Minimum Bill

Company Proposed Rates

7.02¢ per KWH for the first 50 KWH

5.37¢ per KWH for the next 100 KWH

3.72¢ per KWH for the next 100 KWH

3.07¢ per KWH for the next 50 KWH

4.01¢ per KWH for the next 400 KWH

3.68¢ per KWH for all over 700 KWH

\$2.80 Minimum Bill

Staff Proposal 2/

\$4.50

Facilities Charge 3/

3.34¢

per KWH for the first 350 KWH

3.29¢

per KWH for the next 450 KWH

3.09¢

per KWH for all over 800 KWH

1/ Rates approved in Commission Order No. 18,100, Docket No. 17,134; rates do not include current approved Fuel Clause

2/ KWH rates include 0.850¢/KWH for fuel in base rate

3/ Facilities Charge applies regardless of KWH consumption, CP&L's alternate rate uses same block rates as Staff proposal but has \$4.40 facilities charge

April 21, 1976

TABLE 1
LOAD, CAPABILITY, RESERVE
 (MEGAWATTS)

<u>YEAR</u>	<u>PEAK LOAD</u>	<u>GENERATING⁽¹⁾ CAPABILITY</u>	<u>PURCHASES AND SALES, NET</u>	<u>TOTAL RESOURCES</u>	<u>RESERVE MARGIN</u>	<u>RESERVE % LOAD</u>
1976	5396	6538	82.5	6620.5	1224.5	22.7
1977	5836	7495	221.5	7716.5	1880.5	32.2
1978	6330	7495	227.5	7722.5	1392.5	22.0
1979	6821	7495	227.5	7722.5	901.5	13.2
1980	7342	8215	127.5	8342.5	1000.5	13.6
1981	7904	8215	75.0	8290.0	386	4.9
1982	8492	8215	75.0	8290.0	(202)	(2.4)
1983	9086	8935	75.0	9010.0	(76)	(0.8)
1984	9707	9835	75.0	9910.0	203	2.1
1985	10363	10555	75.0	10630.0	267	2.6

(1) Includes generating unit additions and expected uprates of existing units.

() INDICATES NEGATIVE NUMBER

6/23/76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

YEAR	N	<u>SUMMER LOAD</u>	
		PEAK	ADJ PEAK
1960	1	1237	1199
1961	2	1338	1326
1962	3	1468	1466
1963	4	1561	1622
1964	5	1737	1794
1965	6	1931	1984
1966	7	2184	2194
1967	8	2270	2427
1968	9	2834	2684
1969	10	3055	2969
1970	11	3484	3283
1971	12	3625	3632
1972	13	4119	4017
1973	14	4711	4443
1974	15	4771	4914
1975	16	5060	5435

YEAR	PROJ PEAK
1976	6011
1977	6649
1978	7354
1979	8134
1980	8996
1981	9950
1982	11006
1983	12173
1984	13464
1985	14892
1986	16471
1987	18218
1988	20150
1989	22287
1990	24651

AVG. PER CENT INCREASE EQUALS 10.606

6/22/76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

SUMMER LOAD

YEAR	N	PEAK	ADJ PEAK
1968	1	2834	2860
1969	2	3055	3120
1970	3	3484	3404
1971	4	3625	3714
1972	5	4119	4052
1973	6	4711	4421
1974	7	4771	4823
1975	8	5060	5262

YEAR	PROJ PEAK
1976	5741
1977	6264
1978	6834
1979	7456
1980	8135
1981	8876
1982	9684
1983	10566
1984	11527
1985	12577
1986	13722
1987	14971
1988	16334
1989	17821
1990	19444

