

SUPPLEMENTAL TESTIMONY OF THOMAS L. CARROLL
ON BEHALF OF
PENNSYLVANIA ELECTRIC COMPANY

- 1 Q. Please state your name and business address.
2
3 A. My name is Thomas L. Carroll. My business address
4 is 1001 Broad Street, Johnstown, Pennsylvania.
5
6 Q. Please state your position.
7
8 A. I am manager of taxes and specialized accounting
9 for Pennsylvania Electric Company.
10
11 Q. Will you please describe your educational and em-
12 ployment background.
13
14 A. In 1950 I graduated from the University of
15 Pittsburgh with a B.S. degree in Business Admin-
16 istration. I also attended Columbia University's
17 utility management course in 1961. I am a member
18 of the Johnstown chapter of the National Associa-
19 tion of Accountants and was also a past president
20 of that organization.
21
22 During my career with Pennsylvania Electric Company,
23 I have held various management positions in statisti-
24 cally, budgeting, long-range planning and special
25 assignments. I have testified before the Pennsyl-
26 vania PUC in steam heat rate cases and the Federal
27 Energy Regulatory Commission in a fuel clause
28 surcharge case. I am responsible for the prepara-
29 tion of testimony and exhibits relating to rate
30 change filings.
31
32 Q. What is the subject of your testimony?
33
34 A. Mr. Jeffrey Stevens, who filed direct testimony in
35 this proceeding, has been transferred to a new
36 position and I am adopting the testimony and ex-
37 hibits filed by him at the initiation of this
38 proceeding. I am also supplementing that testi-
39 mony.

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- 1 Q. What is the subject of your supplemental testimony?
2
- 3 A. I sponsor Statements G, J, K and L, and their support-
4 ing schedules of a revised cost of service exhibit,
5 Exhibit No.____(PN-103).
6
- 7 Q. What changes are incorporated in the revised cost of
8 service exhibit?
9
- 10 A. There are three areas of change:
11
- 12 1) a revised capital structure as of June 30, 1979
13 which recognizes a \$50,000,000 11 3/4% first mort-
14 gage bond issue in June 1979;
15
- 16 2) the elimination of the return on the common
17 equity component of Penelec's investment in Three
18 Mile Island No. 2; and
19
- 20 3) other changes that evolved from discussions at
21 the earlier settlement conference in March 1979.
22
- 23 Q. What does the revised capital structure indicate?
24
- 25 A. The revised capital structure indicates that Penelec
26 is entitled to an overall rate of return of 10.05%
27 as shown on page 1. of the revised Statement G.
28
- 29 Q. Where do you show the method used in arriving at a
30 rate of return which eliminates return on the common
31 equity investment in Three Mile Island No. 2?
32
- 33 A. Statement G-5 shows the derivation of an overall
34 rate of return of 9.44% which reflects a zero return
35 on the common equity investment in TMI-2. This
36 number is derived by simply including, as a separate
37 item in the capital structure, the common equity
38 investment in TMI-2 (\$54,277,000) at a zero cost rate.
39
- 40 Q. What are the changes that evolved from discussions
41 at the earlier settlement conference which pertain
42 to your portion of the revised cost of service ex-
43 hibit?
44
- 45 A. The federal income tax calculation is revised to
46 recognize the 46% effective tax rate versus the 48%
47 tax rate contained in the original filing. In
48 addition, an item of accumulated deferred income

1 tax relating to accumulated deferred energy costs
2 has been eliminated due to omission of the related
3 deferred energy costs.

4
5 Q. Are there any other changes?

6
7 A. Yes. Mr. Gordon is responsible for and lists the
8 other changes.

9
10 Q. Does this complete your supplemental testimony?

11
12 A. Yes, it does.

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AFFIDAVIT

STATE OF PENNSYLVANIA)
) ss.
COUNTY OF CAMBRIA)

Affiant, being first duly sworn, deposes and says that he has read the foregoing testimony, that if asked the questions therein his answers would be as shown, and that the facts contained in those answers are true and correct to the best of his knowledge, information, and belief.

T. L. Carroll
T. L. Carroll

Sworn to and subscribed
before me this 20th day
of June, 1979.

