



**GPU Service Corporation**  
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 Parsippany, New Jersey 07054  
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 TELEX 136-482  
 Writer's Direct Dial Number

April 7, 1981

Mr. Michael Karlowicz  
 U.S. Nuclear Regulatory Commission  
 Room 255 - PHIL  
 7920 Norfolk Avenue  
 Bethesda, Maryland 20014

Dear Mike:

Enclosed is a copy of the material that you requested. (Presentation before the GPU Board of Directors by F. D. Hafer dated April 2, 1981, and Met-Ed Short-Term Debt and Credit forecast reflecting the ALJ recommendation). The short-term debt material has been marked "draft" because the austerity spending levels for Met-Ed, reflected in the forecast, are currently under Management review.

The annual reports were mailed to you and Jim Petersen last week.

Very truly yours,

T. G. Howson



TGH/dp

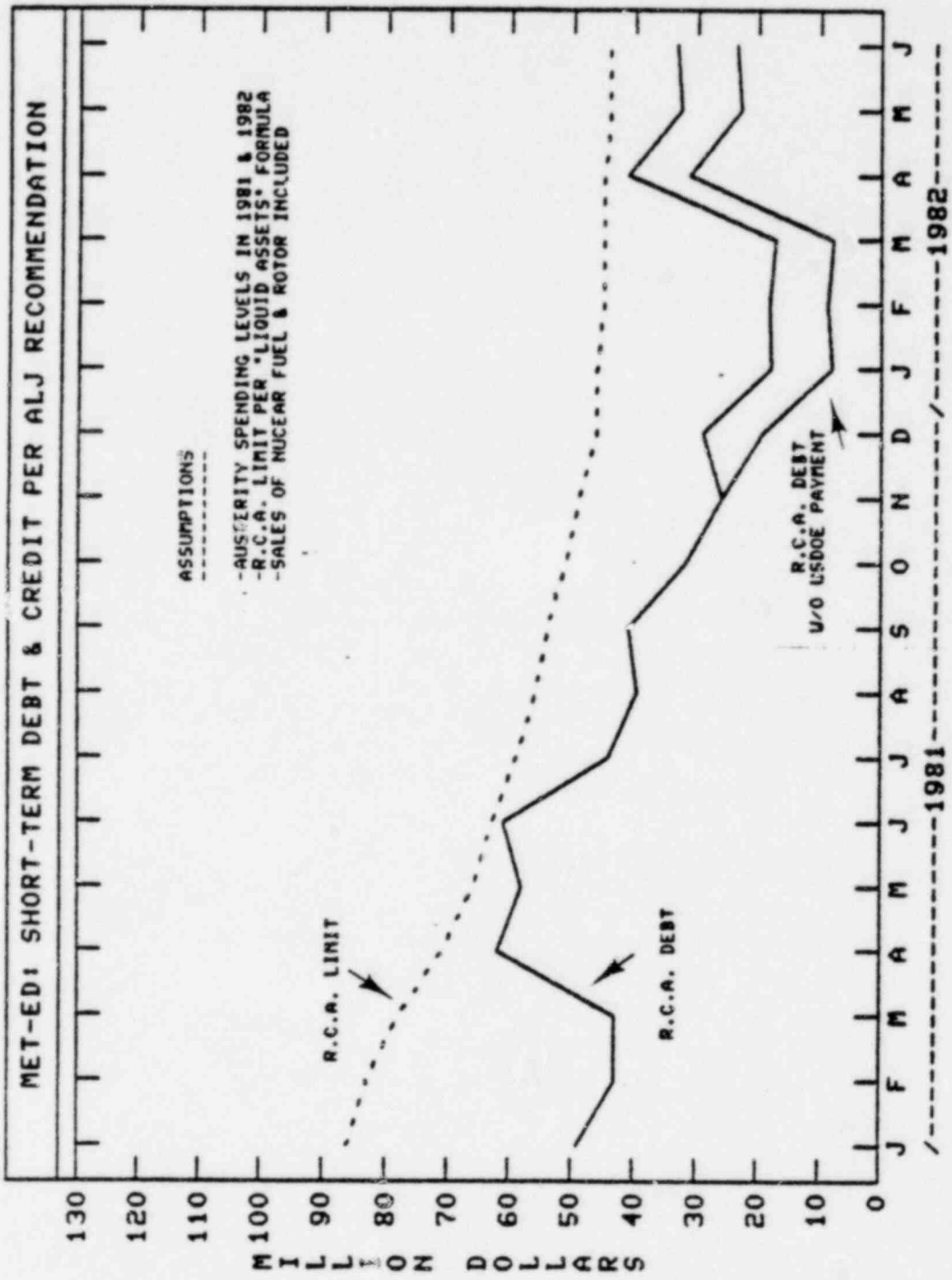
Enclosure

cc: J. G. Graham (w/o Enc.)  
 L. Gentieu " "

