

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)	
)	Docket No. 50-346A
The Toledo Edison Company)	
The Cleveland Electric)	
Illuminating Company)	Docket Nos. 50-440A
(Davis-Besse Nuclear Power)	and 50-441A
Station))	
)	
The Cleveland Electric)	Docket Nos. 50-500A
Illuminating Company, et al.)	and 50-501A
(Perry Plant, Units 1 and 2))	
)	
The Toledo Edison Company, et al.))	
(Davis-Besse Nuclear Power)	
Station, Units 2 and 3))	

AFFIDAVIT

STATE OF OHIO)
)SS:
COUNTY OF LUCAS)



ROGER PAUL KLEE, being first duly sworn, deposes and says that at all times material and relevant hereto he was an attorney employed by the law firm of Fuller, Henry, Hodge & Snyder, which firm is counsel for Applicant Toledo Edison Company ("Applicant"), and he has been duly authorized by said Applicant to make this affidavit in the above-captioned proceeding.

Affiant further says that he has diligently attempted to ascertain whether the documents listed below, which the Do-

8002-200-947

discovery requests first propounded in the above-captioned proceeding, were produced by Applicant.

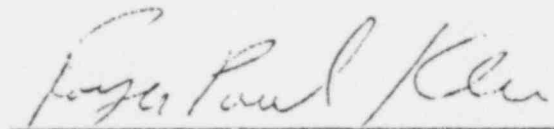
1. Letter from A. N. Prentice, OP, to Davis, Henry and others, dated February 28, 1967.
2. Letter from Charles E. Flahie to Lawrence McNealey, C&SOE, dated December 27, 1968.
3. Letter from T. A. Kostanski to Morris R. Fitzgerald, Chief of North Central Region, Division of Audit, Federal Power Commission, dated December 30, 1971, with enclosures.
4. Speech given by Mr. W. H. Schwalbert at the Edison Electric Institute meeting held in January 1968.
5. Letter from Dewey G. Ries to John K. Davis, dated November 20, 1965.
6. Letter from John K. Davis to Dewey G. Ries, dated November 23, 1965.
7. Minutes taken by Stratman Cooke of meeting held on June 24, 1971 between Messrs. Cooke and Keck of Toledo Edison, Mr. Robert Badner of the Rural Electrification Administration, Mr. Joseph Wigham of Southern Engineering Company and representatives of the Southeastern Michigan Rural Electric Cooperative.

Affiant further says that, after a diligent examination of the files which Applicant provided or made available to affiant or persons under his direct supervision, he was unable to locate documents numbered 1, 2, 4, 5, and 6 above, moreover, an inquiry of the appropriate Company personnel confirms that none of said documents have been removed from said files since the date of the first production request propounded by the Depart-

Affiant further says that said examination shows that document Number 7 above was not produced because it is not within the scope of any of the Department's requests.

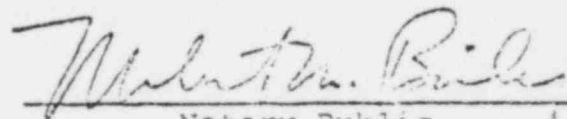
Affiant further says that said examination shows that document Number 3 above was inadvertently omitted from Applicant's document production and a copy is attached hereto.

Further affiant sayeth not.



Roger Paul Klee

Sworn to before me and subscribed in my presence this 20th day of October, 1975.



Notary Public

MICHAEL M. BRILEY

Attorney-at-Law

Notary Public, State of Ohio

My Commission Has No Expiration Date

Section 147.03 R.C.



T. A. KOSTANSKI
Controller

December 30, 1971

Mr. Morris R. Fitzgerald
Chief of North Central Region
Division of Audit
Federal Power Commission
441 "G" Street, N.W.
Washington, D.C. 20426



Dear Mr. Fitzgerald:

At our initial meeting with Mr. Litke on June 1, 1970, we agreed to complete our Original Cost Study of Electric Properties before the end of this year.

Enclosed are three copies of the Original Cost Statement of Electric Properties for The Toledo Edison Company as of December 31, 1969.

The Company proposes to reclassify the Electric Plant Account at original cost by recording the following entry as of December 31, 1971 on its book of accounts:

Debit:	Accumulated Provision for Depreciation	\$897,851.17
	Deferred Debits	241,135.15
	Earned Surplus	400,116.14
Credit:	Electric Plant In Service	\$1,539,102.46

The reduction of Electric Plant In Service of \$1,539,102.46 represents the adjustment, required to state acquired property at original cost.

The reduction of the Accumulated Provision for Depreciation of \$897,851.17 is the depreciation accumulated on the amount being credited to plant from the dates of acquisition through December 31, 1971.

Since the basis of property and plant for purposes of computing tax depreciation is not reduced by the original cost adjustment, a future tax benefit of \$241,135.15 will be realized. This amount is proposed to be established as a Deferred Debit and amortized over a period not longer than the remaining lives of the property involved to offset the effect of tax benefits which will be realized.

Mr. Morris R. Fitzgerald
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December 30, 1971

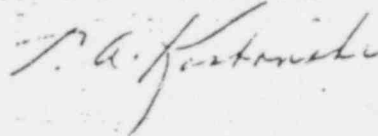
As of December 31, 1969 constructed additions represent 97.6% of the Plant Account. The balance of the Plant Account is represented by the remaining portion of acquired properties amounting to \$8,309,530.25. The proposed original cost adjustment of \$1,539,102.46 amounts to 18.5% of the remaining acquired properties. We consider this to be good cost but at the same time recognize that it is not "original cost" as defined by the Federal Power Commission. With reluctance, we propose to make this very significant reduction in our plant account in the amount shown.

We would appreciate preliminary approval to record this entry as of December 31, 1971 pending the results of an audit of the Original Cost Statement.

Properties shown are all of this plant.

Respectfully,
Sincerely yours,

December 30, 1971



TAK/me

Enclosures: 3