AVG. PER CENT INCREASE EQUALS 9.105

6/22/76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

SUMMER LOAD

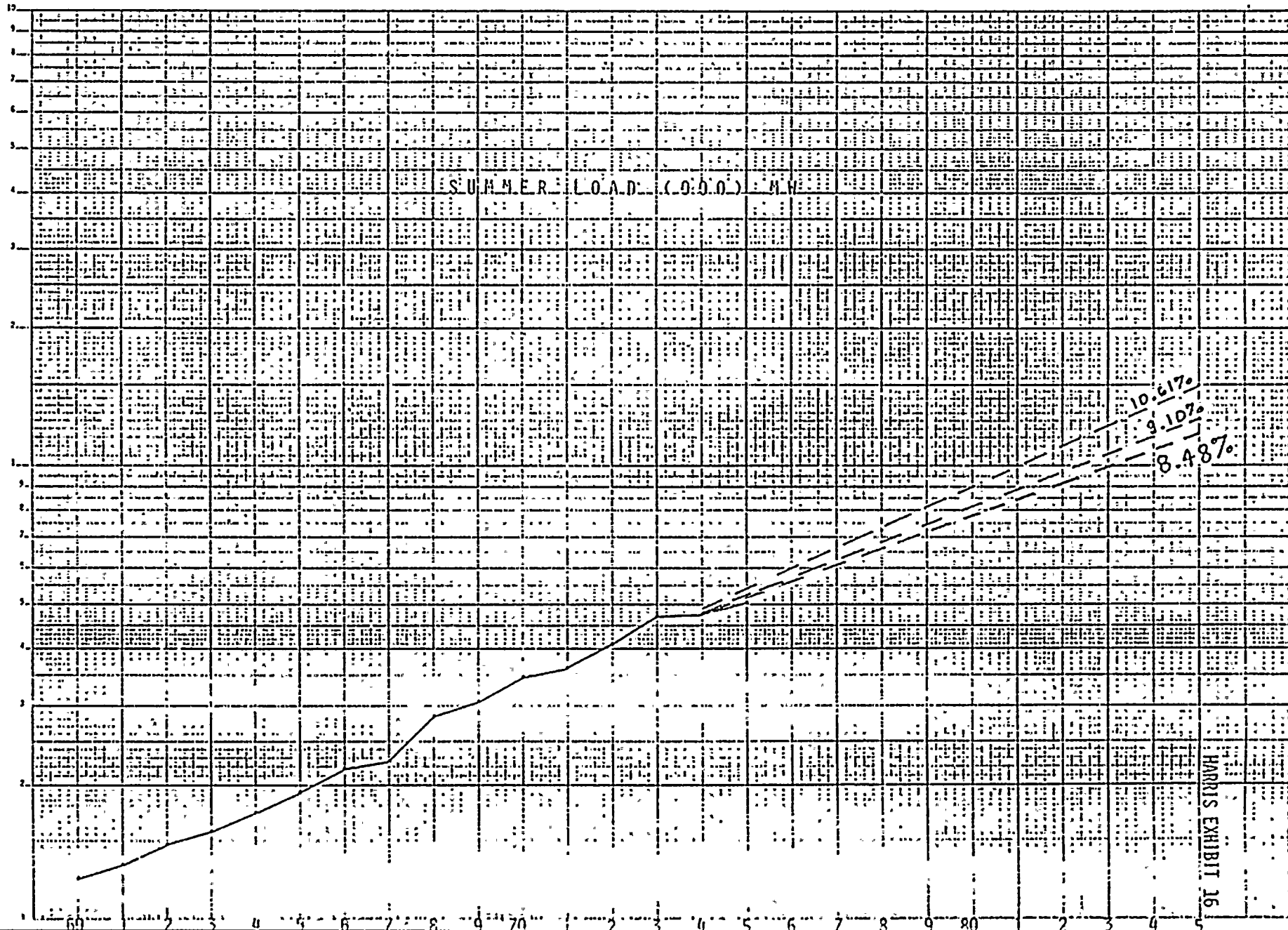
YEAR	N	PEAK	ADJ PEAK
1971	1	3625	3761
1972	2	4119	4080
1973	3	4711	4426
1974	4	4771	4802
1975	5	5060	5209

YEAR	PROJ PEAK
1976	5650
1977	6130
1978	6649
1979	7213
1980	7825
1981	8489
1982	9208
1983	9989
1984	10836
1985	11755
1986	12752
1987	13834
1988	15007
1989	16279
1990	17660