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 4/15/81  
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DRAFT



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Met-Ed  
Short-Term Debt - April 1982  
Full Rate Relief per January Testimony  
(\$ Millions)

J. G. Graham Supplement 1 Testimony: \$108.7  
Spending at \$149 for 1981,  
No Rate Relief

Changes for Full Relief

Full Rate Relief (74.4)  
Spending at \$165 level, July-Dec. 8.0  
Tax Payments 5.2  
Interest Savings on Above (4.8)

Short-Term Debt Full Rate Relief \$ 42.7

RCA Limit

Uranium \$ 20  
Accounts Receivable 22  
\$ 42

**DRAFT**

Met-Ed  
Short-Term Debt-April 1982  
ALJ Recommendation with Forecast Updates  
(\$ Millions)

J. G. Graham Supplement 1 Testimony: \$108.7  
Spending at \$149 for 1981,  
No Rate Relief

Changes for ALJ Rate Relief

ALJ Rate Relief	\$ (48.9)
Tax Payments	3.0
April starting Balance Change	(14.6)
Change in 1982 Energy Clause	5.3
Change in Surcharge Revenues	6.6
Change in 1982 Spending Level	(0.9)
Nuclear Fuel Sale to Florida	(2.6)
Rotor Sale to Virginia	(3.1)
Spending at \$149 level, July-Dec.	-
Decrease in A/R from Prior Forecast	(7.7)
Interest Savings on Above	<u>(4.7)</u>
Short-Term Debt ALJ Rate Relief	<u><u>\$ (41.1)</u></u>

RCA Limit

Uranium	\$ 20
Accounts Receivable	32
Decrease in A/R from Prior Forecast	<u>(7)</u>
	<u><u>\$ 45</u></u>

GENERAL PUBLIC UTILITIES CORPORATION

Presentation Before the  
Board of Directors  
by F. D. Hafer

April 2, 1981

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• Annualized Effect of Pending Base  
Rate Case Recommendations

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• Retail Rate Changes Since the TMI-2  
Accident

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Met-Ed . . . . .	B.3
Penelec . . . . .	B.4

General Public Utilities  
 Annualized Effect in Pending Base Rate Cases:  
 NJBPU Staff Recommendation - JCP&L Docket No. 804-285  
 Pa. ALJ Recommendation - Met-Ed Docket No. R-80051196  
Pa. ALJ Recommendation - Penelec Docket No. R-80051197

(\$ millions)

<u>Change In:</u>	<u>JCP&amp;L</u>	<u>Met-Ed</u>	<u>Penelec</u>	<u>Total</u>
<u>Revenues</u>				
Base	\$57.6 <sup>(1)</sup>	\$49.7	\$53.4	\$160.7
Energy Surcharge	-	(30.0)	-	(30.0)
Total	\$57.6	\$19.7	\$53.4	\$130.7
<u>Operating Income</u>	\$12.2	\$21.2	\$23.9	\$ 57.3
<u>Earnings per Share (\$/share)</u>				
without Forked River AFUDC write off	\$ 0.20 <sup>(2)</sup>	\$ 0.35	\$ 0.39	\$ 0.94 <sup>(2)</sup>
with Forked River AFUDC write off	\$(0.24) <sup>(2)</sup>	\$ 0.35	\$ 0.39	\$ 0.50 <sup>(2)</sup>
<u>Impact on Credit/Loan Relationship</u>				
Additional Credit	\$ -	\$28.6	\$ -	\$ 28.6
Improved Cash Flow	<u>50.9</u>	<u>18.9</u>	<u>25.3</u>	<u>95.1</u>
Total	\$50.9	\$47.5	\$25.3	\$123.7

- (1) The \$57.6 million base revenue increase is incremental to the \$60 million interim increase (which would be made permanent).
- (2) The NJBPU staff recommendation reflects a 15 year amortization of \$368.5 million of the \$395.4 million net investment in the Forked River Project. The remaining investment (\$26.9 million) represents AFUDC that was accrued on the Forked River Project subsequent to the date of FMI-2 accident. If the NJ BPU rules that the \$26.9 million of AFUDC is disallowed for ratemaking purposes, it will be written off to current income (as a reversal of AFUDC).