Georgiann Kovach
Notary Public

My Commission Expires:

GEORGIANN KOVACH, Notary Public
Johnstown, Cambria County, Pa.
My Commission Expires June 29, 1981

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EXHIBIT NO. — (PN-103)
ER 78-494

PENNSYLVANIA ELECTRIC COMPANY
REVISED COST OF SERVICE

JUNE 1979

PENNSYLVANIA ELECTRIC COMPANY

Rate of Return
Twelve Months Ended June 1979

<u>Class of Capital</u> (1)	<u>Amount</u> (2)	<u>Capital- ization Ratios %</u> (3)	<u>Effective Rate</u> (4)	<u>Composite Cost of Capital- ation</u> (5)
Debt (Schedule G-1)				
Bonds	\$ 629 971 896			
Debentures	72 680 000			
Unamortized Debt Expense, Premium on Discount on Long-Term Debt	(648 315)			
Total Long-Term Debt	<u>\$ 702 003 581</u>	54.39%	7.73%	4.23%
Preferred Stock (Schedule G-2)				
Stock	<u>\$ 173 500 000</u>	13.44	8.64%	1.16%
Common Equity				
Common Stock	\$ 105 811 920			
Other Paid-in Capital	266 530 114			
Retained Earnings	44 765 158			
Premium on Capital Stock	422 407			
Capital Stock Expense	(2 405 516)			
	<u>\$ 415 124 083</u>	<u>32.17</u>	14.50%	<u>4.66%</u>
Total Capitalization	<u>\$1 290 627 664</u>	<u>100.00%</u>		<u>10.05%</u>

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PENNSYLVANIA ELECTRIC COMPANY

June 30, 1979 Revised Capital Structure Reflecting
Zero Percent Rate of Return on Three Mile Island No. 2 Common Equity

Item (1)	Amount (\$000's) (2)	Capitalization Ratio (3)	Effective Rate (4)	Composite Cost of Capital (5)
Long-Term Debt	\$ 702 004	54.39%	7.78%	4.23%
Preferred Stock	173 500	13.44	8.64	1.16
Common Equity				
TMI-2 (See Below)	54 277	4.21	0.00	0.00
Balance	360 847	27.96	14.50	4.05
Total Common Equity	<u>415 124</u>	<u>32.17</u>	<u>12.59%</u>	<u>4.05</u>
Total Capitalization	<u>\$ 1 290 628</u>	<u>100.00%</u>		<u>9.44%</u>

Derivation of Common Equity Portion of TMI-2 Net Plant - Period II

Investment	\$163 030 000	Schedule D-1.2
Add: Nuclear Fuel in Reactor	10 579 350	Schedule D-1.1
Less: Depreciation Reserve	2 465 279	Schedule E-1.2
Less: Accumulated Provision for Amortization of Nuclear Fuel	<u>2 425 445</u>	Schedule E-1.1
Net Plant - TMI-2, Period 2	<u>\$168 718 626</u>	
Common Equity Capitalization Rate	<u>32.17%</u>	Column 3, Line 5, Above
Common Equity Amount	<u>\$ 54 276 782</u>	Line 11 x Line 12

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Cost of Long-Term Debt
Outstanding as of June 30, 1979

	Amount Issued (2)	Amount Outstanding (3)	Net Proceeds (4)	Net Proceeds Per Unit (5)	Effective Cost Rate x (6)	Net Proceeds Outstanding (7)	Cost of Debt Capital (8)
1. 2-3/4% Series, Issued 11/1/79	\$ 11 000 000	\$ 11 000 000	\$ 10 962 519	\$ 996.59	2.7669	\$ 10 962 519	\$ 303 321
2. 3-3/8% Series, Issued 10/1/51	5 000 000	5 000 000	4 996 955	999.39	3.3782	4 996 955	168 807
3. 3-3/8% Series, Issued 8/1/52	9 500 000	9 500 000	9 450 867	994.83	3.4027	9 450 867	321 585
4. 4-1/8% Series, Issued 6/1/53	12 500 000	12 500 000	12 643 112	1 011.45	4.0587	12 643 112	513 146
5. 3-1/8% Series, Issued 3/1/54	12 000 000	12 000 000	12 070 592	1 055.88	3.0949	12 070 592	373 573
6. 3-7/8% Series, Issued 5/1/56	12 500 000	12 500 000	12 661 823	1 012.95	3.8023	12 661 823	481 460
7. 4% Series, Issued 3/1/58	29 000 000	29 000 000	28 926 281	997.46	4.0147	28 926 281	1 161 303
8. 5% Series, Issued 8/1/59	15 000 000	15 000 000	15 159 949	1 010.66	4.9315	15 159 949	747 613
9. 5% Series, Issued 5/1/60	12 000 000	12 000 000	12 062 954	1 005.25	4.9662	12 062 954	599 070
10. 4-5/8% Series, Issued 5/1/61	10 000 000	10 000 000	9 947 799	994.78	4.6575	9 947 799	463 319
11. 4-5/8% Series, Issued 10/1/64	20 000 000	20 000 000	20 285 975	1 014.30	4.5373	20 285 975	920 436
12. 6-1/4% Series, Issued 11/1/66	25 000 000	25 000 000	25 104 773	1 007.39	6.1955	25 104 773	1 560 323
13. 6-1/4% Series, Issued 6/1/67	26 000 000	26 000 000	26 278 262	1 010.70	6.1712	26 278 262	1 621 684
14. 6-5/8% Series, Issued 8/1/68	38 000 000	38 000 000	38 076 280	1 002.01	6.6095	38 076 280	2 516 652
15. 8% Series, Issued 5/1/69	28 000 000	28 000 000	28 063 024	1 002.25	7.9801	28 063 024	2 239 457
16. 9-2/8% Series, Issued 4/1/70	25 000 000	25 000 000	24 974 641	998.99	9.3852	24 974 641	2 363 920
17. 7-7/8% Series, Issued 12/20/71	30 000 000	30 000 000	30 113 940	1 003.80	7.8419	30 113 940	2 361 505
18. 8 3/8% Series, Issued 7/24/73	30 000 000	30 000 000	29 994 720	999.82	8.3766	29 994 720	2 512 538
19. 10-5/8% Series, Issued 6/25/74	50 000 000	50 000 000	49 863 305	997.27	10.6555	49 863 305	5 313 184
20. 1% Series, Issued 12/1/74	837 500	429 000	809 726	-	1.0343	462 000	4 396