AVG. PER CENT INCREASE EQUALS 8.481

6/22/76

47 4070
SCHEMATIC
DRAWING



HARRIS EXHIBIT 16

SUMMER PEAK LOAD FORECAST

YEAR	PEAK LOAD (M.W.)	PERCENT GROWTH	ACCUM. AAR	ENERGY (G.W.H.)	PERCENT GROWTH	ACCUM. AAR	L.F.*
1960	1237	..		5875			.542
1961	1338	8.16	8.16	6422	9.31	9.31	.548
1962	1468	9.71	8.94	7088	10.37	9.84	.551
1963	1561	6.33	8.06	7769	9.61	9.76	.568
1964	1737	11.27	8.86	8759	12.74	10.50	.576
1965	1931	11.17	9.31	9707	10.82	10.56	.574
1966	2184	13.10	9.94	11006	13.38	11.03	.575
1967	2270	3.94	9.06	12140	10.30	10.92	.610
1968	2834	24.84	10.92	14026	15.53	11.49	.565
1969	3055	7.80	10.57	15617	11.34	11.47	.583
1970	3484	14.04	10.91	17302	10.79	11.41	.567
1971	3625	4.05	10.27	18861	9.10	11.19	.594
1972	4119	13.63	10.54	20517	8.78	10.98	.569
1973	4711	14.37	10.83	23229	13.22	11.15	.563
1974	4771	1.27	10.12	23607	1.63	10.44	.565
1975	5060	6.06	9.85	24057	1.91	9.85	.543

Actual

Forecast

1976	5650	11.66	9.96	8.79% Compound
1977	6130	8.48	9.87	
1978	6649	8.48	9.79	
1979	7213	8.48	9.72	
1980	7825	8.47	9.66	
1981	8489	8.49	9.60	
1982	9208	8.48	9.55	
1983	9989	8.47	9.51	
1984	10836	8.48	9.46	
1985	11755	8.48	9.42	

AAR = Average Annual Rate ($A = P(1 + r)^n$)

* Average L.F. = .568 (Load Factor = $\frac{\text{Energy}}{\text{Peak} \times 8760}$)

6-16-76

LOAD, CAPABILITY, RESERVE (SUMMER)
(MEGAWATTS)

<u>YEAR</u>	<u>PEAK LOAD</u> ⁽¹⁾	<u>GENERATING CAPABILITY</u> ⁽²⁾	<u>PURCHASES, SALES, NET</u> ⁽²⁾	<u>TOTAL</u> ⁽²⁾ <u>RESOURCES</u>	<u>RESERVE MARGIN</u>	<u>RESERVE % LOAD</u>
1976	5650	6538	82.5	6620.5	970.5	17.2
1977	6130	7495	221.5	7716.5	1586.5	25.9
1978	6649	7495	227.5	7722.5	1073.5	16.1
1979	7213	7495	227.5	7722.5	509.5	7.1
1980	7825	8215	127.5	8342.5	517.5	6.6
1981	8489	8215	75.0	8290.0	(199)	(2.3)
1982	9208	8215	75.0	8290.0	(918)	(9.9)
1983	9989	8935	75.0	9010.0	(979)	(9.8)
1984	10836	9835	75.0	9910.0	(926)	(8.5)
1985	11755	10555	75.0	10630.0	(1,125)	(9.6)

(1) Staff Forecast

(2) CP&L Figures dated 3/31/76

6-16-76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

WINTER LOAD

YEAR	N	PEAK	ADJ PEAK
1960	1	1266.	1250.
1961	2	1350.	1373.
1962	3	1516.	1508.
1963	4	1638.	1657.
1964	5	1749.	1820.
1965	6	1943.	1999.
1966	7	2127.	2195.
1967	8	2445.	2411.
1968	9	2660.	2648.
1969	10	3171.	2909.
1970	11	3400.	3195.
1971	12	3625.	3510.
1972	13	3957.	3855.
1973	14	4219.	4234.
1974	15	4261.	4651.
1975	16	4968.	5108.

YEAR	PROJ PEAK
1976	5611.
1977	6163.
1978	6770.
1979	7436.
1980	8168.
1981	8971.
1982	9854.
1983	10824.
1984	11889.
1985	13059.
1986	14344.
1987	15755.
1988	17306.
1989	19009.
1990	20879.

AVG. PER CENT INCREASE EQUALS 9.841

6/22/76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

WINTER LOAD

YEAR	N	PEAK	ADJ PEAK
1968	1	2660.	2828.
1969	2	3171.	3059.
1970	3	3400.	3309.
1971	4	3625.	3578.
1972	5	3957.	3870.
1973	6	4219.	4186.
1974	7	4261.	4527.
1975	8	4968.	4896.

