



GENERAL
PUBLIC
UTILITIES
CORPORATION

UNIFORM STATISTICAL REPORT, 1982

GPU and Subsidiary Companies

✓

8304280231 830425
PDR ADOCK 05000289
I PDR

**THIS REPORT SHOULD BE READ IN CONJUNCTION WITH
GPU'S 1982 ANNUAL REPORT TO STOCKHOLDERS**

UNIFORM STATISTICAL REPORT—YEAR ENDED DECEMBER 31, 1982

(To American Gas Association, Edison Electric Institute and Financial Analysts)

Please submit the required pages to the American Gas Association and/or the Edison Electric Institute for use in compiling statistics published in AGA's Gas Facts and EEI's Statistical Year Book. Also furnish a copy of the Company's Annual Report to Stockholders with the USR or as soon as the annual report becomes available.

All Energy and Dollar Amounts should be reported in Thousands. Because this report is frequently used in conjunction with the Company's Annual Report to Stockholders, the data included herein should agree with the comparable information in such Annual Report. To assure accuracy and consistency, numerous cross-ties and footnotes have been appended to the schedules so that the statistics for the same item shown on more than one schedule will be identical.

Name and Address of Company

General Public Utilities Corporation
and Subsidiary Companies
100 Interpace Parkway
Parsippany, NJ 07054

List Affiliated Companies, Indicate Relationship
(Parent, Subsidiary, Associate, etc.) and Identify Nature of Business

General Public Utilities Corporation
GPU Service Corporation (Subsidiary)
GPU Nuclear Corporation (Subsidiary)
Jersey Central Power & Light Company (Subsidiary)
Metropolitan Edison Company (Subsidiary)
Pennsylvania Electric Company (Subsidiary)
Cherry Hill Fuels Corporation (Subsidiary)

Individual Furnishing Information

Name E. J. Holcombe
Title Comptroller
Telephone No. (201) 263-6051

Information Release

Yes, individual company data may be released.
 No, individual company data may not be released.
Authorizer E. J. Holcombe

March 25, 1983
Date This Report Released

UNIFORM STATISTICAL REPORT—YEAR ENDED DECEMBER 31, 1982

Company General Public Utilities Corporation and Subsidiary Companies

TABLE OF CONTENTS
ELECTRIC

	<u>Page</u>	<u>Schedule</u>
GENERAL STATISTICS	1	I
States in which Company Operates and Percent of Operating Revenue in each State		
Subsidiaries and Leased Companies		
Utility Systems Acquired, Sold or Otherwise Disposed of		
Changes in Communities Served		
Population and Square Miles of Territory Served		
 FINANCIAL AND ACCOUNTING STATISTICS		
Statements of Income and Retained Earnings	2	II
Notes to Statements of Income and Retained Earnings	3	III
Functional Details of Operation and Maintenance Expenses	5	IV
Taxes	6	V
Balance Sheet	7	VI
Detail of Capital Stock and Long Term Debt Outstanding By Issues	7a	Via
Notes to Balance Sheet	8	VII
Utility Plant by Functional Accounts	9	VIII
Notes to Utility Plant by Functional Accounts	10	IX
Additions, Retirements and Adjustments to Utility Plant	10	X
New Securities Issued During Year	11	XI
Statement of Changes in Financial Position	12	XII
 EMPLOYEE DATA	13	XIII
Number of Employees		
Salaries and Wages		
Pensions and Benefits		
 OPERATING STATISTICS—ELECTRIC		
Classification of Electric Energy Sales, Revenues and Customers	E-14	XIV
Classification of Industrial (or Large Light and Power) Kilowatt Hour Sales and Revenues	E-15	XV
Source and Disposition of Energy	E-16	XVI
Maximum Demands and Net Capability Available at Time of Company Peaks—Calendar Year	E-17	XVII
 GENERATING STATION STATISTICS—ELECTRIC		
Generating Station Statistics	E-18	XVIII
Fuel Consumed for Electric Generation	E-19	XIX
Efficiency of Steam Electric Generating Units	E-19	XX
Changes in Generating Units	E-20	XXI
 MILES OF ELECTRIC LINE OPERATED AND OTHER PHYSICAL DATA	E-21	XXII
Transmission		
Distribution		
Substations and Line Transformers		

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE I—GENERAL STATISTICS

1. State(s) in which company operates and percent of operating revenue in each state New Jersey 48%
Pennsylvania 52%

2. Name(s) of subsidiaries and leased companies included in Line 16, Schedule II, Page 2 of report (If data are included for less than full year, please indicate)
GPU Service Corporation ("GPUSC") GPU Nuclear Corporation ("GPUNC")
Cherry Hill Fuels Corporation
Jersey Central Power & Light Company ("JCP&L")
Metropolitan Edison Company and Subsidiary ("Met-Ed")
Pennsylvania Electric Company and Subsidiaries ("Penelco")

3. Utility systems acquired, sold or otherwise disposed of:
Indicate the period for which these acquisitions or sales are reflected in this report.

ACQUIRED DURING YEAR		SOLD OR OTHERWISE DISPOSED OF DURING YEAR	
Name of System & Date	Number of Customers	Name of System & Date	Number of Customers
NONE		NONE	

4. Changes in Communities Served (Group separately for Electric and Gas)
Indicate whether community is or was served at wholesale or retail level by inserting a (w) or an (r) after name of community.

Communities ADDED During Year		Communities TRANSFERRED or LOST During Year	
Name of Community & State	Previously Served By	Name of Community & State	Now Served By
NONE		NONE	

5. Population and Square Miles of Territory Served:

		POPULATION SERVED		SQUARE MILES OF TERRITORY SERVED	
		Electric	Gas	Electric	Gas
Retail	1.1.	4,270,000			
Wholesale	1.2.	50,000			
Total	1.3.	4,320,000		24,145	
Estimated as of				12/31/82	

Company General Public Utilities Corporation and Subsidiary Companies**SCHEDULE II—STATEMENTS OF INCOME AND RETAINED EARNINGS (Thousands of \$)**

FOR NOTES—SEE SCHEDULE III—PAGES 3, 4, & 5

INCOME			Steam Heat			
			Total	Electric	Gas	and Other
1. Operating Revenues (a) (b)	2.1.	2,405,527	2,401,836		3,691	
Operating Expenses:						
2. Operation (c) (d)	2.2.	1,475,856	1,472,890		2,966	
3. Maintenance (d)	2.3.	174,877	174,672		205	
4. Depreciation (e)	2.4.	202,725	202,465		260	
5. Depletion (e)	2.5.					
6. Amort. Charged to Operation (f) (g)	2.6.	26,547	26,547			
7. Property Losses Charged to Operation	2.7.					
8. Taxes Other Than Income Taxes	2.8.	218,507	218,438		69	
9. Federal Income Taxes (e) (h) (i)	2.9.	9,720	9,630		90	
10. State Income Taxes (e) (h) (i)	2.10.	17,558	17,527		31	
11. Deferred Income Taxes—Charges	2.11.	60,372	60,184		188	
12. Deferred Income Taxes—Credits	2.12.	[92,583]	[92,583]	[]	[]	
13. Investment Tax Credit Adjusts. (Net) (h)	2.13.	76,444	76,425		19	
14. Gain from Disp. of Util. Plant	2.14.	(1,018)	(1,018)			
15. Total Operating Expenses	2.15.	2,169,005	2,165,177		3,828	
16. Operating Income	2.16.	236,522	236,659		(137)	
17. Other Operating Income (j)	2.17.					
18. Total Operating Income	2.18.	236,522	236,659		(137)	
19. Allow. for Other Funds Used During Constr. (k)	2.19.	6,663				
20. Other Income Less Deductions—Net (g) (j)	2.20.	8,112				
21. Minority Interest	2.21.					
22. Income Before Interest Charges	2.22.	251,297				
Interest Charges:						
23. Interest on Long-Term Debt (l)	2.23.	171,770				
24. Interest on Short-Term Debt	2.24.	7,536				
25. Amort. of Debt Disc. Exp. and Prem. (Net)	2.25.	20				
26. Other Interest Expense	2.26.	6,038				
27. Allow. for Borrowed Funds						
Used During Constr. Credit (k) **	2.27.	[9,543]				
28. Net Interest Charges	2.28.	175,821				
29. Income Before Extraordinary Items	2.29.	75,476				
30. Extraordinary items, Less Taxes (j)	2.30.	3,773				
31. Net Income	2.31.	79,249				
32. Pfd and Pfc Dividend Requirement (l)	2.32.	41,742				
33. Available for Common Stock	2.33.	37,507				
34. Common Dividends	2.34.					
35. Net Income After Dividends	2.35.	37,507				
RETAINED EARNINGS						
36. Balance, January 1	2.36.	490,258				
37. Net Income after Preferred Dividends	2.37.	37,507				
38. Pfd and Pfc Dividends Declared	2.38.					
39. Common Dividends Declared—Cash	2.39.					
40. Common Dividends Declared—Other (m)	2.40.					
41. Adjustments (n)	2.41.					
42. Balance, December 31	2.42.	527,765				

Earnings Per Share of Common Stock

[2.43] \$.61* per share based on 61,263,654 average number of shares outstanding during year

[2.44] \$.61* per share based on 61,263,654 shares outstanding December 31

*After extraordinary items.
Report earnings per share on any other basis, if applicable, and explain _____

See GPU Annual Report Pages 19 and 27, Notes 1 and 3, respectively.

Dividends per Common Share

Paid	\$ -
Declared	\$ -

** Includes Income Taxes attributable to AFUDC of (1,583).

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE III—NOTES TO STATEMENTS OF INCOME AND RETAINED EARNINGS (Thousands of \$)

INCOME—SCHEDULE II—PAGE 2

(a) If sales of by-products are handled as operating revenue, report here the amount of by-product revenue (Included on Line 1) \$ _____ and product extraction expense (Included on Lines 2 and 3) \$ _____

(b) Includes: Revenues collected under bond or subject to refund: Electric \$ 2.6 million* Gas \$ _____
 Unbilled revenues: Electric \$ _____ Gas \$ _____

*See Page 22 of GPU 1982 Annual Report.

Increase in revenue over the prior year resulting from base rate increases granted and/or billed:

Electric				Gas			
Effective Date	Amount		Included in Current or	Effective Date	Amount		Included in Current year
	Annualized				Annualized		

See GPU 1982 Annual Report, Pages 21 and 22.

Note: Amounts collected on an interim basis should be shown as a rate increase in the year authorized and not as a part of the total increase granted with the final rate order.

(c) Operating Expenses—Operation includes:

Amounts subject to refund—Electric \$ _____ Gas \$ _____

Charge or (credit) for deferred fuel costs—Electric \$ 106,708 Steam Heat \$(213)

Significant amount of rents \$ _____ for _____
 \$ _____ for _____
 \$ _____ for See Individual Subsidiary 1982 USR Reports.
 \$ _____ for _____
 \$ _____ for _____

(d) Salaries, Wages and Employee Pensions, Benefits charged to Operating Expenses (Lines 2 and 3, page 2):

Electric \$ 262,123** Gas \$ _____ Other \$ 229

(e) Deprec., Accel. Amort. and Depletion to be claimed on Fed. & State Inc. Tax Returns:

		FEDERAL			STATE		
		Electric	Gas	Other	Electric	Gas	Other
Liberalized Depreciation	3.1.	<u>228,640</u>		<u>375</u>	<u>225,175</u>		<u>368</u>
Accelerated Amortization	3.2.						
Straight-Line Depreciation	3.3.	<u>4,344</u>		<u>30</u>	<u>4,344</u>		<u>30</u>
Depletion	3.4.						
Other (specify)	3.5.						
Total	3.6.	<u>232,984</u>		<u>405</u>	<u>229,519</u>		<u>398</u>
Est. tax deprec. that would have been taken if straight-line tax rates were used.	3.7.						

Give a general description of the method or methods used in computing book and tax depreciation with respect to major classes of depreciable assets: _____

See GPU 1982 Annual Report Pages 27 and 31.

(f) Includes amortization of adjustments to appliances for gas conversions \$ _____

(g) Amortization of Plant Acquisition Adjustments Included on Line 6 page 2:

Electric \$ _____ Gas \$ _____ Other \$ _____

**See Note (A), Page 13.

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE III—NOTES TO STATEMENTS OF INCOME AND RETAINED EARNINGS (Thousands of \$)
(continued)

(h) Investment Tax Credit		Electric	Gas	Other	Total
Normalized	3.8.	81,544		19	81,563
Less: Amortized (Over _____ Years)	3.9.	5,119			5,119
Net*	3.10.	76,425		19	76,444
Flowed-Through	3.11.				