First Mortgage Bonds

1. 2-3/4% Series, Issued 11/1/79

2. 3-3/8% Series, Issued 10/1/51

3. 3-3/8% Series, Issued 8/1/52

4. 4-1/8% Series, Issued 6/1/53

5. 3-1/8% Series, Issued 3/1/54

6. 3-7/8% Series, Issued 5/1/56

7. 4% Series, Issued 3/1/58

8. 5% Series, Issued 8/1/59

9. 5% Series, Issued 5/1/60

10. 4-5/8% Series, Issued 5/1/61

11. 4-5/8% Series, Issued 10/1/64

12. 6-1/4% Series, Issued 11/1/66

13. 6-1/4% Series, Issued 6/1/67

14. 6-5/8% Series, Issued 8/1/68

15. 8% Series, Issued 5/1/69

16. 9-2/8% Series, Issued 4/1/70

17. 7-7/8% Series, Issued 12/20/71

18. 8 3/8% Series, Issued 7/24/73

19. 10-5/8% Series, Issued 6/25/74

20. 1% Series, Issued 12/1/74

Due 1975-1984

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Line	Issue (1)	Amount Issued (2)	Amount Outstanding (3)	Net Proceeds (4)	Net Proceeds Per Unit (5)	Effective Cost Rate % (6)	Net Proceeds Outstanding (7)	Cost or Debt Capital (8)
First Mortgage Bonds (Continued)								
21.	10-3/4% Series, Issued 2/21/75 Due 8/1/84	\$ 45 000 000	\$ 45 000 000	\$ 44 167 014	\$ 981.49	11.0802	\$ 44 167 014	\$ 4 893 793
22.	9-3/4% Series, Issued 6/9/76 Due 6/1/2006	60 000 000	60 000 000	58 555 912	975.93	10.0044	58 555 912	5 858 167
23.	7-3/4% Series, Issued 7/1/76 Due 7/1/2006	12 000 000	12 000 000	11 543 548	4 809.81	8.0891	11 543 548	933 769
24.	6-1/8% Series, Issued 12/1/77 Due 12/1/2007	16 420 000	16 420 000	15 977 690*	4 865.32	6.3266	15 982 323	1 010 802
25.	Erie County Electric Co. 6% Funding Mortgage Bonds (Assumed on 9/1/43) Issued 1/1/20, Due 1/1/80	74 000	74 000	74 000	1 000.00	6.0000	74 000	4 440
26.	Northern Pennsylvania Power Company (Assumed on 4/30/56) 2-7/8% Series, Issued 11/1/50, Due 11/1/80	500 000	500 000	494 638	989.28	2.9289	494 638	14 487
27.	9-1/2% Series, Issued 6/1/78 Due 6/1/2008	45 000 000	45 000 000	45 000 000	1 000.00	9.6679	44 264 479	4 279 442
28.	11 3/4% Series	<u>50 000 000</u>	<u>50 000 000</u>	<u>50 000 000</u>		11.7500	<u>50 000 000</u>	<u>5 875 000</u>
	Total First Mortgage Bonds	\$630 331 500	\$629 923 000	\$628 340 299			\$627 261 693	\$49 397 172
Debentures								
29.	5-1/4% Series, Issued 6/1/61 Due 6/1/86	\$ 12 000 000	\$ 7 680 000	\$ 12 052 842	1 004.40	5.2183	\$ 7 713 792	\$ 402 529
30.	5% Series, Issued 9/1/65 Due 9/1/90	20 000 000	14 800 000	20 244 926	1 012.25	4.9143	14 981 300	736 226
31.	7% Series, Issued 11/1/67 Due 11/1/92	10 000 000	7 800 000	10 126 456	1 012.65	6.8932	7 898 670	544 471
32.	8-1/8% Series, Issued 1/26/71 Due 1/1/96	30 000 000	25 200 000	30 029 129	1 000.97	8.1159	25 224 444	2 047 191
33.	8-1/2% Series, Issued 8/30/71 Due 8/1/96	<u>20 000 000</u>	<u>17 200 000</u>	<u>19 932 675</u>	996.63	8.5328	<u>17 142 040</u>	<u>1 462 696</u>
34.	Total Debentures	\$ 92 000 000	\$ 72 680 000	\$ 92 385 958			\$ 72 960 246	\$ 5 193 113
35.	Total Long-Term Debt	\$722 331 500	\$702 603 000	\$720 726 257			\$700 221 939	\$54 590 285
36.	Amortization of Gain and Loss on Recquired Debt Weighted Average Cost of Long-Term Debt (Column 8 - Column 7)					7.706%		<u>(108 698)</u> <u>\$54 481 427</u>