YEAR	PROJ PEAK
1976	5295.
1977	5727.
1978	6194.
1979	6699.
1980	7245.
1981	7836.
1982	8475.
1983	9166.
1984	9914.
1985	10722.
1986	11597.
1987	12542.
1988	13565.
1989	14672.
1990	15868.

AVG. PER CENT INCREASE EQUALS 8.155 6/22/76

SOUTH CAROLINA PUBLIC SERVICE COMMISSION

PROCESSED JUNE 1976
 PROJECTION OF PEAK DEMAND
 RUN NO. 1

WINTER LOAD

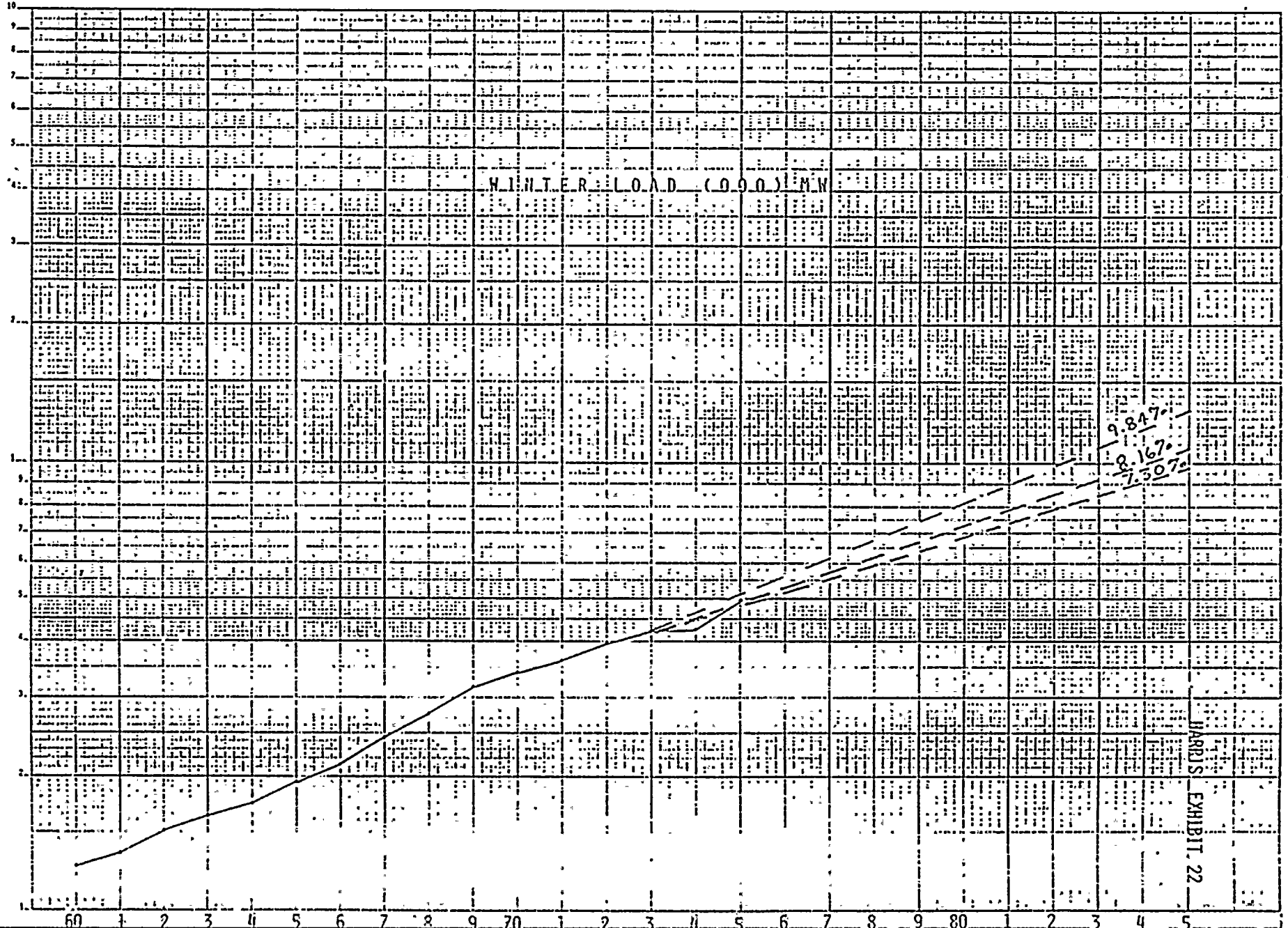
YEAR	N	PEAK	ADJ PEAK
1971	1	3625.	3634.
1972	2	3957.	3899.
1973	3	4219.	4184.
1974	4	4261.	4489.
1975	5	4968.	4817.