* Should agree with line 1.3, page 2

(i) Net Reduction in Inc. Taxes (Not Normalized)		FEDERAL			STATE		
		Electric	Gas	Other	Electric	Gas	Other
Accelerated Amortization Property	3.12.						
Other Property	3.13.	(15,697)			(2,856)		
Other (specify)	3.14.	1,141			550		
Total	3.15.	(14,556)			(2,306)		

(j) Detail major items and amounts and all income taxes included in
Other Operating Income (Including Income Taxes of \$ _____)

Other Income Less Deductions—Net (Including Income Taxes of \$ 7,726)

(If net merchandising included, give amount)

See Individual Subsidiary 1982 USR Reports.

Extraordinary Items (Including Income Taxes of \$ 5,662)

See GPU 1982 Annual Report, Page 27, Note 3.

(k) Give description of method used to determine Allowance for Funds Used During Construction (Including rate applied, type of construction or size of job covered, and period of time used to exclude jobs of short duration)

See GPU 1982 Annual Report, Page 28, Note 4.

(l) Annual Interest and Preferred and Preference Dividend Requirement calculated on amounts (Including due within 1 year) outstanding at Dec. 31.

Long-Term Debt \$ 170,897 Preferred and Preference Stock \$ 41,407

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE III—NOTES TO STATEMENTS OF INCOME AND RETAINED EARNINGS (Thousands of \$)
(continued)

RETAINED EARNINGS—SCHEDULE II—PAGE 2

(m) Details of Common Dividends Declared—Other than Cash NONE

(n) Details of major items and amounts included in Adjustments to Retained Earnings NONE

NOTES & REMARKS:

SCHEDULE IV—FUNCTIONAL DETAILS OF OPERATION AND MAINTENANCE EXPENSES (Thousands of \$)

	ELECTRIC			STEAM HEAT AND OTHER		
	Total	Operation	Maintenance	Total	Operation	Maintenance
Production:						
1. Fuel (a)	427,137	427,137 ^(b)	XXXXXXXXXXXX	1,930	1,930 ^(c)	XXXXXXXXXXXX
2. Purchased Power (Net) (a)	591,614	591,614	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
3. Purchased Gas (Net) (a)	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX			XXXXXXXXXXXX
4. Other Prod. Expenses (a)	353,348	239,600	113,748	702	698 ^(d)	4 ^(d)
5. Total Production	1,372,099	1,258,351	113,748	2,632	2,628	4
6. Storage & Liquefied						
Natural Gas	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX			
7. Transmission	24,930	16,227	8,703			
8. Distribution	86,779	39,150	47,629	334	133	201
9. Customer Accounts	41,917	41,917		47	47	
10. Cust. Service & Info.	5,580	5,580				
11. Sales						
12. Administrative & Gen'l.	116,257	111,665	4,592	158	158	
13. Total	1,647,562	1,472,890	174,672	3,171	2,966	205

14. Credit for Residuals included in line _____

(a) Includes charges or (credits) for deferred fuel costs in line 4 : Electric \$106,708 Steam Heat \$(213)

(b) See Note (d), Schedule XIX—page E-19.

(c) Include only fuel used in production of gas.

(d) Includes exploration and development costs of prospective gas producing fields 4.15. \$ _____

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE V—TAXES (Thousands of \$)

		ACCRUALS CHARGED TO:				ALL OTHER ACCOUNTS (a)
		OPERATING EXPENSES—TAXES				
		Total	Electric	Gas	Other Depts.	
Taxes Other Than Income Taxes:						
State and Local:						
1. Property, Ad Valorem, etc.	5.1.	14,556	14,533		23	197
2. Franchise	5.2.	34,627	34,627		-	-
3. Gross Receipts	5.3.	149,432	149,432		-	-
4. Capital Stock	5.6.	5,499	5,469		30	-
5. Miscellaneous	5.7.	4,128	4,122		6	3,467
6. Total State and Local Taxes	5.8.	208,242	208,183		59	3,664
Miscellaneous Federal Taxes:						
7. Payroll	5.9.	10,265	10,255		10	6,789
8. _____	5.10.	-	-		-	-
9. Total Miscellaneous Federal Taxes	5.12.	10,265	10,255		10	6,789
10. Total Taxes Other Than Income Taxes	5.13.	218,507	218,438		69	10,453
Income Taxes—Current:						
11. Federal Income Taxes	5.14.	9,720	9,630		90	4,056
12. State Income Taxes	5.15.	17,558	17,527		31	962
13. Total Income Taxes Current	5.16.	27,278	27,157		121	5,018
Deferred Income Tax—Charges:						
Federal:						
14. Accelerated Amortization Property	5.17.	-	-		-	-
15. Other Property ^(b)	5.18.	44,355	44,279		76	-
16. Energy Costs	5.19.	(47,004)	(47,092)		88	-
17. Other		61,573	61,571		2	1,545
18. Total Federal Provision	5.20.	58,924	58,758		166	1,545
State:						
19. Accelerated Amortization Property	5.21.	-	-		-	-
20. Other Property ^(b)	5.22.	3,781	3,781		-	-
21. Energy Costs	5.23.	(4,664)	(4,685)		22	-
22. Other		2,331	2,331		-	166
23. Total State Provision	5.24.	1,448	1,426		22	166
Deferred Income Tax—Credits:						
Federal:						
24. Accelerated Amortization Property	5.25.	[169]	[169]	[]	[-]	[-]
25. Other Property ^(b)	5.26.	[11,505]	[11,505]	[]	[-]	[-]
26. Other	5.27.	[71,728]	[71,728]	[]	[-]	[-]
27. _____		[]	[]	[]	[-]	[539]
28. Total Federal Portion	5.28.	[83,402]	[83,402]	[]	[-]	[539]
State:						
29. Accelerated Amortization Property	5.29.	[29]	[29]	[]	[-]	[-]
30. Other Property ^(b)	5.30.	[2,917]	[2,917]	[]	[-]	[-]
31. Other	5.31.	[6,235]	[6,235]	[]	[-]	[-]
32. _____		[]	[]	[]	[-]	[46]
33. Total State Portion	5.32.	[9,181]	[9,181]	[]	[-]	[46]
34. Investment Tax Credit Adjustment ^(d)	5.33.	76,444	76,425		19	-
35. Job Tax Credits	5.34.					
36. Total Taxes	5.35.	290,018 (c)	289,621 (c)	(c)	397 (c)	16,597

(a) Such as Utility Plant, Other Income Deductions, Extraordinary Items, Clearing Accounts, Retained Earnings, etc.

(b) Report amount due to Liberalized Depreciation (FERC System of Accounts 282).

(c) Should equal Total of Lines 10, 13, 18, 23, 28, 33, 34, and 35; and Total of Lines 8, 9, 10, 11, 12 and 13, Schedule II—Page 2.

(d) Amount of investment subject to investment tax credit, Electric _____ Gas _____ Other Departments _____

Notes & Remarks (Please explain any unusual items affecting taxes): _____

UNIFORM STATISTICAL REPORT—YEAR ENDED DECEMBER 31, 1982

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE VI—BALANCE SHEET (Thousands of \$) FOR NOTES—SEE SCHEDULE VII—PAGE 8

ASSETS

LIABILITIES

Utility Plant:		
1.	Electric exclud. Nuclear Fuel (1)	6.1. 5,312,155
2.	Less Accum. Prov. for Depr. & Amort.	6.2. 1,329,811
3.	Net Electric Utility Plant excl. Nuclear Fuel	6.3. 3,982,344
4.	Nuclear Fuel	6.4. 234,545
5.	Less Accum. Prov. for Amort. Nuclear Fuel	6.5. 61,805
6.	Net Nuclear Fuel	6.6. 172,740
7.	Net Electric Utility Plant	6.7. 4,155,084
8.	Gas	6.8. _____
9.	Less Accum. Prov. for Depr. & Amort.	6.9. _____
10.	Net Gas Utility Plant	6.10. _____
11.	Other	6.11. 4,762
12.	Less Accum. Prov. for Depr. & Amort.	6.12. 343
13.	Net Other Utility Plant	6.13. 4,419
14.	Common	6.14. _____
15.	Less Accum. Prov. for Depr. & Amort.	6.15. _____
16.	Net Common Utility Plant	6.16. _____
17.	Total Utility Plant	6.17. 5,551,462
18.	Less Accum. Prov. for Depr. & Amort.	6.18. 1,391,959
19.	Net Utility Plant (Total)	6.19. 4,159,503
20.	Other Property and Investments (Net) (a)	6.20. 21,633
Current and Accrued Assets:		
21.	Cash, Spec. Dep., Wkg. Funds & Temp. Cash Inv. (2)	6.21. 202,134
22.	Gas Stored Underground (Current)	6.22. _____
23.	LNG Stored & Held for Processing	6.23. _____
24.	Notes and Accounts Receivable (Net)	6.24. 186,242
25.	Receivables from Investor Owned Elec. Cos.	6.25. _____
26.	Accrued Unbilled Revenues	6.26. _____
27.	Materials and Supplies (incl. fuel inventories)	6.27. 139,270
28.	Prepayments and Other Current and Accrued Assets	6.28. 48,195
29.	Deferred Energy Costs	6.29. (35,961)
30.	Total Current and Accrued Assets	6.30. 539,880
Deferred Debits:		
31.	Unamortized Debt Expense	6.31. 5,763
32.	Unamortized Conversion Costs	6.32. _____
33.	Extraordinary Property Losses	6.33. 344,808
34.	Deferred Fuel Costs	6.34. _____
35.	Other Deferred Debits	6.35. 109,074
36.	Total Deferred Debits	6.36. 459,645
37.	Total Assets	6.37. 5,180,661

Capitalization (excluding reacquired securities):		
38.	Common Stock (b)	6.38. 153,159
39.	Capital Stock Expense	6.39. (18,056)
40.	Premium on Common Stock (if not in line 41)	6.40. _____
41.	Other Paid-In Capital (c)	6.41. 773,946
42.	Retained Earnings	6.42. 527,765
43.	_____	6.43. _____
44.	Total Retained Earnings	6.44. 527,765
45.	Total Common Stock Equity	6.45. 1,436,814
46.	Minority Interest	6.46. _____
47.	Accum. Credits for Deferred Inc. Taxes (d)	6.47. _____
48.	Preferred and Preference Stock (b)	6.48. 497,741
49.	Premium on Pfd and Pfc (If not in Line 41) (3)	6.49. (728)
50.	Total Pfd and Pfc Equity (lines 48 and 49)	6.50. 497,013
Long Term Debt: (exclud. amt. due within one yr.)		
51.	Mortgage Bonds	6.51. 1,739,456
52.	Debentures (e)	6.52. 213,480
53.	Other (f)	6.53. 45,764
54.	Total Long-Term Debt	6.54. 1,998,700
55.	Total Capitalization (exclud amt. due within one yr.)	6.55. 3,932,527
Current and Accrued Liabilities:		
56.	Long-Term Debt Due within one year (4)	6.56. 128,567
57.	Short-Term Debt (g)	6.57. 19,000
58.	Accts. Payable (excl. amt. in line 59)	6.58. 178,529
59.	Payables to Investor Owned Elec. Cos.	6.59. _____
60.	Taxes Accrued (d)	6.60. 93,870
61.	Other and Misc. Current and Accrued Liabilities (5)	6.61. 105,217
62.	Total Current and Accrued Liabilities	6.62. 525,183
Deferred Credits and Operating Reserves:		
63.	Reserve Capacity	6.63. 51,832
64.	Customer Advances for Construction	6.64. 8,449
65.	Other Deferred Credits	6.65. 26,323
66.	Accumulated Deferred Income Taxes (d)	6.66. 502,165
67.	Accumulated Deferred Investment Tax Credits (h)	6.67. 131,073
68.	Operating Reserves (i)	6.68. 3,109
69.	Total Deferred Credits and Operating Reserves	6.69. 722,951
70.	_____	6.70. _____
71.	Reserve for Deferred or Future Income Taxes (d)	6.71. _____
72.	_____	6.72. _____
73.	Total Liabilities	6.73. 5,180,661

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE VIa—DETAIL OF CAPITAL STOCK AND LONG TERM DEBT OUTSTANDING BY ISSUES

For Stock: show rate, par value, shares and amount. List separately, amounts applicable to redeemable preferred stocks, as defined by the Securities and Exchange Commission, other preferred stocks, and common stock. For Debt: show series, rate, maturity date and amount. Group by type and show totals for each type.