*Reflects \$143,810 discount to purchasers, and estimated expenses of sale of \$296,500.

PENNSYLVANIA ELECTRIC COMPANY

Calculation of Income Taxes
 June 30, 1979
 \$(000)

Line No.	Description (1)	Amount (2)	Statement Reference (3)
<u>Rate Base</u>			
1	Net Electric Plant	\$1 196 437	L-2
2	Working Capital Requirement	87 255	F
3	Accumulated Deferred Income Taxes	(45 404)	L-5
4	Other Deductions	(7 287)	
5	Total Rate Base	<u>\$1 231 001</u>	
<u>Return on Rate Base</u>			
6	Return @ 9.44%	\$ 116 206	G
Adjustments:			
7	Taxable Income Not Reported on Books	11	J-1
8	Deductions Recorded on Books Not Deductible	46 214	J-1
9	Income Recorded on Books Not Taxa	(1 951)	J-1
10	Deductions on Return Not Charged Against Book Income	(136 130)	J-1
11	Provision for Deferred Income Tax	19 180	J-2
12	Total Adjustments	<u>\$ (72 676)</u>	
13	Return, Less Adjustments	\$ 43 530	
14	Surtax Allowance	(19)	
15	Total Adjusted Return on Rate Base	<u>\$ 43 511</u>	
<u>Tax Calculations</u>			
<u>Pennsylvania Income Tax:</u>			
16	Taxable Base (Line 15 + 48.33%)*	\$ 90 029	
17	Calculated Pennsylvania Income Tax	<u>\$ 9 453</u>	
<u>Federal Income Tax:</u>			
18	Taxable Base (Line 16 - Line 17)	\$ 80 576	
19	Calculated Tax (Line 18 x 46%)	\$ 37 065	
20	Investment Tax Credit	(4 182)	
21	Surtax Allowance	(19)	
22	Total Federal Income Tax	<u>\$ 32 864</u>	
23	Total Federal and Pennsylvania Income Taxes	<u>\$ 42 317</u>	

* Derivation of Pennsylvania Taxable Base

Taxable Income - Pennsylvania Base	100.00%
Less: Pennsylvania Rate	10.50
Balance for Federal Base	89.50
Federal Rate	x 48%
Federal Tax	41.17%
Pennsylvania Rate	10.50
Composite Rate	<u>51.67%</u>

Then 100.00 - 51.67 = 48.33%

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PENNSYLVANIA ELECTRIC COMPANY

Adjustments
 Twelve Months Ended June 30, 1979
 \$(000)

<u>Line No.</u>		<u>Amount</u>
	<u>Income Not Reported On Books:</u>	
1	Unbilled Revenues	\$ 11
	<u>Deductions Recorded On Books Not Deductible:</u>	
2	Tax Salvage - Pre 1971	\$ 589
3	Book Depreciation	44 026
4	AFC on Nuclear Fuel (Units #1 and #2)	1 078
5	Net Amortization of Ecological Survey	131
6	Amortization of Gains and Losses on Reacquired Debt	64
7	State Taxes and Interest on Taxes	146
8	Expense of Issuing Preferred Stock (Pa. Excise Tax)	15
9	Johnstown Flood	135
10	1974 Rate Case Expenses	<u>30</u>
11	Total	<u>\$ 46 214</u>
	<u>Income Recorded On Books Not Taxable:</u>	
	Amortization of Interest FIT Refund	\$ (155)
13	Amortization of Premium Expense on Debt	(4)
14	Amortization of Investment Tax Credit and Job Development Tax Credit	<u>(1 792)</u>
15	Total	<u>\$ (1 951)</u>
	<u>Deductions On Return Not Charged Against Book Income:</u>	
16	Tax Depreciation	\$ (77 975)
17	Other Taxes and Pensions Capitalized	(1 526)
18	Preferred Dividend Paid Deduction	(751)
19	Cost of Removal - Tax Basis	(2 246)
20	Interest Charges - \$1 231 001 x .0423	(52 071)
21	Deferred Energy	(1 328)
22	Supplemental Pension	(224)
23	Sales Promotional Expenses	<u>(7)</u>
24	Total	<u>\$ (136 130)</u>