YEAR	PROJ PEAK
1976	5168.
1977	5545.
1978	5950.
1979	6384.
1980	6850.
1981	7350.
1982	7886.
1983	8461.
1984	9079.
1985	9741.
1986	10452.
1987	11215.
1988	12033.
1989	12911.
1990	13853.

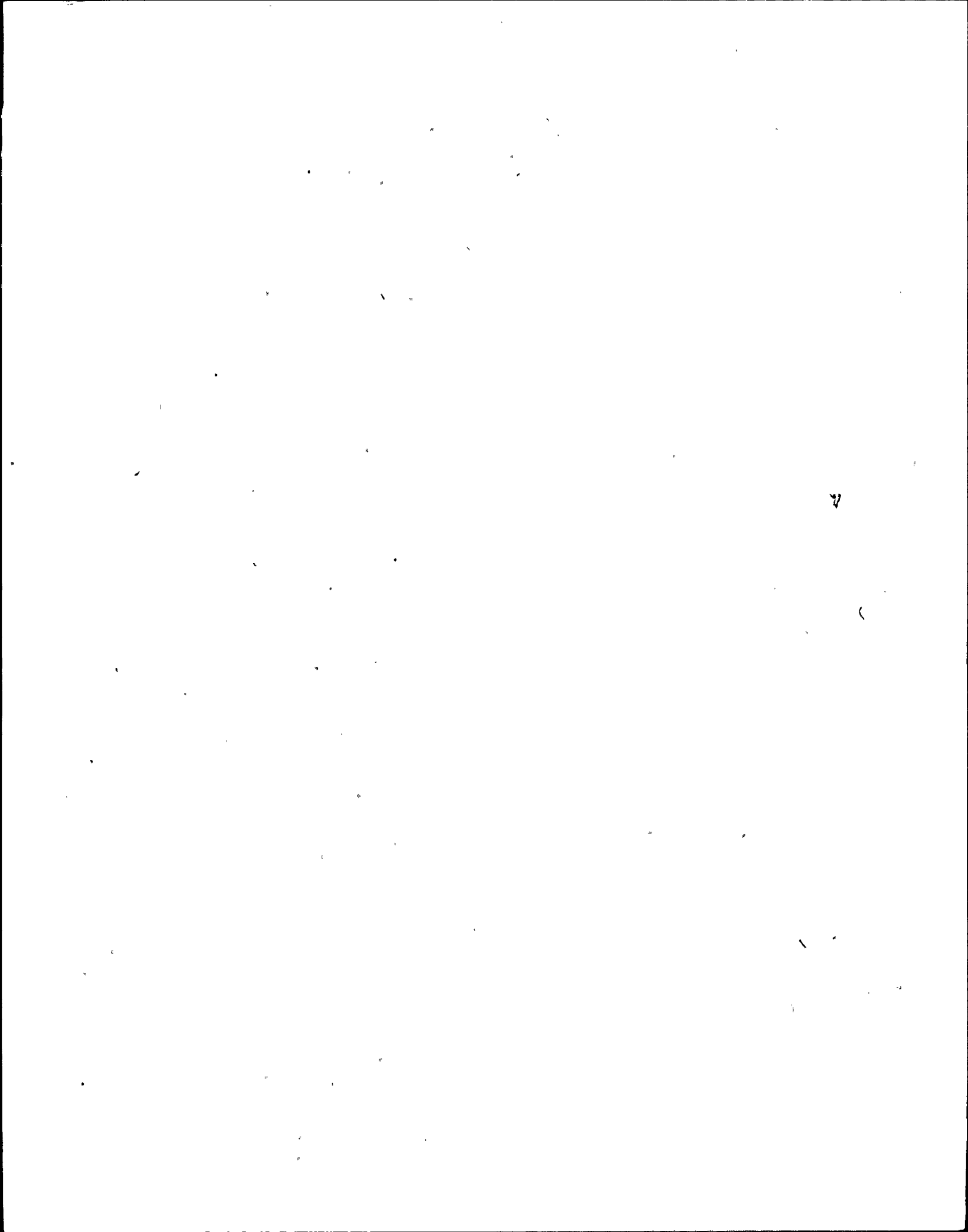
AVG. PER CENT INCREASE EQUALS 7.297

6/22/76

47-4070
MANUFACTURED BY
ELECTRIC & CHEMICAL CO.