JERSEY CENTRAL POWER AND LIGHT  
ANNUALIZED EFFECT OF NJ BPU STAFF'S RECOMMENDATION (1) ON  
REVENUES, EXPENSES AND RETURN  
(Docket No. 804-285)

(\$ MILLIONS)	Base Rate Increase Excluding Forked River	Base Rate Increase (2) Forked River Component	Base Rate Increase TOTAL
<u>Change In:</u>			
<u>Revenues</u>			
Base	\$25.8	\$31.8	\$57.6(3)
<u>Expenses</u>			
Taxes Other Than Income Taxes	3.0	3.7	6.7
Amortization of Forked River	-	24.6	24.6
Income Taxes - Current	10.6	13.0	23.6
- Deferred	-	(9.5)	(9.5)
Total	<u>\$13.6</u>	<u>\$31.8</u>	<u>\$45.4</u>
<u>Operating Income</u>	<u>\$12.2</u>	<u>-</u>	<u>\$12.2</u>
<u>Impact on Credit/Loan Relationship</u>			
Additional Credit			\$ -
Improved Cash Flow			<u>\$50.9</u>
Total			<u>\$50.9</u>

- (1) Position of the Staff of the NJ BPU, filed on 3-17-81.
- (2) Reflects a 15 year amortization of \$368.5 million of the \$395.4 million net investment in the Forked River Project. The remaining investment (\$26.9 million) represents AFUDC that was accrued on the Forked River project subsequent to the date of the TMI-2 accident. If the NJ BPU rules that the \$26.9 million of AFUDC is disallowed for ratemaking purposes, it will be written off to current income (as a reversal of AFUDC).
- (3) The \$57.6 million base revenue increase is incremental to the \$60 million interim increase (which would be made permanent).

METROPOLITAN EDISON COMPANY  
ANNUALIZED EFFECTS OF ALJ'S RECOMMENDED DECISION ON  
REVENUES, EXPENSES AND RETURN  
(Docket No. R-80051196)

(\$ Millions)	Base Rate Increase	Reduced Deferred Energy Cost Amortization	Cessation of TH1-142 Depreciation	Deferral of NRC-Mandated TH1-142 Expenses	Possible Booking of TH1-1 & 2 Related Res. Capacity Expense	Total
<u>Change In:</u>						
<u>Revenues (1)</u>						
Base	\$49.7(2)	\$ -	\$ -	\$ -	\$ -	\$ 49.7
Energy cost surcharge	-	(30.0)	-	-	-	(30.0)
Total	\$49.7	\$ (30.0)	\$ -	\$ -	\$ -	\$ 19.7
<u>Expenses</u>						
Operation and maintenance	\$ 0.8	\$ -	\$ -	\$ 22.6(4)	\$ -	\$ 23.4
Booked depreciation	-	-	(17.6)(3)	Unavailable	-	(17.6)
Deferred energy costs	-	(28.6)	-	At This	-	(28.6)
Taxes other than income taxes	1.0	(1.4)	-	Time	-	(0.4)
Income taxes - current	24.2	(14.8)	-	-	-	9.4
- deferred	(0.4)	14.8	9.6	-	(11.7)	12.3
Total	\$25.6	\$ (30.0)	\$ (8.0)	\$ 10.9	\$ (11.7)	\$ (1.5)
<u>Operating Income</u>	\$24.1	\$ -	\$ 8.0	\$ (10.9)	\$ (10.9)	\$ 21.2
<u>Impact on Credit/Loan Relationship</u>						
Additional credit						\$ 28.6
Improved cash flow						18.9
Total						\$ 47.5

- (1) exclusive of tax surcharge revenues.
- (2) \$50.1 increase based on total company operation's less \$0.4 allocated to non-jurisdictional sales.
- (3) TH1-2 = \$11.6, TH1-1 = \$6.6, allocated 98% to retail sales.
- (4) TH1-2 = \$12.2, TH1-1 = \$10.9, allocated 98% to retail sales.