Description of Issues

Amount
(Thousands of \$)

See Pages 7b and 7c.

Long-Term Debt of the System

(excluding debt due within one year)

(in thousands)

December 31, 1982

Jersey Central Power & Light Company:

First Mortgage Bonds - Series as noted:

3 1/4% due 1984	\$5,868	4 7/8% due 1995	\$17,430	8 % due 2001	\$24,093
3 1/8% due 1984*	8,700	6 1/8% due 1996	25,701	8 % due 2002	23,569
3 1/2% due 1985	17,916	6 % due 1997*	10,000	8 5/8% due 2003	48,154
10 1/4% due 1985	35,000	6 5/8% due 1997	25,874	8 7/8% due 2003	29,840
4 1/8% due 1986	9,456	7 1/8% due 1998*	8,000	9 5/8% due 2006	59,748
5 % due 1987	13,806	7 1/4% due 1998	24,191	9 3/4% due 2006	35,000
4 1/8% due 1988*	7,500	12 % due 1999	50,000	8 3/4% due 2007	59,899
5 1/4% due 1989	4,524	8 1/2% due 1999	8,022	9 % due 2008	49,950
4 7/8% due 1990*	5,000	11 5/8% due 1999	47,500	7 1/8% due 2009	6,300
4 3/8% due 1992	10,153	10 % due 2000	11,995	Balance of sinking fund	
4 1/2% due 1993	14,477	8 3/4% due 2000	15,656	requirements	(3,990)
4 5/8% due 1994	14,317	8 1/8% due 2001	32,887		

\$756,536

Debentures - Series as noted:

4 5/8% due 1988	\$5,400	5 % due 1990*	\$3,200	9 1/8% due 1996	\$19,000
4 3/4% due 1989*	3,720	5 1/8% due 1990	5,760	8 3/8% due 1998	24,000
4 5/8% due 1989	3,100	6 % due 1992	10,200		

74,360

Other long-term debt

12,282

Unamortized net discount on long-term debt

(889)

Total

842,309

Metropolitan Edison Company:

First Mortgage Bonds - Series as noted:

1 % due 1983/84	\$ 212	5 3/4% due 1996	\$15,000	8 3/8% due 2007	\$35,000
3 1/8% due 1984	15,000	7 % due 1998	26,000	6 % due 2008	8,700
9 5/8% due 1985	45,000	8 1/2% due 1999	25,000	9 % due 2008	50,000
4 7/8% due 1987	19,000	7 7/8% due 2001	15,000		
5 % due 1990	15,000	7 7/8% due 2002	26,000		
4 3/8% due 1992	15,000	8 1/2% due 2003	20,000		
4 5/8% due 1995	12,000	9 % due 2006	50,000		

391,912

Debentures - Series as noted:

4 3/4% due 1990	\$ 3,840	8 1/8% due 1997	\$41,340	8 3/4% due 1998	\$16,000
6 7/8% due 1992	13,600				

74,780

Other long-term debt

11,086

Unamortized net discount on long-term debt

(1,430)

Total

476,348

Pennsylvania Electric Company

First Mortgage Bonds - Series as noted:

1 % due 1983/84	\$ 88	4 5/8% due 1994	\$20,000	8 3/8% due 2003	\$30,000
3 1/8% due 1984	12,000	6 1/4% due 1996	25,000	10 5/8% due 2004	50,000
10 3/4% due 1984	45,000	6 1/4% due 1997	26,000	9 3/4% due 2006	60,000
3 7/8% due 1986	12,500	6 5/8% due 1998	38,000	7 3/4% due 2006	12,000
4 % due 1988	29,000	8 % due 1999	28,000	6 1/8% due 2007	16,420
5 % due 1989	15,000	11 3/4% due 1999	50,000	9 1/2% due 2008	45,000
5 % due 1990	12,000	9 3/8% due 2000	25,000		
4 5/8% due 1991	10,000	7 7/8% due 2001	30,000		

591,008

Debentures - Series as noted:

5 1/4% due 1986	\$ 6,720	7 % due 1992	\$ 6,800	8 1/2% due 1996	\$15,200
5 % due 1990	12,800	8 1/8% due 1996	22,800		

64,320

Other long-term debt

3,325

Unamortized net discount on long-term debt

(575)

Total

658,078

GPU Service Corporation:

First Mortgage Notes 13.25% due 2005

14,661

Other long-term debt

7,304

System Total

\$1,998,700

*Issued by NJP&L and assumed by JCP&L

Cumulative Preferred Stock of Subsidiary Companies

December 31, 1982	Shares		Current Call Price	Total Stated Value (In Thousands)
	Authorized	Outstanding		
Cumulative Preferred Stock - Mandatory Redemption				
Jersey Central Power & Light Company:				
Cumulative preferred stock - mandatory redemption (no par value)				
13.5% Series F		137,500 (1)	113.50 (3)	\$ 13,750
11 % Series G		200,000	108.00 (3)	20,000
Total				<u>33,750</u>
Pennsylvania Electric Company:				
Cumulative preferred stock - mandatory redemption (no par value)				
11.72% Series J		150,000 (1)	111.72 (3)	15,000
10.88% Series K		256,000 (2)	110.88 (3)	25,600
Total				<u>40,600</u>
Total-Mandatory Redemption				
				<u>\$ 74,350</u>
Cumulative Preferred Stock - No Mandatory Redemption				
Jersey Central Power & Light Company:				
Cumulative preferred stock - no mandatory redemption (no par value)				
4 % Series	15,600,000			
9.36% Series		125,000	106.50	\$12,500
8.12% Series		250,000	106.42	25,000
8 % Series		250,000	105.56	25,000
7.88% Series E		250,000	105.91	25,000
8.75% Series H		250,000	105.62	25,000
8.75% Series H		2,000,000	26.65 (3)	50,000
Total				<u>162,500</u>
Metropolitan Edison Company:				
Cumulative preferred stock - no mandatory redemption (no par value)				
3.90% Series	10,000,000			
4.35% Series		117,729	105.63	11,773
3.85% Series		33,249	104.25	3,325
3.80% Series		29,175	104.00	2,917
4.45% Series		18,122	104.70	1,812
8.12% Series		35,637	104.25	3,564
8.12% Series		160,000	105.56	16,000
7.68% Series G		350,000	105.56	35,000
8.32% Series H		250,000	106.16	25,000
8.12% Series I		250,000	107.59	25,000
8.32% Series J		150,000	107.70	15,000
Total				<u>139,391</u>
Pennsylvania Electric Company:				
Cumulative preferred stock - no mandatory redemption (no par value)				
4.40% Series B	11,435,000			
3.70% Series C		56,810	108.25	5,681
4.05% Series D		97,054	105.00	9,705
4.70% Series E		63,696	104.53	6,370
4.50% Series F		28,739	105.25	2,874
4.60% Series G		42,969	104.27	4,297
8.36% Series H		75,732	104.25	7,573
8.12% Series I		250,000	106.18	25,000
9.00% Series L		250,000	105.56	25,000
9.00% Series L		1,400,000	27.25	35,000
Total				<u>121,500</u>
Total-No Mandatory Redemption				
				<u>\$423,391</u>
System Total				
				<u>\$497,741</u>

(1) Excludes 12,500 shares due within one year.

(2) Excludes 16,000 shares due within one year

(3) Initially, subject to certain limitations.

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE VII—NOTES TO BALANCE SHEET (Thousands of \$)

(a) Detail major items and amounts including Excess Cost of Investments in Subsidiaries consolidated over Book Value at Date Acquisition _____

Loans to non-affiliated mining companies \$15,575

(b) Number of Stockholders as of 12/31/82 Preferred _____ Common 122,884 Other _____

Preference _____

(c) Includes Premiums on Capital Stock: Preferred \$ _____ Common \$ _____ Other \$ _____

Preference \$ _____

(d) Deferred Federal and State Income Tax Balances:

		FEDERAL			STATE		
		Electric	Gas	Other	Electric	Gas	Other
Accr. Amort. Prop.—Line No. <u>66</u>	7.1.	44		-	17		-
Liberalized Depr. Prop.—Line No. <u>66</u>	7.2.	318,983		262	27,490		16
Def'd Fuel Costs—Line No. <u>61 (4), 66</u>	7.3.	(17,660)		115	(3,802)		29
Other*—Line No. <u>66</u>	7.4.	155,633*		3	2,724		-
Total	7.5.	457,000		380	26,429		45

*Elaborate in 'Notes & Remarks' if significant.

(e) Includes convertible securities (specify) NONE

(f) Includes Unamortized Premium and Discount (Net) \$ (2,894)
 Other (Describe) Long-term commitments with U.S. Dept. of Energy for the repayment of Nuclear Fuel enrichment services \$26,693; First Mortgage Note \$14,661; Note payable to bank \$4,000; IBM installment Purchase \$3,293; Other \$11.

(g) Includes Commercial Paper \$ _____ Gas storage loans \$ _____

Average short-term debt during year, based on number of days outstanding \$ 43,900

(h) Accumulated Deferred Investment Tax Credits:

Electric	7.6.	131,009
Gas	7.7.	64
Other	7.8.	
	7.9.	
Total	7.10.	131,073

(i) Detail major items and amounts: _____

NOTES & REMARKS:

- (1) Includes investment in Three Mile Island Unit No. 1-\$490,560, Unit No. 2-\$783,932
 - (2) Includes \$79,800-Funds Held by Subsidiaries for Retirement of Bonds Due Within One Year.
 - (3) Includes (\$2,076) Capital Stock Expense on Cumulative Preferred Stock-Mandatory Redemption
 - (4) Includes Preferred Stock Due Within One Year of \$4,100
 - (5) Includes Deferred Taxes-Energy of (\$18,311) included in (d) above
- *Includes Extraordinary Property Losses - \$134,303

SCHEDULE VIII—UTILITY PLANT BY FUNCTIONAL ACCOUNTS (Thousands of \$)

FOR NOTES—SEE SCHEDULE IX—PAGE 10

CONSTRUCTION EXPENDITURES (b) (c)

	UTILITY PLANT (a)	ACCUM. PROV. FOR DEPREC. AMORT AND DEPL.	CONSTRUCTION EXPENDITURES (b) (c)			
			For Reported Year (d)	ESTIMATE AS OF For Next Year	For 2nd Yr. Foll.	For 3rd Yr. Foll.
			1982	1983	1984	1985 (Electric only)
ELECTRIC						
1. Intangible Plant	8.1.	789	42			
Production Plant:						
2. Steam	8.2.	868,441	34,389	45,000		
3. Nuclear *	8.3.	1,530,898	63,791	93,000		
4. Hydro	8.4.	16,922	121	1,000	Not Available	
5. Pumped Storage	8.5.	29,898	2,743	1,000		
6. Gas Turbine	8.6.					
7. Other (C.T., C.C. & I.C.)	8.7.	218,082	3,732	2,000		
8. Total Production Plant	8.8.	2,664,241	104,776	142,000		
9. Transmission Plant	8.9.	668,990	28,546	24,000		
10. Distribution Plant	8.10.	1,606,694	90,071	97,000		
11. General Plant	8.11.	175,132	17,739	11,000		
12. Subtotal	8.12.	5,115,846	241,174	274,000		
13. Miscellaneous Plant (e)	8.13.	42,735	727			
14. Construction Work in Progress	8.14.	153,574	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
15. Plant Acq. Adj. & Other Adj.	8.15.		6,347	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
16. Elec. Plant Excl. Nuclear Fuel	8.16.	5,312,155 ^(f)	1,329,811 ^(f)	241,174 ^(g)	274,000	
17. Nuclear Fuel	8.17.	234,545	61,805	6,983	16,000	
18. TOTAL ELECTRIC PLANT	8.18.	5,546,700 ^(f)	1,391,616 ^(f)	248,157 ^(g)	290,000	
*Includes TMI-1 and TMI-2.						
GAS						
19. Intangible Plant	8.19.					
20. Production	8.20.					
21. Underground Storage (h)	8.21.					
22. Other Storage	8.22.					
23. LNG Terminaling & Processing	8.23.					
24. Transmission	8.24.					
25. Distribution	8.25.					
26. General	8.26.					
27. Subtotal (i)	8.27.					
28. Miscellaneous Plant (e)	8.28.					
29. Construction Work in Progress	8.29.		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
30. Plant Acq. Adj. & Other Adj.	8.30.			XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
31. TOTAL GAS PLANT	8.31.					
OTHER UTILITY PLANT						
32. Steam Heat & Water	8.32.	4,762 ^(j)	343	458		
33.	8.33.					
34. TOTAL OTHER UTILITY PLANT	8.34.	4,762 ^(f)	343 ^(f)	458 ^(g)		
35. COMMON PLANT (k)	8.35.					
36. TOTAL UTILITY PLANT	8.36.	5,551,462 ^(f)	1,391,959 ^(f)	248,615 ^(g)	290,000	