JARIS
EXHIBIT 22



WINTER, PEAK LOAD FORECAST

<u>YEAR</u>	<u>PEAK LOAD(M.W.)</u>	<u>PERCENT GROWTH</u>	<u>ACCUM. AAR</u>
1960	1266		
1961	1350	6.6	6.6
1962	1516	12.3	9.4
1963	1638	8.0	8.9
1964	1749	6.8	8.4
1965	1943	11.1	8.9
1966	2127	9.5	9.0
1967	2445	15.0	9.9
1968	2660	8.8	9.7
1969	3171	19.2	10.7
1970	3400	7.2	10.4
1971	3625	6.6	10.0
1972	3957	9.2	9.9
1973	4219	6.6	9.7
1974	4261	1.0	9.1
1975	4968	14.2	9.5
ACTUAL			

FORECAST			
1976	5611	12.9	9.7
1977	6163	9.8	9.7
1978	6770	9.8	9.7
1979	7436	9.8	9.7
1980	8168	9.8	9.7
1981	8971	9.8	9.7
1982	9854	9.8	9.7
1983	10824	9.8	9.7
1984	11889	9.8	9.7
1985	13059	9.8	9.7

10.1% Compound

AAR = Average Annual Rate (A = P(1 + r)ⁿ)

LOAD, CAPABILITY, RESERVE (WINTER)
(MEGAWATTS)

<u>YEAR</u>	<u>PEAK</u> ⁽¹⁾ <u>LOAD</u>	<u>GENERATING</u> ⁽²⁾ <u>CAPABILITY</u>	<u>PURCHASES,</u> ⁽²⁾ <u>SALES, NET</u>	<u>TOTAL</u> ⁽²⁾ <u>RESOURCES</u>	<u>RESERVE</u> <u>MARGIN</u>	<u>RESERVE</u> <u>% LOAD</u>
1976	5611	6538	82.5	6620.5	1009.5	18.0
1977	6163	7495	221.5	7716.5	1553.5	25.2
1978	6770	7495	227.5	7722.5	952.5	14.1
1979	7436	7495	227.5	7722.5	286.5	3.9
1980	8168	8215	127.5	8342.5	174.5	2.1
1981	8971	8215	75.0	8290.0	(681)	(7.6)
1982	9854	8215	75.0	8290.0	(1564)	(15.9)
1983	10824	8935	75.0	9010.0	(1814)	(16.8)
1984	11889	9835	75.0	9910.0	(1979)	(16.6)
1985	13059	10555	75.0	10630.0	(2429)	(18.6)

(1) Staff Forecast

(2) CP&L Figures dated 3/31/76

6-16-76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(With June Fuel Adjustment of 0.391¢ per KWH)

LINE	SERVICE	KWH	APPROVED RATE		RATE UNDER BOND**		AMOUNT INCREASE	
			1-15-75*				DOLLARS	PERCENT
01	General	Min	R4K	\$ 2.00	R4R	\$ 2.80	\$.80	40.00%
02		100		4.74		6.04	1.30	27.43%
03		250		9.62		12.20	2.58	26.82%
04		500		16.10		21.35	5.25	32.61%
05		750		22.57		30.80	8.23	36.46%
06		1,000		28.95		39.59	10.64	36.75%
07		2,000		54.36		74.77	20.41	37.55%
08		3,000		79.77		109.94	30.17	37.82%
09	Water Heater	Min	R3M	2.00	R3T	2.80	.80	40.00%
10		100		4.74		6.04	1.30	27.43%
11		250		9.30		11.79	2.49	26.77%
12		500		14.61		19.08	4.47	30.60%
13		750		19.13		26.90	7.77	40.62%
14		1,000		25.12		35.49	10.37	41.28%
15		2,000		50.53		70.67	20.14	39.86%
16		3,000		75.94		105.84	29.90	39.37%
17	All Electric	Min	R2M	2.00	R2T	2.80	.80	40.00%
18		100		4.74		6.04	1.30	27.43%
19		250		9.30		11.79	2.49	26.77%
20		500		14.61		19.08	4.47	30.60%
21		750		19.13		26.90	7.77	40.62%
22		1,000		24.32		33.81	9.49	39.02%
23		2,000		45.73		60.59	14.86	32.50%
24		3,000		66.54		86.61	36.62	55.03%