PENNSYLVANIA ELECTRIC COMPANY  
 ANNUALIZED EFFECTS OF ALJ'S RECOMMENDED DECISION ON  
 REVENUES, EXPENSES AND RETURN  
 (Docket No. R-80051197)

(\$ Millions)	Base Rate Increase	Reduced Deferred Energy Cost Amortization	Cessation of TH1-162 Depreciation	Deferral of NRC-Mandated TH1-162 Expenses	Possible Booking of TH1-1 & 2 Related Res. Capacity Expense	Total
<u>Change In:</u>						
<u>Revenues (1)</u>						
Base	\$ 53.4(2)	\$ -	\$ -	\$ -	\$ -	\$ 53.4
Energy cost surcharge	\$ 53.4	\$ -	\$ -	\$ -	\$ -	\$ 53.4
Total						
<u>Expenses</u>						
Operation and maintenance	\$ 0.2	\$ -	\$ -	\$ 11.1(4)	\$ 11.3	\$ 11.3
Booked depreciation	-	-	(8.5)(3)	-	(8.5)	(8.5)
Deferred energy costs	-	-	-	-	-	-
Taxes other than income taxes	1.1	-	-	-	-	1.1
Income taxes - current	26.0	-	-	-	-	26.0
Income taxes - deferred	(0.1)	-	5.6	-	-	5.5
Total	\$ 27.2	\$ -	\$ (3.1)	\$ 5.7	\$ (0.4)	\$ 29.5
<u>Operating Income</u>	\$ 26.2	\$ -	\$ 3.1	\$ (5.4)	\$ -	\$ 23.9
<u>Impact on Credit/Loan Relationship</u>						
Additional credit						\$ -
Improved cash flow						\$ 25.3
Total						\$ 25.3

(1) exclusive of tax surcharge revenues.  
 (2) \$56.9 increase based on total company operation's less \$1.5 allocated to non-jurisdictional sales.  
 (3) TH1-2 = \$5.5, TH1-1 = \$3.3, allocated 97% to retail sales.  
 (4) TH1-2 = \$6.0, TH1-1 = \$5.4, allocated 97% to retail sales.

POOR ORIGINAL

GPU System  
 Summary of Retail Rate Changes Since the  
 TMI-2 Accident  
 (Includes Recommended Increases,  
 Cases Pending as of April 1, 1981)\*  
 (\$ millions)

	<u>Total Annual Increases Granted</u>		<u>TMI- Related</u>	<u>Non-TMI- Related</u>
	<u>Amount</u>	<u>% Incr.**</u>		
<u>Jersey Central</u>				
Base Rates	\$ 88		\$ (29)	\$117
Energy Clause	352		113	239
Total	<u>\$ 440</u>	73%	<u>\$ 84</u>	<u>\$356</u>
<u>Met-Ed</u>				
Base Rates	\$ 23		\$ (16)	\$ 39
Energy Clause	155		155	-
Total	<u>\$ 178</u>	54%	<u>\$ 139</u>	<u>\$ 39</u>
<u>Penelec</u>				
Base Rates	\$ 16		\$ (32)	\$ 48
Energy Clause	60		65	(5)
Total	<u>\$ 76</u>	15%	<u>\$ 33</u>	<u>\$ 43</u>
<u>GPU</u>				
Base Rates	\$ 127		\$ (77)	\$204
Energy Clause	567		333	234
Total	<u>\$ 694</u>	50%	<u>\$ 256</u>	<u>\$438</u>

\* If NJ BPU staff position is accepted by the NJBPU in the current JCP&L base and energy clause cases, and if the ALJ's recommendation is accepted by the PaPUC in the current Met-Ed and Penelec Base Cases.

\*\* % Change in total annual revenue per KWH of Retail Sales, Rates in effect May 1981 over rates in effect in March 1979.

Jersey Central  
 Summary of Retail Rate Changes Since the  
 TMI-2 Accident  
 (Includes Recommended Increases,  
 Cases Pending as of April 1, 1981)  
 (\$ millions)

	<u>Total Increases Granted</u>	<u>TMI- Related</u>	<u>Non-TMI- Related</u>
<u>July 1979</u>			
Base Rates (TMI-2)	\$(29)	\$(29)	\$ -
Energy Clause	74	74	-
Total	<u>\$ 45</u>	<u>\$ 45</u>	<u>\$ -</u>
<u>September 1979</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	70	-	70
Total	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ 70</u>
<u>March 1980</u>			
Base Rates (1)	\$ (1)	\$ -	\$ (1)
Energy Clause	85	-	85
Total	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 84</u>
<u>April 1980</u>			
Base Rates (2)	\$ -	\$ -	\$ -
Energy Clause	34	34	-
Total	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ -</u>
<u>May 1980</u>			
Base Rates	\$ 60	\$ -	\$ 60
Energy Clause	-	-	-
Total	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 60</u>
<u>April 1981 (3)</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	89	5	84
Total	<u>\$ 89</u>	<u>\$ 5</u>	<u>\$ 84</u>
<u>May 1981 (3)</u>			
Base Rates	\$ 58	\$ -	\$ 58
Energy Clause	-	-	-
Total	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ 58</u>
TOTAL	\$440	\$ 84	\$356
% TMI/Non-TMI	100%	19%	81%
* Increase over March 1979 rates	73%		