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE IX--NOTES TO UTILITY PLANT BY FUNCTIONAL ACCOUNTS (Thousands of \$)

(a) Depreciable Property as of December 31:

ELECTRIC:			GAS:		
Production	9.1.	2,593,763	Production and Local Storage	9.11.	
Transmission	9.2.	666,603	Underground Storage	9.12.	
Distribution	9.3.	1,600,633	Transmission	9.13.	
General	9.4.	171,034	Distribution	9.14.	
Miscellaneous	9.5.	8,410	General	9.15.	
Total Electric	9.6.	5,040,443	Miscellaneous	9.16.	
COMMON:			Total Gas	9.17.	
Electric	9.7.		OTHER:		
Gas	9.8.		Steam Heat & Water	9.18.	4,616
Other	9.9.			9.19.	
Total Common	9.10.			9.20.	
			Total Other	9.21.	4,616

(b) Estimated construction expenditures for third (3rd) year following:

9.22 Gas \$ _____ Other \$ _____ Common \$ _____

(c) Estimated Construction Expenditures include Allowance for Funds Used During Construction--Yes X or No Indicate in total the AFUDC amounts included (excluded) in estimates: Next year \$ 20,000 2nd year \$ _____ 3rd year \$ _____

(d) Excludes Purchased Property. Report expenditures, rather than transfers to utility plant.

(e) Includes Experimental Plant Unclassified; Leased to Others; Held for Future Use; Completed Construction Not Classified.

(f) Should agree with amounts shown in Balance Sheet (Schedule VI--Page 7).

(g) Should agree with Construction Expenditures shown on Lines 1 through 8, Schedule X below. See Note (b) Schedule X for amounts of Allowance for Funds Used During Construction.

(h) Includes non-current gas "For Reported Year" \$ _____

(i) Estimated expenditures for compressor facilities included in:

Reported Year	9.23.	\$ _____
Next Year	9.24.	\$ _____
2nd Year	9.25.	\$ _____
3rd Year	9.26.	\$ _____

(j) Includes intangibles \$ _____ Line No. _____ \$ _____ Line No. _____

(k) Estimated amount applicable to Utility Plant: 9.27 Electric \$ _____ Gas \$ _____ Other \$ _____
 Estimated amount applicable to Accum. Prov. for Depreciation: 9.28 Electric \$ _____ Gas \$ _____ Other \$ _____

SCHEDULE X--ADDITIONS AND RETIREMENTS TO UTILITY PLANT--CURRENT YEAR (Thousands of \$)

		Construction Expenditures (a) (b)	Purchases & Acquisitions	Gross Additions (c)	Retirements	Other Entries	Net Additions
1. Elec Excl. Nuclear Fuel	10.1.	241,174		241,174	27,976	31,330	244,528
2. Nuclear Fuel	10.2.	6,983		6,983		(25,281)	(18,298)
3. Gas	10.3.						
4. Steam Heat & Water	10.4.	458		458	125		333
5.	10.5.						
6.	10.6.						
7.	10.7.						
8. Total	10.8.	248,615		248,615	28,101	6,049	226,563

(a) Should agree with Column--"Construction Expenditures--for Reported Year" in Schedule VII--page 9

(b) Includes Allowance for Funds Used During Construction: 10.9 Electric excluding Nuclear Fuel \$ 8,684 Nuclear Fuel \$ 5,938
 Gas \$ _____ Other \$ 1 Total \$ 14,623* Should agree with Line 19 and 27, Schedule II - Page 2

(c) Gross Additions should be the sum of the Construction Expenditures and the Purchases and Acquisition columns.

(d) The Total Net Additions should agree with the net change in Total Utility Plant over last year (Line 17, Schedule VI--page 7), and should be the sum of Gross Additions (Construction Expenditures plus Purchases and Acquisitions), less Retirements and plus or minus Other Entries.

*Does not include Income Taxes attributable to AFUDC of 1,583.

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE XI—NEW SECURITIES ISSUED DURING YEAR

Description of Issue (a)	Number of Shares (Thousands)	Amount (b) (Thousands of \$)	Unit Prices				Type of Sale		Date Mo/Day
			To Company		To Public		(e)	(f)	
			Proceeds (c) \$ or % of Par	Cost (d) %	Price \$ or % of Par	Yield %			
Common Issues (g) (h)									
1. NONE									
2. NONE									
3.									
4.									
Preferred and Preference Stock (g) (h)									
5. NONE									
6. NONE									
7.									
8.									
9.									
Bonds and Debentures									
10. NONE									
11. NONE									
12.									
13.									
14.									
15.									
16.									
17.									
Notes (1 year or longer based on original maturity)									
18. NONE									
19. NONE									
20.									
21.									

22. Security Reclassifications and Conversions (Describe and report amount)

23.
24.
25.
26.
27.

28. Securities Recquired and/or Retired

29. JCP&L - Debentures	- \$ 2,180	(Reacquired for Sinking Fund)
30. Preferred Stock	- \$ 2,500	(Redeemed)
31. Notes	- \$ 4,952	(Redeemed)
32. DOE Agreement	- \$ 3,370	(Redeemed)
33. Met-Ed - Bonds	- \$ 21,050	(Redeemed)
34. Debentures	- \$ 1,980	(Reacquired for Sinking Fund)
35. Penelec - Bonds	- \$ 9,586	(Redeemed)
36. Debentures	- \$ 2,263	(Reacquired for Sinking Fund)
37. Preferred Stock	- \$ 2,850	(Redeemed)
38. DOE Agreement	- \$ 2,172	(Retired)
39. GPU Corp - Term Loan	- \$ 18,000	(Retired)
40. GPUSC - Notes	- \$ 925	(Redeemed)

(a) Report each individual issue separately (including securities issued as dividends, as well as new placements), using additional sheet if necessary. Specify maturity date, rate, par value, convertibility, new or refunding. If convertible, briefly describe terms of conversion

- (b) Show principal amounts for Bonds, Debentures and Notes, show stated values for Preferred and Preference Stock, and offering price for Common Stock
- (c) Proceeds should be synonymous with price paid by underwriters.
- (d) After underwriter commissions.
- (e) Insert symbols: Pvt—Private, Pub—Public, and Pnt—Parent
- (f) Insert symbols: C—Competitive and N—Negotiated.
- (g) If sold on a rights basis, indicate offering ratio: Common _____ Other _____
- (h) Price range of rights during offering period _____

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE XII—STATEMENT OF CHANGES IN FINANCIAL POSITION (Thousands of \$)

(Detail Material Items Not Shown On Form)

SOURCE OF FUNDS

Funds from Operations:

1. Net Income (a)	12.1.	33,734
Principal Non-Cash Charges and Credits to Income:		
2. Depreciation and Depletion (b)	12.2.	202,725
3. Amortization of <u>Property Losses (c)</u>	12.3.	26,547
4. Deferred Income Taxes—Net (d)	12.4.	(32,211)
5. Investment Tax Credit Adjustments (e)	12.5.	76,444
6. Allowance for Funds Used During Construction (f)	12.6.	6,663
7. _____	12.7.	
8. Other Internal Sources—Net	12.8.	10,307
9. <u>Deferred Energy</u>	12.9.	106,495
10. <u>Reserve Capacity</u>	12.10.	28,672
11. _____	12.11.	
12. Total Funds from Operations	12.12.	446,050

Funds from Outside Sources (New Money):

13. Long-Term Debt (g) (h)	12.13.	3,964
14. Preferred and Preference Stock (h)	12.14.	
15. Common Stock (h)	12.15.	
16. Net Increase in Short-Term Debt (i)	12.16.	
17. <u>Sale of Nuclear Fuel</u>	12.17.	34,193
18. _____	12.18.	
19. Total Funds from Outside Sources	12.19.	38,157
20. Total Sources of Funds	12.20.	484,207

APPLICATION OF FUNDS

21. Gross Additions to Utility Plant (incl. land) (j)	12.21.	248,615
22. Allowance for Funds Used During Construction (f)	12.22.	6,663
23. Dividends on Preferred and Preference Stock (k)	12.23.	
24. Cash Dividends on Common Stock (l)	12.24.	
Funds for Retirement of Securities and Short-Term Debt:		
25. Long-Term Debt (g) (h)	12.25.	66,478
26. Preferred and Preference Stock (h)	12.26.	5,350
27. <u>Increase in Funds Held for Retirement of Bonds</u>	12.27.	79,800
28. Net Decrease in Short-Term Debt (i)	12.28.	41,300
29. Total Funds for Retirement of Securities and Short-Term Debt	12.29.	192,928
30. Advance Payments (specify)	12.30.	
31. <u>Increase in Other Working Capital Items (excluding debt)</u>	12.31.	18,494
32. <u>Deferred Costs - Nuclear Accident, net</u>	12.32.	12,045
33. Total Other Applications—Net	12.33.	18,788
34. Total Application of Funds	12.34.	484,207

(a) Should agree with Schedule II, Line 31*

(b) Includes \$ _____ charged to clearing and other accounts not included in Schedule II, Lines 4 & 5*

(c) Should agree with Schedule II, Lines 6, 7 & 25*

(d) Should agree with Schedule II, Lines 11 & 12*

(e) Should agree with Schedule II, Line 13*

(f) Should agree with Schedule II, Lines 19 & 27*

(g) Bonds, Debentures and Other Long-Term Debt

(h) Net proceeds or payments

(i) Includes Commercial Paper \$ N/A

(j) Should agree with Schedule X, Line 8, Column 3*

(k) Should agree with Schedule II, Line 38*

(l) Should agree with Schedule II, Line 39 & 40*

*If not, explain below:

(a) Line 1 above represents Net Income Before Extraordinary Items and after Preferred Dividends. (c) Excludes Amortization of Debt, Disc. Exp. and Prem. (Net) of \$20. (f) Represents Allow. for Other Funds Used During Constr.

Company General Public Utilities Corporation and Subsidiary Companies**SCHEDULE XII!—EMPLOYEE DATA****NUMBER OF EMPLOYEES—(Average For Year)**

Allocate to Electric, Gas, and Other Utility Departments common employees who devote part of their time to Electric and part to Gas, and/or Other Utility Departments.
Estimate splits on basis of payroll dollars or any other reasonable basis.

		ELECTRIC	GAS	OTHER UTILITY DEPTS.	TOTAL
1. Operation and Maintenance	13.1.				
2. Construction	13.2.				
3. Other (Describe)	13.3.				
4. Total	13.4.	12,385 (A)		7	12,392 (A)

SALARIES AND WAGES (Thousands of \$)^(a)

5. Operation and Maintenance ^(b)	13.6.	219,730 (A)		204	219,934
6. Construction	13.7.	58,364 (A)		81	58,445
7. Other (Describe) <u>Note B</u>	13.8.	78,089			78,089
8. Total	13.9.	356,183		285	356,468

Payroll, commissions and bonuses
applicable to Merchandising only

(included in line _____)	13.11.				
Plant Removal Costs included in line <u>6</u>	13.12.	2,838		25	2,863

PENSIONS AND BENEFITS (Thousands of \$)

9. Operation and Maintenance ^(b)	13.13.	35,388		25	35,413
10. Construction	13.14.	7,772		11	7,783
11. Other (Describe) <u>Note B</u>	13.15.	11,532			11,532
12. Total	13.16.	54,692		36	54,728

Enumerate the types of Benefits included—such as Pensions, Life Insurance, Hospitalization, etc.

Pensions, Life Insurance, Hospitalization, Workmen's Compensation, Accident
Prevention, and Other Miscellaneous Expenses

(a) Do not include Pensions and Benefits.

(b) Total of Lines 5 and 9 should agree with Schedule III, Note (d) on Page 3.