* Fuel in base rate of 0.513¢ per KWH

** Fuel in base rate of 1.010¢ less 0.5536¢ per KWH

6/14/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(Without Fuel Adjustment)

LINE	SERVICE	KWH	APPROVED RATE		RATE UNDER BOND**	AMOUNT INCREASE		
			1-15-75*			DOLLARS	PERCENT	
01	General	Min	R4K	\$ 2.00	R4R	\$ 2.80	\$.80	40.00%
02		100		4.35		5.65	1.30	29.89%
03		250		8.64		11.22	2.58	29.86%
04		500		14.14		19.39	5.25	37.13%
05		750		19.64		27.87	8.23	41.90%
06		1,000		25.04		35.68	10.64	42.49%
07		2,000		46.54		66.95	20.41	43.85%
08		3,000		68.04		98.21	30.17	44.34%
09	Water Heater	Min	R3M	2.00	R3T	2.80	.80	40.00%
10		100		4.35		5.65	1.30	29.89%
11		250		8.32		10.81	2.49	29.93%
12		500		12.65		17.12	4.47	35.34%
13		750		16.20		23.97	7.77	47.96%
14		1,000		21.21		31.58	10.37	48.89%
15		2,000		42.71		62.85	20.14	47.16%
16		3,000		64.21		94.11	29.90	46.57%
17	All Electric	Min	R2M	2.00	R2T	2.80	.80	40.00%
18		100		4.35		5.65	1.30	29.89%
19		250		8.32		10.81	2.49	29.93%
20		500		12.65		17.12	4.47	35.34%
21		750		16.20		23.97	7.77	47.96%
22		1,000		20.41		29.90	9.49	46.50%
23		2,000		37.91		52.77	14.86	39.20%
24		3,000		54.81		74.88	20.07	36.62%

* Fuel in base rate of 0.513¢ per KWH

** Fuel in base rate of 1.010¢ less 0.5536¢ per KWH

6/14/76

BASE RATE COMPARISON
RESIDENTIAL CUSTOMER
(Without Fuel Adjustment)

LINE	SERVICE	KWH	C P & L				DUKE		SC E & G		
			APPROVED RATE 1-15-75*	PROPOSED DOCKET #18,361*	AMOUNT INCREASE DOLLARS PERCENT	PROPOSED DOCKET #18,387**	AMOUNT INCREASE DOLLARS PERCENT	APPROVED RATE *** 1-13-76	APPROVED RATE **** 4-1-76		
01	General	Minimum	R4K \$ 2.00	R4P \$ 2.00	\$0.00	0.00%	R4R \$ 2.80	\$.80	40.00%	R \$ 4.27	8 \$ 3.50
02		100	4.35	4.35	0.00	0.00	6.20	1.85	42.53	4.89	7.20
03		250	8.64	8.64	0.00	0.00	12.60	3.96	45.83	9.54	12.31
04		500	14.14	14.90	.76	5.37	22.16	8.02	56.72	18.01	19.35
05		750	19.64	21.40	1.76	8.96	32.02	12.38	62.94	27.06	26.38
06		1000	25.04	27.40	2.36	9.42	41.22	16.18	64.62	36.11	33.42
07		2000	46.54	51.40	4.86	10.44	78.02	31.48	67.64	66.43	66.16
08		3000	68.04	75.40	7.36	10.82	114.82	46.78	68.75	92.23	99.19
09	Water Heater	Minimum	R3M 2.00	R3S 2.00	0.00	0.00	R3T 2.80	.80	40.00	RW 4.60	None
10		100	4.35	4.35	0.00	0.00	6.20	1.85	42.53	5.22	
11		250	8.32	8.32	0.00	0.00	12.19	3.87	46.51	9.07	
12		500	12.65	13.16	.51	4.03	19.89	7.24	57.23	15.60	
13		750	16.20	18.41	2.21	13.64	28.12	11.92	73.58	22.65	
14		1000	21.21	24.26	3.05	14.38	37.12	15.91	75.01	29.70	
15		2000	42.71	48.26	5.55	12.99	73.92	31.21	73.07	56.22	
16		3000	64.21	72.26	8.05	12.54	110.72	46.51	72.43	82.02	
17	All Electric	Minimum	R2M 2.00	R2S 2.00	0.00	0.00	R2T 2.80	.80	40.00	RA 4.80	July-Sept. 8 3.50
18		100	4.35	4.35	0.00	0.00	6.20	1.85	42.53	5.42	7.20
19		250	8.32	8.32	0.00	0.00	12.19	3.87	46.51	9.67	12.31
20		500	12.65	13.16	.51	4.03	19.89	7.24	57.23	16.05	19.35
21		750	16.20	18.41	2.21	13.64	28.12	11.92	73.58	22.85	26.38
22		1000	20.41	22.96	2.55	12.49	35.44	15.03	73.64	29.65	33.42
23		2000	37.91	40.46	2.55	6.73	53.34	25.93	68.40	51.81	66.16
24		3000	54.81	57.36	2.55	4.65	91.49	36.68	66.92	70.81	99.19
25		2000									Oct.-June 55.73
26		3000									77.67