- (1) Change in revenue tax rate.
- (2) Deferred energy cost amortization increased by an amount equivalent to TMI-1 revenue requirements (\$18 million per year).
- (3) If staff position is accepted by NJBPU. Timing reflects anticipated effective dates.

Met-Ed  
 Summary of Retail Rate Changes Since the  
 TMI-2 Accident  
 (Includes Recommended Increases,  
 Cases Pending as of April 1, 1981)  
 (\$ millions)

	Total Increases Granted	TMI- Related	Non-TMI- Related
<u>July 1979</u>			
Base Rates(1)	\$ -	\$ -	\$ -
Energy Clause	45	49	(4)
Total	<u>\$ 45</u>	<u>\$ 49</u>	<u>\$ (4)</u>
<u>March 1980</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	55	55	-
Total	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ -</u>
<u>June 1980</u>			
Base Rates (TMI-1)	\$(27)	\$(27)	\$ -
Energy Clause(2)	86	76	10
Total	<u>\$ 59</u>	<u>\$ 49</u>	<u>\$ 10</u>
<u>January 1981</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	(1)	-	(1)
Total	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>
<u>April 1981 (3)</u>			
Base Rates	\$ 50	\$ 11	\$ 39
Energy Clause	(30)	(25)	(5)
Total	<u>\$ 20</u>	<u>\$ (14)</u>	<u>\$ 34</u>
TOTAL	\$178	\$139	\$ 39
% TMI/Non-TMI	100%	78%	22%
% Increase over March 1979 rates	54%		

- (1) TMI-2 rates (\$52 million) had been approved by PaPUC's March 1979 Order, but were not implemented due to TMI-2 accident. Deferred energy cost amortization increased by about \$3 million per year (difference between TMI-2 revenue requirements and \$49 million total increase authorized by March Order).
- (2) Includes surcharge to recover May 1980 deferred balance over approximately 18 months.
- (3) If ALJ recommendation is accepted by PaPUC. Timing reflects anticipated effective date.

Penelec  
 Summary of Retail Rate Changes Since the  
 TMI-2 Accident  
 (Includes Recommended Increases,  
 Cases Pending as of April 1, 1981)  
 (\$ millions)

	<u>Total Increases Granted</u>	<u>TMI- Related</u>	<u>Non-TMI- Related</u>
<u>April 1979</u>			
Base Rates (TMI-2) (1)	\$(25)	\$(25)	\$ -
Energy Clause	-	-	-
Total	<u>\$(25)</u>	<u>\$(25)</u>	<u>\$ -</u>
<u>July 1979</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	36	21	15
Total	<u>\$ 36</u>	<u>\$ 21</u>	<u>\$ 15</u>
<u>June 1980</u>			
Base Rates (TMI-1)	\$(12)	\$(12)	\$ -
Energy Clause (2)	26	44	(18)
Total	<u>\$ 14</u>	<u>\$ 32</u>	<u>\$(18)</u>
<u>January 1981</u>			
Base Rates	\$ -	\$ -	\$ -
Energy Clause	(2)	-	(2)
Total	<u>\$(2)</u>	<u>\$ -</u>	<u>\$(2)</u>
<u>April 1981 (3)</u>			
Base Rates	\$ 53	\$ 5	\$ 48
Energy Clause	-	-	-
Total	<u>\$ 53</u>	<u>\$ 5</u>	<u>\$ 48</u>
TOTAL	\$ 76	\$ 33	\$ 43
% TMI/Non-TMI	100%	43%	57%
% Increase over March 1979 rates	15%		

- (1) Deferred energy cost amortization also increased by about \$2 million per year (difference between TMI-2 revenue requirements of \$27 million and \$25 million base rate reduction).
- (2) Includes surcharge to recover May 1980 deferred balance over approximately 18 months.
- (3) If ALJ recommendation is accepted by PaPUC. Timing reflects anticipated effective date.