NOTES & REMARKS:

(A) Includes 3,273 GPUSC, GPUNC and bargaining unit employee salaries which are charged to operation and maintenance and construction accounts and not directly to the payroll account. Salaries and wages of the operating subsidiaries, excluding these 3,273 employee salaries, were \$156,331 - operation and maintenance - electric and \$43,821 construction electric. Average employees were not allocated because the GPU System employees are not always assigned solely to operation, maintenance and construction.

(B) Includes Fuel Stock Expense Undistributed, Stores Expense Undistributed, Transportation Expense Clearing Accounts, Miscellaneous Deferred Debits and Accounts Receivable.

Company _____ State of _____ Total System

SCHEDULE XIV—CLASSIFICATION OF ELECTRIC ENERGY SALES, REVENUES AND CUSTOMERS

Companies operating in more than one state should complete this schedule for each state in which they operate

DO NOT FILL IN	EEI Use Only				
	Year	Region	State	Co. Type	Release
HEADING, 1981					

		KILOWATTHOURS (thousands) (a)	OPER. REVENUES (thousands of \$) (a)	CUSTOMERS	
				AT YEAR END.	AVERAGE—12 MOS.
Sales to Ultimate Customers					
1. Residential (b)*	14.1	10,603,954	\$ 919,532	1,433,529	1,429,236
2. Commercial and Small Light & Power (c)*	14.2	8,173,029	661,909	163,341	163,639
3. Industrial and Large Light & Power (c)	14.3	10,752,389	694,288	9,804	9,798
4. Public Street & Highway Lighting	14.4	172,798	25,055	2,580	2,464
5. Other Sales to Public Authorities	14.5	116,044	9,377	465	510
6. Sales to Railroads and Railways	14.6				
7. Interdepartmental Sales	14.7				
8. Other Sales (Specify)	14.8				
9. Total Sales to Ultimate Customers	14.9	29,818,214	2,310,161	1,609,719 (d)	1,605,647 (d)
Sales for Resale					
10. Investor Owned Electric Utilities	14.10	78,281	3,074	8	8
11. Cooperatively Owned Electric Systems	14.11	1,068,173	44,742	3	3
12. Municipally Owned Electric Systems	14.12	388,567	19,468	16	16
13. Federal & State Electric Agencies	14.13				
14. Total for Resale	14.14	1,535,021	67,284	27	27
15. GRAND TOTAL	14.15	31,353,235	2,377,445	1,609,746	1,605,674
16. OTHER ELECTRIC REVENUES	14.16		24,391		
17. TOTAL ELECTRIC OPERATING REVENUES	14.17		\$ 2,401,836		
* Customers with Electric Space Heating: (e) (f)					
Residential	14.18	2,599,107	\$ 205,364	167,244	164,943
Commercial					
Apt. Bldgs. Master Metered	14.19		\$ Not Available	(g)	(g)
All Other	14.20		\$		

* (a) State percentage of Kilowatthours or Operating Revenues for each class of sales (indicate which) subject to fuel rate adjustment: Residential _____ %; Commercial _____ %; Industrial _____ %; Other (Specify) _____ or indicate by symbol (F) those classes of sales fully covered.

Total dollars recovered through automatic rate adjustment Fuel and Tax Clauses in Current Year:
 Fuel Clauses \$ 283,039 Tax Clauses \$ 43,371 Other (Define) _____
 Unbilled Revenue \$ _____ for _____ Kwhr on line(s): _____

		Space Heating Customers	All Resid. Customers
Average Annual Kwhr Use Per Customer	14.21	15,758 Kwhr	7,419 Kwhr
Average Annual Electric Bill	14.22	\$ 1,245.06	\$ 643.37
Average Revenue Per Kwhr	14.23	7.901 cents	8.672 cents

* (c) Indicate classification by striking out the inappropriate parts of captions of Lines 2 and 3. Give the criteria used by Company in classifying the customers into the respective groups, also break point between Large and Small Light and Power _____

* (d) Excludes 14.24 (at year end) (average—12 mos.) Ultimate customers counted more than once because of special services, such as water heating, etc.

* (e) Report Total Kwhr sales (all uses) and Total Revenue for those Customers who use electricity as their principal source for space heating (included in lines 1 and 2 respectively). Report customers even though other data is not available.

* (f) Report here what is considered to be the average annual heating and cooling degree-day for the territory served with electricity by your company, on a calendar year basis. If other than 65 degree base. Specify _____

Heating Degree-Day—1. Latest Year: _____ degree-days 2. Average Year, based on _____ years experience _____ degree days
 Cooling Degree-Day—1. Latest Year _____ degree-days 2. Average Year, based on _____ years experience _____ degree-days

* (g) Includes 14.25 (at year end) (average-12 mos.) dwelling units in apartment buildings master metered.

Notes & Remarks: *See Individual Subsidiary 1982 USR Reports.

Company _____ State of _____ Total System

**SCHEDULE XV—CLASSIFICATION OF INDUSTRIAL (OR LARGE LIGHT AND POWER)
KILOWATT HOUR SALES AND REVENUES**

Companies operating in more than one state should complete this schedule for each state in which they operate.

DO NOT FILL IN	EEl Use Only				
Year	Region	State	Co. Type	Release	Co. Code
HEADING, 1981	_____	_____	_____	_____	_____

If practical, please give a breakdown of your Industrial (or Large Light & Power) Sales and Revenues by type of industry, preferably by the Major Mining and Manufacturing Groups of the Standard Industrial Classification (a). If not coded strictly by Standard Industrial Classification, please give comparable information by any similar grouping you may have adopted. If you cannot furnish the information on a comprehensive basis, data for your largest industries would be useful (ten if possible).

Where a customer or establishment has operations pertaining to more than one industry, the principal type would determine the classification.

TYPE OF INDUSTRY	S.I.C NO. (a)		KILOWATT HOUR SALES (thousands)	REVENUES (thousands of \$)
MINING				
Metal Mining	10	15.1.	25,023	\$ 1,935
Coal Mining	11 & 12	15.2.	651,944	35,447
Oil & Gas Extraction	13	15.3.	31,562	1,919
Mining & Quarrying of Nonmetallic Min. (except fuels)	14	15.4.	159,056	12,229
		15.5.		
Total Mining		15.6.	867,585	51,530
MANUFACTURING				
Food and Kindred Products	20	15.7.	664,622	44,642
Tobacco Manufacturers	21	15.8.	10,174	759
Textile Mill Products	22	15.9.	139,239	9,131
Apparel & Other Finished Products made from fabrics & similar materials	23	15.10.	75,977	6,454
Lumber & Wood Products except furniture	24	15.11.	146,658	9,616
Furniture and Fixtures	25	15.12.	47,887	3,757
Paper & Allied Products	26	15.13.	1,073,261	59,299
Printing, Publishing & Allied Industries	27	15.14.	154,674	11,268
Chemicals & Allied Products	28	15.15.	1,017,721	70,258
Petroleum Refining and Related Industries	29	15.16.	268,019	14,839
Rubber and Miscellaneous Plastic Products	30	15.17.	500,053	32,964
Leather & Leather Products	31	15.18.	42,466	3,084
Stone, Clay, Glass and Concrete Products	32	15.19.	798,878	46,139
Primary Metal Industries production of coke - Total	33	15.20.	1,540,254	92,655
(without electric furnaces)	33	15.21.		
(with electric furnaces)	33	15.22.		
Fabricated Metal Products except machinery & transportation equipment	34	15.23.	523,110	37,790
Machinery, except Electrical	35	15.24.	616,826	41,264
Electrical and Electronic Machinery, Equipment & Supplies	36	15.25.	832,131	56,687
Transportation Equipment	37	15.26.	159,186	11,111
Measuring, Analyzing & Controlling Instruments; Photo- graphic, Medical & Optical Goods; Watches & Clocks	38	15.27.	143,821	10,817
Miscellaneous Manufacturing Industries	39	15.28.	250,945	19,840
Military Establishments		15.29.	277,165	19,958
Total Manufacturing		15.30.	9,283,067	602,332
Total Mining & Manufacturing		15.31.	10,150,652	653,862
"Industrial Customers" with demands below _____ Kw.		15.32.		
Other "Industrial Customers" not classified		15.33.	390,921	28,380
Non-manufacturing "Industrial Customers"		15.34.	210,816	12,046
Adjust. for: Differences in SIC Coding (-)(+)		15.35.		
Total Industrial or Large Light & Power (b)		15.36.	10,752,389	\$ 694,288

(a) The Standard Industrial Classification is published in manual form by the U.S. Government Printing Office and is available through the Superintendent of Documents. It is used primarily as an aid in securing uniformity and comparability in the presentation of statistical data collected by various agencies of the U.S. Government, State Agencies, Trade Associations, and Private Research Agencies.

(b) Amounts should agree with line 3 (columns 1 and 2) of Schedule XIV—page E-14.

Company _____ State of _____ Total System IX

SCHEDULE XVI—SOURCE AND DISPOSITION OF ENERGY (thousands of Kwhr and \$)

Companies operating in more than one state should complete this schedule for each state in which they operate.

DO NOT FILL IN	EEI Use Only					
	Year	Region	State	Co. Type	Release	Co. Code
HEADING, 1981	_____	_____	_____	_____	_____	_____

Source of Energy

	KILOWATTHOURS	COST
Net Generation:		
1. Steam, Conventional	16.1. 17,838,902	\$ 445,602
2. Steam, Geothermal	16.2. _____	_____
3. Steam, Nuclear	16.3. 1,932,615	148,793
4. Hydro	16.4. 218,929	1,960
5. Pumped Storage	16.5. 326,091	611 (a)
6. Gas Turbine	16.6. _____	_____
7. Other (Specify C, T., C, C. and I, C.)	16.7. 1,000,801	70,298
8. Less: Energy Input for Pumped Storage	16.8. 476,221	XXXXXXXXXXXXXXXXXXXX
9. Total Net Generation	16.9. 20,841,117	667,264
Purchased Power, incl. Net Interchange (Account 555): (b)		
10. Investor Owned Electric Utilities	16.10. 12,044,311	536,902
11. Cooperatively Owned Elect. Systems	16.11. _____	_____
12. Public Agencies (incl. Municipals)	16.12. 162,959	4,889
13. Industrial Sources	16.13. 271,380	9,514
14. International Imports (+)	16.14. 857,190	40,309
15. International Exports (-)	16.15. _____	_____
16. Less: Energy Input for Pumped Storage (if applicable)	16.16. _____	XXXXXXXXXXXXXXXXXXXX
17. Total Net Purchased Power-in, (out)	16.17. 13,335,840	591,614
18. Rec. from own Co. outside state	16.18. _____	_____
19. Total Net Energy for Distribution	16.19. 34,176,957	XXXXXXXXXXXXXXXXXXXX
20. Energy Wheeled (for accounts of others) (c)	16.20. 541,520	XXXXXXXXXXXXXXXXXXXX
21. Generation Control and System Dispatching	16.21. _____	7,232
22. Other Expenses (d)	16.22. _____	105,989
23. Total Production Expense (Electric)	16.23. _____	\$ 1,372,099

Disposition of Energy

24. Total Energy Sales (e)	16.24. 31,353,235	
25. Used in Electric & Other Depts and Furnished Without Charge	16.25. 122,389	
26. Total Energy Accounted for (24 and 25)	16.26. 31,475,624	
27. Energy Lost and Unaccounted for (e)	16.27. 2,701,333	
28. To own Company in other states	16.28. _____	
29. Total Disposition (Lines 26 + 27 + 28 = line 19) (a)	16.29. 34,176,957	
30. Energy Wheeled (for accounts of others) (c)	16.30. 541,520	
(a) Exclusive of energy for pumping. If combination Hydro and Pumped Storage Station, allocate Station expenses to each source of generation		
(b) Purchased Power (from all sources)	16.30. 10,797,046	414,748
Interchange Received (Gross)	16.31. 3,130,270	199,044
Interchange Delivered (Gross)	16.32. (591,476)	(22,178)
Total Net Purchased Power-in, (out)—Should agree with Line 17	16.33. 13,335,840	591,614

If Company purchases all or most of its Kwhr supply from other utilities or agencies, give the name of such suppliers and the Kwhr purchased from each _____

- (c) If Company transmits power of and for another system and such power is not included as both a receipt and delivery in Purchased Power account, show on Lines 20 and 30, the Kwhr wheeled.
- (d) Includes charge or (credit) for deferred fuel costs of \$ 106,708
- (e) Includes effect of _____ unbilled kwhr.