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PENNSYLVANIA ELECTRIC COMPANY

Gross Receipts Tax - Normalized for Twelve Months Ended June 30, 1979
 \$(000)

<u>Description</u> (1)	<u>Amount</u> (2)	<u>Statement Reference</u> (3)
Net Cost of Service	\$505 331	L
Less: Sales for Resale - Investor Owned	4 327	
New York State Revenues	2 023	
Add: Forfeited Discounts Subject to PA Gross Rec. Tax	<u>1 995</u>	
PA Net Cost of Service (prior to adjustment)		
- including Gross Receipts Tax	500 976	
- excluding Gross Receipts Tax (Line 5 + 104.5%)	<u>479 403</u>	
Gross Receipts Tax included in Line 5	<u>\$ 21 573</u>	
New York Net Cost of Service (Line 3) - including Gross Receipts Tax	\$ 2 023	
- excluding Gross Receipts Tax (Line 8 + 103.75%)	<u>1 950</u>	
New York Gross Receipts Tax included in Line 8	<u>\$ 73</u>	
Total Gross Receipts Tax (Line 7 + Line 10)	\$ 21 646	
Gross Receipts per Budget	<u>\$ 17 663</u>	
Normalization Adjustment	<u>\$ 3 983</u>	

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PENNSYLVANIA ELECTRIC COMPANY
 Cost of Service - Electric
 \$(000)

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>	<u>Statement Reference</u>
1	Net Rate Base	<u>\$1 231 001</u>		<u>\$1 231 001</u>	G
2	Return on Rate Base - 9.44%	<u>116 206</u>		<u>116 206</u>	
3	Operating Expenses	259 875		259 875	H
4	Depreciation	44 026		44 026	I
5	Provision for Decommissioning	638		638	L-7
6	Taxes Other Than Income	32 094	\$3 983	36 077	K
7	Federal and State Income Tax	42 317		42 317	J
8	Provision for Deferred Income Taxes	19 180		19 180	J-2
9	Investment Tax Credit (Net)	<u>2 390</u>	<u> </u>	<u>2 390</u>	B
10	Total Cost of Service	516 726	3 983	520 709	
11	Other Operating Revenue Credits	<u>(11 395)</u>	<u> </u>	<u>(11 395)</u>	L-4
12	Net Cost of Service	<u>\$ 505 331</u>	<u>\$3 983</u>	<u>\$ 509 314</u>	

STATEMENT
 Per
 II
 Rev ed

PENNSYLVANIA ELECTRIC COMPANY
 RATE OF RETURN STUDY
 FOR 12 MONTHS ENDING: 6/30/79

RATE GROUP (1)	BASE REVENUE (2)	ADDITIONAL REVENUE (3)	OTHER OPER REVENUE (4)	TOTAL REVENUE (5)=(2+3+4)	OPERATING EXPENSE (6)	INCOME & REV TAXES (7)	NET INCOME (8)=(5-6-7)	RATE BASE (9)	RATE OF RETURN (10)=(8/9)
RATE RP	5908565.	0.	95400.	6003965.	4922208.	78696.	1003061.	16018695.	6.262
ALLEG-SU	19373467.	0.	324205.	19697672.	16500135.	344371.	2853166.	53763012.	5.307
WHEELING	2721982.	0.	263207.	2985189.	1532441.	383778.	1068970.	11406396.	9.372
TOTAL RESALE	28004014.	0.	682812.	28686826.	22954784.	806845.	4925197.	81188103.	6.066
RETAIL	371675423.	0.	7989753.	379665176.	317585718.	2788211.	59291247.	1149813233.	5.157
TOT COMP	399679437.	0.	8672565.	408352002.	340540502.	3595056.	64216444.	1231001336.	5.217

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Statement M
 Period II
 Revised

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 June 26, 1979

PENNSYLVANIA ELECTRIC COMPANY
 COST OF SERVICE STUDY
 FOR 12 MONTHS ENDING: 6/30/79
 APPROXIMATE INCREASES REQUIRED FOR VARIOUS RETURNS