* Fuel in Base Rate of .513¢ Per KWH
 ** Fuel in Base Rate of 1.010¢ Per KWH
 *** Fuel in Base Rate of .4745¢ Per KWH
 **** Fuel in Base Rate of .900¢ Per KWH

1/28/76

BASE RATE COMPARISON
COMMERCIAL AND INDUSTRIAL CLASS
(Without Fuel Adjustment)

LINE	SERVICE	KW	KWH	C P & L				S C E & G		DUKE			
				APPROVED RATE 1-15-75*	PROPOSED DOCKET #18,387**	AMOUNT INCREASE		APPROVED RATE 4-1-76***	APPROVED RATE 1-13-76****				
						DOLLARS	PERCENT						
01	Commercial	3	375	G1N \$	17.00	G1T \$	22.43	\$ 5.43	31.94%	9 \$	19.36	G \$	18.86
02		6	750		29.15		39.70	9.55	32.76%		34.65		35.69
03		12	1,500		55.54		74.44	18.90	34.03%		65.25		67.37
04		30	6,000		157.10		222.42	65.32	41.58%		209.85		210.62
05		40	10,000		224.60		324.98	100.38	44.69%		314.21		313.47
06		100	30,000	G2K	557.50	G2P	865.50	308.00	55.25%		836.01		737.27
07		300	90,000		1,615.50		2,549.50	934.00	57.81%		2,401.41		1,991.77
08	All Electric	3	375									GA	19.03
09		6	750										35.87
10		12	1,500										67.54
11		30	6,000										176.14
12		40	10,000										252.84
13		100	30,000										657.84
14		300	90,000										1,903.84
15	Industrial	75	15,000	G2K	338.75	G2P	517.75	179.00	52.84%	9	444.66	I	427.54
16		150	30,000		665.00		1,012.00	347.00	52.18%		836.01		823.73
17		300	60,000		1,309.50		2,000.50	691.00	52.77%		1,618.71		1,601.11
18		500	200,000		3,167.50		5,148.50	1,981.00	62.54%	20	4,435.50		4,063.86
19		1,000	400,000		6,170.00	G3F	10,020.00	3,850.00	62.40%		8,408.50		7,311.86
20		5,000	2,000,000	G3B	28,490.00		49,500.00	21,010.00	73.75%	23	40,180.00		33,711.86
21		10,000	4,000,000		56,390.00		98,850.00	42,460.00	75.30%		79,860.00		62,899.36
22		20,000	10,000,000		126,590.00		228,150.00	101,560.00	80.23%		178,600.00		141,074.36
23		50,000	25,000,000		315,590.00		570,150.00	254,560.00	80.66%		445,750.00		344,399.36

* Fuel in Base Rate of .513¢ Per KWH
 ** Fuel in Base Rate of 1.010¢ Per KWH
 *** Fuel in Base Rate of .900¢ Per KWH
 **** Fuel in Base Rate of .4745¢ Per KWH