NOTES & REMARKS:

UNIFORM STATISTICAL REPORT—YEAR ENDED DECEMBER 31, 1982

Company General Public Utilities Corporation and Subsidiary Companies

SCHEDULE XVII—MAXIMUM DEMANDS AND NET CAPABILITY AVAILABLE AT TIME OF COMPANY PEAKS—CALENDAR YEAR (KW)

	MAXIMUM DEMAND (a), (b)		CAPABILITY AT TIME OF COMPANY PEAKS				OTHER ACTUAL DATA AT TIME OF COMPANY PEAKS	
	Kilowatts	Hour, Month and Day	Company's Own Generating Net Capability (c)	Firm Purchases From Other Companies (d)	Firm Sales To Other Electric Utilities (d) (e)	System Capability (f)	Non-Firm Purchases From Other Sources	Non-Firm Sales To Other Electric Utilities
Summer Peak (b)	17.1, <u>6,048,000</u>	<u>2PM Jul. 19</u>	<u>7,704,000(A)</u>	<u>358,000</u>		<u>8,062,000</u>		
Winter Peak (b)	17.2, <u>6,442,000</u>	<u>11AM Jan. 18</u>	<u>8,251,000(A)</u>	<u>222,000</u>		<u>8,473,000</u>		
December Peak	17.3, <u>5,752,000</u>	<u>10AM Dec. 10</u>	<u>8,251,000(A)</u>	<u>358,000</u>		<u>8,609,000</u>		

- (a) _____ minute (60 minute, if available) integrated peak for the Company's total load. (Exclude power "wheeled" for others)
- (b) Company's estimated Maximum Demand (60 -minute integrated peak) for the next calendar year: Summer 5,990,000 Kw; Winter 6,140,000 Kw.
- (c) Give the total plant capability at the time of the peaks noted above, whether or not the generating units were carrying load or maintained as reserve. Include the capability of units which were out of service for maintenance or repair.
- (d) Include "one unit contracts" with Firm Purchases or Firm Sales (such contracts provide capability from a unit only so long as the unit is capable of being operated).
- (e) Include only sales to companies which obtain their principal supply from other sources.
- (f) See Page 10 of EEI Glossary for definition of Net System Capability

Annual Load Factor B % based on a Demand Interval of B minutes. Annual capacity factor B % based on the capacity of utility-owned generating equipment.

System load factor for day of peak 17.4 Summer B Winter B

If company is part of a power pool, please give name of pool Pennsylvania - New Jersey - Maryland

Also give name of nuclear power development group(s) with which company is affiliated _____

NOTES & REMARKS: (A) Includes TMI capacity of 1,706,000 KW (winter) and 1,656,000 KW (summer).
(B) See individual subsidiary 1982 USR reports.

Company _____

State of _____

Total System XX

SCHEDULE XVII!!—GENERATING STATION STATISTICS (a)

Companies which own plants or portions thereof in more than one state should complete this schedule for each state in which plants are located.

DO NOT FILL IN	EEI Use Only					
	Year	Region	State	Co. Type	Release	Co. Code
HEADING, 1981	_____	_____	_____	_____	_____	_____

NAME AND LOCATION OF STATION (b)	TYPE (c)	RATING IN NET KILOWATTS FOR UNITS IN SERVICE DEC. 31		HEAT RATE (BTU per Kwhr net generation)	NET GENERATION Kwhr (thousands)
		Nameplate (d)	Capability (e)		
Homer City, Homer City, PA (Penelec Interest)	SC	1,006,000	942,000	10,084	5,553,329
Shawville, Shawville, PA	SC	640,000	623,000	10,460	3,477,127
Seward, Seward, PA	SC	218,229	200,000	11,666	1,064,124
Front Street, Erie, PA	SC	118,800	110,000	14,392	456,805
Warren, Warren, PA	SC	84,600	86,000	13,754	390,504
Williamsburg, Williamsburg, PA	SC	25,000	34,000	13,251	180,944
Portland, Portland, PA	SC	426,700	399,000	10,144	1,526,616
Conemaugh, Huff, PA (Met-Ed Interest)	SC	308,000	280,000	10,152	1,175,386
Titus, Reading, PA	SC	225,000	240,000	10,939	1,169,825
Sayerville, Sayerville, NJ	SC	346,800	339,000	11,622	968,832
Keystone, Indiana, PA (JCP&L Interest)	SC	312,000	283,000	10,082	1,762,325
Gilbert, Holland Twp., NJ	SC	126,100	119,000	13,957	87,785
Werner, South Amboy, NJ	SC	60,000	60,000	15,207	25,300
Oyster Creek, Lacey Twp., NJ	SN	550,000	650,000	11,672	2,002,514
Three Mile Island Units 1 and 2, Dauphin County, PA	SN	1,832,200	1,706,000		(69,899)
3 Hydro Stations	H	67,600	66,000		218,929
20 Combustion Turbine and Internal Combustion	CT	1,141,200	1,487,000		417,801
Gilbert, Holland Twp., NJ	CC	349,800	386,000	10,064	583,000
Yards Creek, Blairstown, NJ (JCP&L Interest)	PS	193,400	165,000		206,554
Seneca, Warren, PA (Penelec Interest)	PS	84,400	76,000		119,537
Sub-Total	18.1	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXX	21,317,338
Less: Energy Input for Pumped Storage	18.2	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXX	476,221
Total—All Stations Operated	18.3	8,115,829	8,251,000 (f)	10,861	20,841,117 (g)

(a) In addition to listing all stations operated, show separately below stations owned but leased to others.
None

(b) Group by type and show totals for each type. Indicate stations leased from others with (L) and indicate with (J) company portion only of stations jointly owned with others.

(c) Insert symbol: SC—Steam, Conventional; SN—Steam, Nuclear; H—Hydro; PS—Pumped Storage; I—Internal Combustion; GT—Gas Turbine; GEO—Geothermal; CC—Combined Cycle.

(d) Give manufacturers maximum nameplate rating of the turbine-generator set.

(e) Companies having summer peaks, use summer ratings; those having winter peaks, use winter ratings.

For Company's largest unit give capability 906,000, date of installation 12/30/78, and name of station Three Mile Island Unit 2

(f) Amount of firm capability (including net firm purchases from other companies) at December 31 8,609,000

(g) Should equal total net generation on Line 9, Schedule XVI—page E-16.

Company _____ State of _____ Total System

SCHEDULE XIX—FUEL CONSUMED FOR ELECTRIC GENERATION

DO NOT FILL IN HEADING, 1981	EEI Use Only				
	Year	Region	State	Co. Type	Release

Companies which own plants or portions thereof in more than one state should complete this schedule for each state in which plants are located.

KIND OF FUEL/UNIT OF MEASURE		TOTAL UNITS CONSUMED	TOTAL COST	AVERAGE COST PER		AVERAGE BTU	NET GENERATION	BTU PER
		(thousands)	(thousands of \$)	Unit	Million Btu	CONTENT (a)	Kwhr (thousands) (b)	NET Kwhr
Under Boilers:								
1. Coal (Tons) (c)	19.1	7,154	\$ 276,085	\$ 38.59	154.80c	12,274	16,756,985	10,480
2. Coke (Pounds) (c)	19.2							
3. Lignite (Tons) (c)	19.3							
4. _____	19.4							
5. Oil (Barrels) (g)	19.5	754	27,853	\$ 36.94	613.74c	143,392	244,040	18,895
6. _____	19.6							
7. Gas (MCF)	19.7	9,546	50,561	\$ 5.30	514.79c	1,029(e)	837,877	11,721
8. _____	19.8							
9. Subtotal-Steam Conventional	19.9	XXXXXXXXXXXXXX	354,499	XXXXXXXXXX	186.53c	XXXXXXXXXXXXXX	17,838,902	10,648
Internal Combustion Engines and Gas								
10. Oil-Gas Turbine (Barrels)	19.10	292	11,938	\$ 40.88	704.16c	138,239	254,927	6,650
11. Oil-Internal Combustion (Barrels)	19.11							
12. Gas-Gas Turbine (MCF)	19.12	10,316	50,904	\$ 4.93	480.20c	1,028(e)	745,874	14,212
13. Gas-Internal Combustion (MCF)	19.13	XXXXXXXXXXXXXX	62,842	XXXXXXXXXX	511.08c	XXXXXXXXXXXXXX	1,000,801	12,286
14. Subtotal (Lines 10, 11, 12, 13)	19.14	XXXXXXXXXXXXXX						
Nuclear Generation								
15. Nuclear (Grams)	19.15	367	9,796	\$ 26.69	41.99c	63,689(f)	1,932,615	12,094
16. TOTAL ALL FUELS	19.16	XXXXXXXXXXXXXX	\$ 427,137 (d)	XXXXXXXXXX	189.23c	XXXXXXXXXXXXXX	20,772,318	10,861

(a) Express in units of lbs. of coal and coke, cubic feet of wood and gas, gallons of oil, and grams of nuclear fuel.
 (b) Estimate Net Generation by type of fuel if actual data is not available.

(c) Include in solid fuels equivalent tons for oil and gas used in starting up boilers.

(d) Should agree with Fuel in Schedule IV—page 5. If not explain.

(e) per MCF (thousands)

(f) average MBTU content per kilogram

(g) includes starting & stabilizing oil

SCHEDULE XX—EFFICIENCY OF STEAM-ELECTRIC GENERATING UNITS

List the most efficient units (up to ten) which were operated at an annual capacity factor of 50% or better.

NAME OF STATION	UNIT NO.	NET CAPABILITY (KW)	AVERAGE ANNUAL HEAT RATE	FUEL COST PER NET KWHR GENERATED
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

See Subsidiaries 1982 USR Reports for Additional Information

Company _____ State of _____ Total System

SCHEDULE XXII—MILES OF ELECTRIC LINE OPERATED AND OTHER PHYSICAL DATA

Companies operating in more than one state should complete this schedule for each state in which they operate.

DO NOT FILL IN HEADING, 1981	EEI Use Only				
	Year	Region	State	Co. Type	Release

MILES OF ELECTRIC LINE OPERATED

DESIGN LINE VOLTAGE—KV		OVERHEAD LINES		UNDERGROUND LINES	
		Pole Miles	Circuit Miles	Conduit Bank Miles	Cable Miles
Transmission					
Under 22 Kv	22.1				
22 Kv and over:					
22 to 30 Kv	22.2				
31 to 40 Kv	22.3	1,421.36	1,684.84	16.29	59.22
41 to 50 Kv	22.4	377.00	377.00	.03	.03
51 to 70 Kv	22.5	391.89	443.57	.06	.18
71 to 131 Kv	22.6	1,777.55	1,897.72	.21	.21
132 to 143 Kv	22.7	14.23	14.23		
144 to 188 Kv	22.8				
189 to 253 Kv	22.9	1,207.77	1,457.31		
254 to 400 Kv	22.10	147.90	147.90		
401 to 600 Kv	22.11	439.01	439.01		
601 to 800 Kv	22.12				
Total Transmission	22.13	5,776.71	6,461.58	16.59	59.64
Distribution					
Under 22 Kv	22.14	40,143.34	xxxxxxxxxxxx	4,680.73	9,840.21
22 Kv and over:					
22 to 30 Kv	22.15	1,457.70		175.67	589.69
31 to 40 Kv	22.16	2,962.58	438.59	223.84	566.73
41 to 50 kv	22.17				
51 to 70 Kv	22.18				
Over 70 Kv	22.19				
Total Distribution	22.20	44,563.62	xxxxxxxxxxxx	5,080.24	10,996.63
GRAND TOTAL (T&D)	22.21	50,340.33	xxxxxxxxxxxx	5,096.83	11,056.27