RATE GROUP (1)	BASE REVENUE (2)	PERCENT INCREASE (3)	DOLLAR INCREASE (4)=(2X3)	OTHER REVENUE (5)	TOT GROUP REVENUE (6)=(2+4+5)	MISC REVENUE (7)	TOTAL REV REQ (8)=(6+7)	MWH OF SALES (9)	COS IN ¢ PER KWH (10)=(8/9)/10	INC AS % OF TOT REV (11)=(4/6)
RATE RP	5908565.	18.066	1067462.	0.	6976027.	95400.	7071427.	209352.	3.378	15.302
ALLEG-SU	19373467.	24.816	4807632.	0.	24181099.	324205.	24505304.	709526.	3.454	19.882
WHEELING	2721982.	5.882	160095.	0.	2882077.	263207.	3145284.	0.	0.6	5.555
TOTAL RESALE	28004014.	21.551	6035189.	0.	34039203.	682812.	34722015.	918878.	3.779	17.730
RETAIL	371675423.	28.606	106322225.	0.	477997648.	7989753.	485987401.	10544534.	4.609	22.243
TOT COMP	399679437.	28.112	112357414.	0.	512036851.	8672565.	520709416.	11463412.	4.542	21.943

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Statement M
 Period II
 Revised

PENNSYLVANIA ELECTRIC COMPANY
 COST OF SERVICE STUDY
 FOR 12 MONTHS ENDING: 6/30/79
 APPROXIMATE INCREASES REQUIRED FOR VARIOUS RETURNS

GROUP	OPERATING EXPENSES (11)	REV OR STATE TX (12)	OPERATING REVENUE (13)=(8-11-12)	INC TAX (14)	OPERATING INCOME (15)=(13-14)	RATE BASE (16)	RATE OF RETURN (17)=(15/16)
ATE RP	4922209.	88290.	2060928.	549684.	1511244.	16018693.	9.434
ILLEG-SU	16500135.	1088149.	6917020.	1844882.	5072138.	53763012.	9.434
HEELING	1532441.	0.	1612843.	466500.	1146342.	11406396.	10.050
TOTAL RESALE	22954785.	1176439.	10590791.	2861066.	7729724.	81188101.	9.521
ETAILED	317585718.	20469467.	147932216.	39455938.	108476278.	1149813233.	9.434
TOTAL COMP	340540503.	21645906.	158523007.	42317004.	116206002.	1231001334.	9.440

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June 26, 1979

Statement II
 Period II
 Revised

PENNSYLVANIA ELECTRIC COMPANY
UNITIZED COSTS

RATE BASE UNIT COSTS IN \$/KW, \$/MWH AND \$/WEIGHTED CUSTOMER

DEMAND RELATED						
500-46	PROD	34.5-23	UNDER 23	SPECIFIC DEM REL		
106.6734	313.2221	0.0	161.9811	0.0		
ENERGY RELATED						
INCL WH	FUEL REL	@ SEC	SPECIFIC ENERGY REL			
0.0	9.9434	-0.0748	0.0			
CUSTOMER RELATED						
CUST ACCT	PRI CUST	SEC CUST	SERVICES	METERS	SPECIFIC	SPECIFIC CUST REL
14.6721	0.0	0.0000	0.0	0.7358	0.0	0.0

EXPENSE UNIT COSTS IN \$/KW, \$/MWH AND \$/WEIGHTED CUSTOMER

DEMAND RELATED						
500-46	PROD	34.5-23	UNDER 23	SPECIFIC DEM REL		
13.2748	40.2146	0.0	27.5079	0.0		
ENERGY RELATED						
INCL WH	FUEL REL	@ SEC	SPECIFIC ENERGY REL			
0.0	13.9599	-0.0531	0.0			
CUSTOMER RELATED						
CUST ACCT	PRI CUST	SEC CUST	SERVICES	METERS	SPECIFIC	SPECIFIC CUST REL
24.5358	0.0	0.0000	0.0	0.1323	0.0	0.0

RETURN ON RATE BASE AT LEVELIZED RETURN OF: 9.440% IS AS FOLLOWS

DEMAND RELATED						
500-46	PROD	34.5-23	UNDER 23	SPECIFIC DEM REL		
10.0700	29.5682	0.0	15.2910	0.0		
ENERGY RELATED						
INCL WH	FUEL REL	@ SEC	SPECIFIC ENERGY REL			
0.0	0.9387	-0.0071	0.0			
CUSTOMER RELATED						
CUST ACCT	PRI CUST	SEC CUST	SERVICES	METERS	SPECIFIC	SPECIFIC CUST REL
1.3850	0.0	0.0000	0.0	0.0695	0.0	0.0