OTHER PHYSICAL DATA

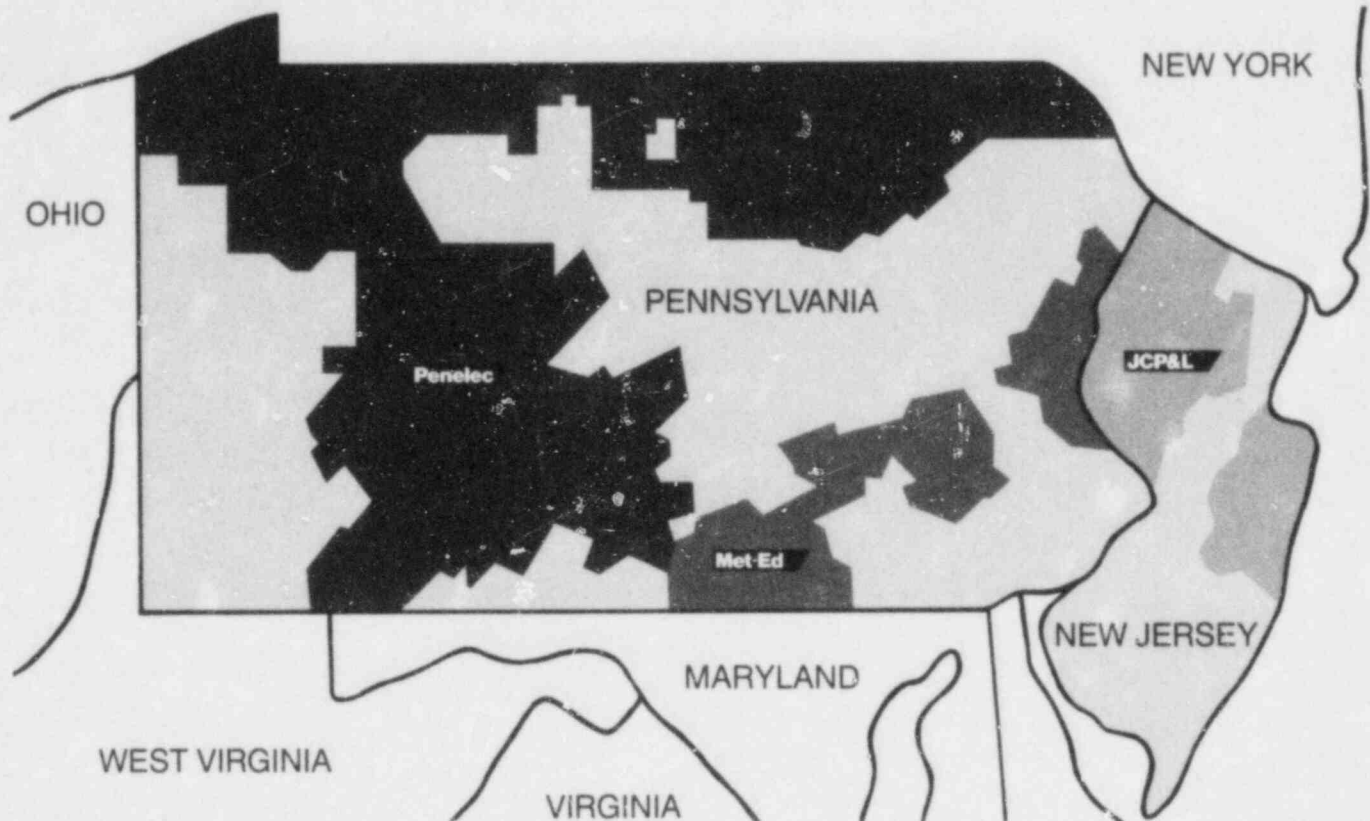
	Number	Capacity (Kva)
1. Distribution Substations (Includes Utility Owned Industrial Substations)	1,340	13,903,694
2. Line Transformers (Includes Network Transformers)	426,627	16,913,279

GPU

**1982
Annual
Report**

GENERAL PUBLIC UTILITIES CORPORATION

General Public Utilities Corporation
 100 Interpace Parkway
 Parsippany, NJ 07054



GPU – A Profile of the System and the Customers It Serves

The General Public Utilities System companies provide some 31 billion kilowatt-hours of electricity for about 1.6 million customers (more than 4 million people) in New Jersey and Pennsylvania. These cus-

tomers live in about half the land area of the two states.

The operating companies of the System are Jersey Central Power & Light Company and, in Pennsylvania, Metropolitan Edison Company and Pennsylvania Electric Company. The GPU Service Corporation provides a broad range of professional services to the operating companies and a fifth subsidiary, GPU Nuclear Corporation, is responsible for operation of the

System's nuclear facilities.

About 34 percent of the electricity distributed by the operating companies is used by residential customers, 26 percent by commercial accounts, 34 percent by industry and 6 percent by other customers.

The peak load periods of the operating companies are in balance with winter peaks in Pennsylvania and summer peaks in New Jersey.

Operating Companies' Statistics – 1982

	Revenues (\$000)	Total Assets (\$000)	Sales Mix			Customers— Year-End	Electric Sales (MWH)	Peak Load (MW)	Number of Employees
			Residential	Commercial	Industrial				
JCP&L / GPU	\$1,163,120	\$2,277,487	39%	30%	28%	724,444	12,985,841	2,657	3,559
Met-Ed / GPU	\$ 550,147	\$1,308,677	33%	24%	38%	367,522	7,426,089	1,581	2,433
Penelec / GPU	\$ 698,223	\$1,594,508	28%	24%	38%	518,623	10,941,351	2,204	4,053
GPU	\$2,405,527	\$5,180,661	34%	26%	34%	1,610,589	31,353,281	6,442	12,420*

*Includes employees of GPU Nuclear and GPU Service Corporations

1982 Financial Summary

	1982*	1981*
Net Income Before Extraordinary Items (000)	\$ 33,734	\$ 20,544
Net Income (Loss) After Extraordinary Items (000)	\$ 37,507	\$ (15,904)
Per Share (Before Extraordinary Items)	\$.55	\$.33
Per Share (After Extraordinary Items)	\$.61	\$ (.26)
Common Shares Outstanding, Year-End (000)	61,264	61,264
Number of Stockholders	122,884	135,933
Megawatt-Hour Sales (000)	31,353	32,012
Operating Revenues (000)	\$ 2,405,527	\$ 2,065,487
Construction Expenditures (000)	\$ 248,615	\$ 263,960
Cost of Fuel and Purchased Power (000)	\$ 1,020,681	\$ 934,425
Total Assets (000)	\$ 5,180,661	\$ 5,054,021
Generating Capacity (megawatts)**	8,251	8,251
Peak Load (megawatts)	6,442	6,215
Customers Served at Year-End	1,610,589	1,597,557
Number of Employees at Year-End	12,420	12,030

* See Notes 1 and 3 to Consolidated Financial Statements and Report of Auditors.

** Includes both TMI Units rated at a total of 1,706 megawatts.

Inside GPU's 1982 Annual Report

	Page		
		Administration	10
		Statement of Management	11
1982 Financial Summary	1	Management's Analysis of Financial Condition and Operations	11
Letter to Stockholders	2	Report of Auditors	14
The Financial Report	3	Consolidated Financial Statements	15-18
The Regulatory Scene	4	Notes to Financial Statements	19-32
Major Regulatory Actions: A Chronology	6	System Statistics	33
Operations	7	Effects of Changing Prices	34
Three Mile Island	7	Directors and Officers	36
Oyster Creek Station	8	Shareholder Notes	Inside Back Cover
Legal Matters	9		

To the Stockholders:

1982 saw an end to the series of near-term cash crises experienced by your Company since the Three Mile Island accident. Nevertheless, earnings remain severely depressed. Major portions of the Company's capital assets associated with the two TMI units and the unamortized balance of the Forked River project remain excluded from our rate base.

Extensive internal cash control measures in effect since the TMI accident, along with the cumulative effect of regulatory rate action, improved GPU's cash flow. This was essential to enable the Company to not only meet its day-to-day cash needs, but to provide sufficient cash to pay off maturing long-term debt securities. Earnings, however, will not show major improvement unless and until Unit 1 at TMI is returned to service and the plant investment and operating expenses are again recognized in the rates of the three operating companies.

As this report is written, we believe that TMI Unit 1 will be physically ready to return to service by mid-year. The primary uncertainty in the timing of its return to service remains the question of whether or not the Nuclear Regulatory Commission (NRC) must consider the impact of restart on the psychological stress level of people living near the plant. The Supreme Court is expected to rule on this question this summer.

An important step forward in the restart effort will be the completion of repairs to the plant's steam generators, scheduled for mid-March. If the NRC decides that hearings are required on the repairs, restart could be appreciably delayed. Other issues — emergency planning, plant modifications and management — received favorable recommendation in July by an NRC Atomic Safety and Licensing Board. They are still under review by the NRC and by an NRC Appeals Board.

During the past year, the Unit 2 cleanup program accomplished several important objectives, including 120 entries into the containment building and TV examinations of the damaged core. These actions lead to the important step of removing damaged fuel from the reactor, projected for two to three years from now.

The total cleanup task is an arduous and expensive job. A new cleanup schedule now indicates a completion date of 1988 at the previously estimated cost.

We have continued to work hard to bring together an equitably funded cleanup program. Regulatory actions during 1982 brought the customers of all GPU operating companies into that program. After federal legislation mandating participation by the nation's electric utilities was not obtained in the 97th Congress, the electric utility industry's major trade organization acted in January 1983 to recommend a voluntary program designed to yield \$150 million toward the cleanup effort. The U.S. Department of Energy continues to meet its funding commitment for the cleanup and has agreed to accept the damaged core and high level radioactive waste for disposal off-site.

We are hopeful that by the end of this year, the funding available from all sources identified under the plan of Governor Thornburgh of Pennsylvania will provide an efficient annual cleanup spending level of about \$100 million.

GPU and The Babcock & Wilcox Company (B&W) announced in late January that a settlement had been reached in the Company's suit against B&W. That agreement will provide rebates of up to \$37 million in proportion to GPU purchases of services and equipment from B&W over 10 to 15 years. The Company expects to apply the net rebate proceeds to the cleanup of TMI-2.

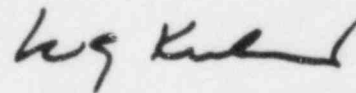
During this difficult period, we have continued to provide our customers with reliable electric service at rates that are in line with

those of neighboring utilities. Additionally, we have been able to put in place long-term, economical purchased power agreements that, together with one of the nation's leading programs of conservation and energy management, insure GPU's capability to continue adequate levels of service while minimizing future construction.

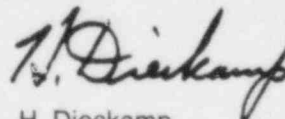
We firmly believe that this demonstrated ability to serve our customers, while we make progress toward the financial recovery, is not only in the interest of customers, but also contributes significantly to the ultimate recovery of the shareholders' investment value.

Your management recognizes the importance of establishing a dividend policy for the Company as soon as all of the factors associated with financial recovery are either in place or can be projected with prudent business foresight. Although we have taken substantial steps toward that goal and expect further progress in 1983, we have not yet reached that point. Before a dividend policy can be implemented, TMI-1 must have returned to routine operation, the funding of the cleanup program must be assured and the ability to access the capital markets must be available.

The continuing efforts of your management, and the GPU System's employees, are pledged to the full recovery of your Company.



W. G. Kuhns
Chairman and Chief Executive Officer



H. Dieckamp
President and Chief Operating Officer

March 3, 1983

The Financial Report

Earnings Still Impaired, Sales Down

GPU's 1982 net income before extraordinary items was \$33.7 million, up from \$20.5 million in 1981. Earnings per share were 55 cents, again before extraordinary items, compared with 33 cents for 1981. (The extraordinary items are discussed in Note 3 to the Financial Statements, page 27).

Contributing to the modest earnings increase were higher revenues from rate increases received during 1982, and a lowering of interest expenses.

Earnings in 1982 were still adversely affected by (1) the lack of return on the TMI units and the cancelled Forked River project; (2) higher operating and maintenance expenses and the absence of provision in rates for the bulk of such expenses for TMI; and (3) a recession-related decline in electricity sales compared with 1981. Electricity sales were 31 billion kilowatt-hours in 1982, about two percent below 1981, reflecting a nearly seven percent decline in industrial sales. Revenues for 1982, not including those related to energy costs, were \$1.3 billion, up 22 percent from 1981 because of rate increases granted during 1981 and 1982.

Turnaround in Cash Position

The cash position of the GPU operating companies was significantly improved during 1982. The bank debt of all three companies was retired, dropping down from a peak of \$326 million in 1980 and leaving at 1982 year's end only a parent company debt of \$36 million which should be retired in 1983. This significant accomplishment was achieved mainly through strict spending limits, favorable regulatory actions, lower interest costs and the sale of excess uranium.

The operating companies expect to have sufficient funds available to

retire maturing securities in 1983 and 1984. Small borrowings by them for working capital are anticipated from time to time in 1983, but we expect to be at zero short-term debt for those companies at year's end. However, a delay in the return to service and to rates of TMI-1 would require some additional short-term debt.