FEDERAL AND STATE INCOME TAX PER UNIT=

DEMAND RELATED						
500-46	PROD	34.5-23	UNDER 23	SPECIFIC DEM REL		
3.6671	10.7675	0.0	5.5684	0.0		
ENERGY RELATED						
INCL WH	FUEL REL	@ SEC	SPECIFIC ENERGY REL			
0.0	0.3418	-0.0026	0.0			
CUSTOMER RELATED						
CUST ACCT	PRI CUST	SEC CUST	SERVICES	METERS	SPECIFIC	SPECIFIC CUST REL
0.5044	0.0	0.0000	0.0	0.0253	0.0	0.0

TOTAL LEVELIZED UNIT COSTS (RETURN, EXPENSES, INC TAXES (EXCL REV TAXES))=

DEMAND RELATED						
500-46	PROD	34.5-23	UNDER 23	SPECIFIC DEM REL		
27.0119	80.5503	0.0	48.3673	0.0		
ENERGY RELATED						
INCL WH	FUEL REL	@ SEC	SPECIFIC ENERGY REL			
0.0	15.2404	-0.0627	0.0			
CUSTOMER RELATED						
CUST ACCT	PRI CUST	SEC CUST	SERVICES	METERS	SPECIFIC	SPECIFIC CUST REL
26.4252	0.0	0.0000	0.0	0.1370	0.0	0.0

POOR ORIGINAL

Statement M
Period II
Revised

PENNSYLVANIA ELECTRIC COMPANY
 TOTAL CLASSIFIED DOLLARS BY RATE GROUP
 FOR 12 MONTHS ENDING: 6/30/79

USING LEVELIZED RETURN OF : 9.440%

TOTAL DOLLARS (RETURN, EXPENSES & TAXES) CLASSIFIED AS FOLLOWS:

DEMAND RELATED DOLLARS:

RATE GROUP (1)	TOTAL \$ DEMAND RELATED (2)	TRANS 500-46 (3)	PROD REL (4)	PRI 34.5-23 (5)	UNDER 23 KV (6)	SPECIFIC DEM REL (7)	COIN KW (1) (8)	TOTAL DEM DOLLARS PER COIN KW (1) (9)=(2/8)
RATE RP	3503503.	879828.	2623676.	0.	0.	0.	32158.	108.947
ALLEG-SU	12310953.	3091625.	9219329.	0.	0.	0.	109372.	112.560
WHEELING	2800348.	2800348.	0.	0.	0.	0.	103671.	27.012
TOTAL RESALE	18614804.	6771800.	11843004.	0.	0.	0.	245201.	75.917
RETAIL	286382284.	50741013.	150557430.	0.	85083841.	0.	1799351.	159.159
TOT COMP	304997088.	57512813.	162400434.	0.	85083841.	0.	2044552.	149.176

POOR ORIGINAL

Statement M
 Period II
 Revised

4:25 PM
 \$/KW (CD & NCD) = 27.0119 80.5503 0.0 48.3673 0.0

NOTE (1) LIGHTING RATE DEMANDS ARE NCD

PENNSYLVANIA ELECTRIC COMPANY
 TOTAL CLASSIFIED DOLLARS BY RATE GROUP
 FOR 12 MONTHS ENDING: 6/30/79

USING LEVELIZED RETURN OF : 9.440%

TOTAL DOLLARS (RETURN, EXPENSES & TAXES) CLASSIFIED AS FOLLOWS:

ENERGY RELATED DOLLARS:

RATE GROUP (1)	TOTAL \$ ENERGY RELATED (2)	INCL WH (3)	FUEL REL (4)	RETAIL (5)	SPECIFIC ENER REL (6)	MWH OF SALES (7)	TOTAL ENERGY DOLLARS PER MWH SOLD (8)=(2/7)
RATE RP	3469622.	0.	3469622.	0.	0.	209352.	16.573
ALLEG-SU	12008039.	0.	12008039.	0.	0.	709526.	16.924
WHEELING	0.	0.	0.	0.	0.	0.	0.0
TOTAL RESALE	15477661.	0.	15477661.	0.	0.	918878.	16.844
RETAIL	184407646.	0.	185169854.	-762209.	0.	10544534.	17.488
TOT COMP	199885307.	0.	200647515.	-762209.	0.	11463412.	17.437

POOR ORIGINAL

Statement
 Period II
 Revised M

4:26 PM
 \$/MWH (GEN LEV) = 0.0 15.2404 -0.0627 0.0

PENNSYLVANIA ELECTRIC COMPANY
 TOTAL CLASSIFIED DOLLARS BY RATE GROUP
 FOR 12 MONTHS ENDING: 6/30/79

USING LEVELIZED RETURN OF : 9.440X

TOTAL DOLLARS (RETURN, EXPENSES & TAXES) CLASSIFIED AS FOLLOWS:

CUSTOMER RELATED DOLLARS:

RATE GROUP (1)	TOTAL \$ CUSTOMER RELATED (2)	CUST ACCT (3)	PRI CUST (4)	SEC CUST (5)	SERVICES (6)	METERS (7)	SPECIFIC (8)	SPECIFIC CUST REL (9)	END OF PERIOD CUSTOMER (10)	TOTAL CUST DOLLARS PER E.O.P. CUST (11)=(2/10)
RATE RP	100229.	14902.	0.	0.	0.	85327.	0.	0.	11.	9111.772
ALLEG-SU	193004.	95929.	0.	0.	0.	97075.	0.	0.	155.	1245.189
WHEELING	200970.	113153.	0.	0.	0.	87817.	0.	0.	155.	1296.578
TOTAL RESALE	494203.	223904.	0.	0.	0.	270220.	0.	0.	321.	1539.574
RETAIL	15340234.	14901818.	0.	1.	0.	438415.	0.	0.	501861.	30.567
TOT COMP	15834437.	15125802.	0.	1.	0.	708634.	0.	0.	502182.	31.531

POOR ORIGINAL

4:27 PM
 \$/WTG C/ OMER = 26.4252 0.0 0.0000 0.0 0.2270 0.0 0.0

PENNSYLVANIA ELECTRIC COMPANY
 TOTAL CLASSIFIED DOLLARS BY RATE GROUP
 FOR 12 MONTHS ENDING: 6/30/79

USING LEVELIZED RETURN OF : 9.440%

TOTAL DOLLARS (RETURN, EXPENSES & TAXES) CLASSIFIED AS FOLLOWS:

CUSTOMER RELATED DOLLARS:

RATE GROUP (1)	TOTAL \$ CUSTOMER RELATED (2)	CUST ACCT (3)	PRI CUST (4)	SEC CUST (5)	SERVICES (6)	METERS (7)	SPECIFIC (8)	SPECIFIC CUST REL (9)	END OF PERIOD CUSTOMER (10)	TOTAL CUST DOLLARS PER E.O.P. CUST (11)=(2/10)
RATE RP	100229.	14902.	0.	0.	0.	85327.	0.	0.	11.	9111.772
ALLEG-SU	193004.	95929.	0.	0.	0.	97075.	0.	0.	155.	1245.189
WHEELING	200970.	113153.	0.	0.	0.	87817.	0.	0.	155.	1296.578
TOTAL RESALE	494203.	223984.	0.	0.	0.	270220.	0.	0.	321.	1539.574
RETAIL	15340234.	14901818.	0.	1.	0.	438415.	0.	0.	501861.	30.567
TOT COMP	15834437.	15125802.	0.	1.	0.	708634.	0.	0.	502182.	31.531

1:27 PM
 \$/WTG CUSTOMER = 26.4252 0.0 0.0000 0.0 0.2270 0.0 0.0

POOR ORIGINAL

Statement M
 Period II
 Revised

PENNSYLVANIA ELECTRIC COMPANY
 TOTAL CLASSIFIED DOLLARS BY RATE GROUP
 FOR 12 MONTHS ENDING: 6/30/79

USING LEVELIZED RETURN OF : 9.440X

TOTAL DOLLARS (RETURN, EXPENSES & TAXES) CLASSIFIED AS FOLLOWS:

RATE TARIFF	MWH OF SALES (1)	---DEMAND RELATED---		--ENERGY RELATED----		--CUSTOMER RELATED--		-----TOTAL-----	
		TOTAL DOLLARS (2)	¢ PER KWH SOLD (3)=(2/1)/10	TOTAL DOLLARS (4)	¢ PER KWH SOLD (5)=(4/1)/10	TOTAL DOLLARS (6)	¢ PER KWH SOLD (7)=(6/1)/10	ALLOCATED DOLLARS (8)=(2+4+6)	¢ PER KWH SOLD (9)=(8/1)/10
RATE RP	209352.	3503503.	1.6735	3469622.	1.6573	100229.	0.0479	7073355.	3.3787
ALLEG-SU	709526.	12310953.	1.7351	12008039.	1.6924	193004.	0.0272	24511996.	3.4547
WHEELING	0.	2800348.	0.0	0.	0.0	200970.	0.0	3001317.	0.0
TOTAL RESALE	918878.	18614804.	2.0258	15477661.	1.6844	494203.	0.0538	34586668.	3.7640
RETAIL	10544534.	286382284.	2.7159	184407646.	1.7488	15340234.	0.1455	484130164.	4.6103
TOT COMP	11463412.	304997088.	2.6606	199085307.	1.7437	15834437.	0.1381	520716832.	4.5424

POOR ORIGINAL

Statement M
 Period II
 Revised

4:28 PM

June 26, 1979