Revolving Credit Agreement Renewed

The severe constraints placed on the GPU System as a result of the TMI accident have precluded raising capital from the securities markets. Thus, the System's only source of outside funding has been short-term borrowings under a Revolving Credit Agreement (RCA) with a number of banks.

Under the terms of the RCA, the System was to repay essentially all its bank debt by the end of 1982. Those terms were set at a time when it was expected that TMI Unit 1 would restart in 1982 and would be contributing to earnings and overall financial resources. As a part of a renewed RCA for 1983, the banks extended, through June 1983, final repayment of the GPU bank debt with interim pay-down requirements.

Borrowings by the GPU operating companies, but not GPU, under the amended credit agreement are permitted up to an aggregate of \$125 million, with individual sub-limits for each operating company.

Capital Expenditures

In 1982, the GPU System had \$320 million of capital expenditures, with the bulk of these funds, some \$249 million, going to plant improvements, modifications to existing stations, and power lines. The remaining \$71 million was used to retire maturing debt.

For 1983, the System expects expenditures of \$406 million, of which \$290 million will provide System improvements and modifications to both coal-fired and nuclear sta-

tions, including a major upgrading and overhaul of equipment at the Oyster Creek Nuclear Station. The remaining \$116 million will be used to pay long-term debt issues maturing this year.

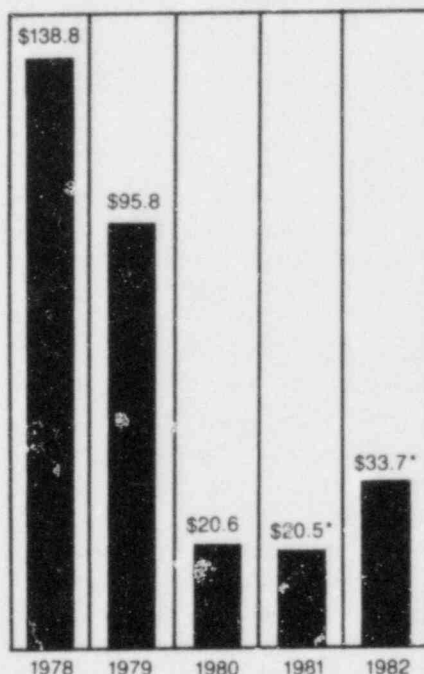
Future Financial Planning

The most critical factor in the improvement of GPU's financial position continues to be the restart of TMI Unit 1. It will return the capital and operating costs of the Unit to the rates of each of the three System operating companies, improving both income and interest coverage. TMI-1's restart is crucial to any major progress in GPU's ability to return to the capital markets. Additionally, TMI-1's output will reduce the need for purchased power.

Prior to Unit 1's restart, near-term emphasis remains on maintaining System-wide cash equilibrium through tight controls on expenses, limiting construction projects and aggressively pursuing rate increases.

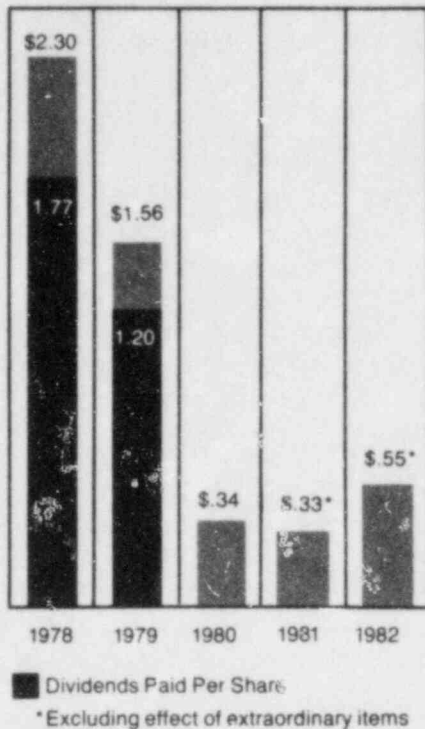
In the intermediate-term future (through the period until the fuel is removed from the damaged TMI-2

Net Income (millions)



* Excluding effect of extraordinary items.

Earnings Per Average Share



unit) the Company will lay the financial groundwork for generating capacity expansion in the 1990's, when economical purchased power contracts may be less available.

The Regulatory Scene

Rate Actions in Pennsylvania

In January 1982, the Pennsylvania Public Utility Commission (PaPUC) and our two Pennsylvania subsidiaries agreed to rate case settlements to provide, in three steps, Met-Ed with \$112.1 million in additional base rate revenues and Penelec with \$64.8 million. The settlements included rate recognition for TMI-1 and when it returns to service and customer participation in the TMI-2 cleanup program upon restart of Unit 1.

The orders made provision for amortization of the investments in TMI-2 in varying amounts at each step so that, on the completion of the three steps, Met-Ed and

Penelec would be receiving \$38.5 million and \$15.4 million annually, respectively, for that purpose. In 1982, Met-Ed and Penelec received about \$57 million and \$29 million respectively for such amortization.

In a key action by the Pennsylvania PUC in August, the rate settlements reached in January 1982 with Met-Ed and Penelec were revised at the Companies' request to permit earlier participation by Pennsylvania customers in the TMI Unit 2 cleanup effort.

This change did not provide any increase in customer revenues and does not provide a basis for increasing the current level of cleanup activity at Unit 2. However, customers of all three System operating companies are now participating in the TMI-2 cleanup. We perceived this step as critical before other participants identified in the Thornburgh plan would be willing to take part in the cost-sharing program.

Late in the year, Pennsylvania enacted a law which bars electric utilities from charging customers for the cost of construction of facilities until such time as such facilities are presently providing actual utility service to customers. The Pennsylvania Consumer Advocate recently filed a motion with the Pennsylvania PUC in a case involving another electric utility, urging

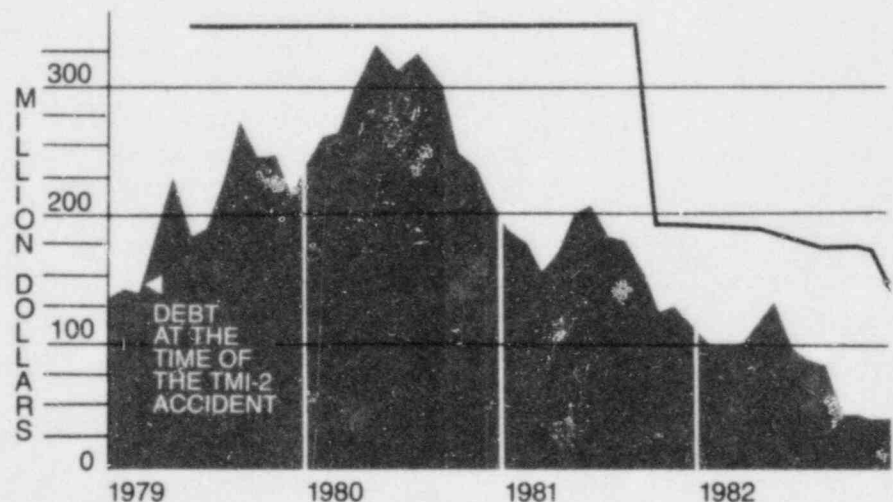
that this new law precludes the inclusion in rates of amounts to amortize investment in a plant that was abandoned prior to completion. The PUC has not yet ruled on that motion. (See Note 1 to Financial Statements, page 20).

Pennsylvania Companies File for 1983 Rate Changes

Met-Ed and Penelec filed base rate increase requests in January 1983 for \$60 million and \$75 million respectively. In both filings, the companies asked for rate actions related to current levels of cost, together with TMI-2 cleanup and investment recovery.

Among those provisions, the two companies are seeking the balance of customer participation in the TMI Unit 2 cleanup as outlined under Governor Thornburgh's plan. The PUC has been asked to provide that additional recognition prior to the restart of TMI Unit 1. Additionally, the companies are requesting amortization of the TMI-2 investment in a way that reflects the cost of senior capital. Both companies are also asking that their base rates be changed to reflect increases in costs resulting from the impact of inflation on expenses not related to the Three Mile Island situation. In the January filings, Met-Ed and Penelec also requested an updating to current

GPU SYSTEM BANK DEBT



levels of TMI-1's capital and operating costs of \$22.7 million and \$10.2 million, respectively, when Unit 1 restarts.

On March 1, both companies made filings to adjust the energy cost portion of customer rates. Met-Ed is seeking an increase of \$12.9 million in energy cost revenues while Penelec will lower those charges by \$62.8 million, effective with April sales. Customers of both companies will see significant reductions in their energy cost rates when TMI Unit 1 returns to commercial operation.

The combination of the January base rate requests and energy cost adjustments, together with rate changes granted in the January 1982 settlements upon TMI-1's return to service, would result in an overall increase of less than 8% in Met-Ed customer charges and no overall increase in Penelec charges.

JCP&L Receives \$81.8 Million Rate Increase

In July, the New Jersey Board of Public Utilities (BPU) granted JCP&L an increase of \$81.8 million in base rates. This action brought the company's customers into participation in the TMI-2 cleanup by providing \$13.6 million annually for that purpose over each of the next five years, thus meeting the levels outlined for JCP&L's customers in the Thornburgh plan.

In September, the BPU granted JCP&L a \$95 million increase in its Levelized Energy Adjustment Clause (LEAC) rates.

Ontario Hydro Project Cancellation

The project to link the GPU System with Ontario Hydro of Canada by means of an underwater cable was dropped in mid-1982 as significant cost increases and potential construction delays made the venture less desirable than the long-term domestic power contracts which became available at that

time. Energy under these contracts will replace the Ontario Hydro energy at estimated savings of more than \$100 million a year over that available through the cable project. In December the BPU ruled that JCP&L cannot recover through its rates its \$6.8 million in design, engineering and cancellation costs for the cable project. JCP&L has requested reconsideration by the BPU. (See Note 3 to Financial Statements, page 27).

JCP&L's Future Explored in Hearings

During the year, the BPU conducted a series of public hearings on the findings of an Arthur Young & Company report, issued in April 1981, outlining options to guarantee continued electric service to JCP&L's customers. These options include the continued ownership of JCP&L by GPU, the formation of a regional or state power authority and consolidation or merger with another public utility.

The BPU also sought comment on cost-savings to the Company and the state-wide economic impact of a moratorium on new customer hookups by JCP&L.

Although the BPU has not reached a final determination, the Company believes that the proceedings have demonstrated that customers and investors will be best served by GPU's continued ownership of JCP&L and that a moratorium for new customer hookups by JCP&L is unnecessary and undesirable.

Although JCP&L is the only New Jersey utility affected by the TMI-2 accident, its rates today are comparable to those of other utilities in the state and in neighboring states.

JCP&L Files 1983 Rate Request

JCP&L filed a \$123.4 million base rate increase request with the New Jersey BPU in late January, primarily to cover the increased cost of doing business since the period covered by the last base rate increase.

While portions of the request were comprised of operating and investment costs not related to TMI, the filing does update the operating and capital costs of Unit 1 and the costs of improvements leading to its eventual return to service. The customer impact of the base rate request will be largely offset by a company-requested, \$102.9 million reduction in energy charges.

When TMI-1 returns to service, customer energy charges will again be reduced and base rates slightly increased for a net reduction of costs to customers.

The total net effect of the January filings and the rate actions anticipated with Unit 1's return will be an overall average increase of less than 1 percent for JCP&L customers.

Fault Legislation

In 1983 the New Jersey Legislature adopted a bill (which at this date has not been signed by the Governor) that would require the BPU to establish special hearing procedures for the purpose of determining fault for mishaps resulting in accident-related utility rate increase requests of \$10 million or more. The bill would require hearings to determine whether or not, or to what extent, JCP&L was at fault in the TMI-2 accident and provides the BPU authority to impose penalties. We do not know what effect, if any, this bill would have on JCP&L's operations and financial condition. (See Note 1 to Financial Statements, page 21).

Chronology of Major Rate Regulatory Actions In 1982 and 1983

Rate Actions in Pennsylvania: 1982

January 1

Met-Ed and Penelec were granted increases in their Energy Cost Rates (ECR) of \$23.7 million and \$76.8 million respectively.

January 8

The Pennsylvania PUC (PaPUC) formally approved three-step Met-Ed and Penelec rate case settlements filed in 1981 providing:

- Step 1 — an immediate \$71.7 million annual base rate increase for Met-Ed and for Penelec, \$49 million.
- Step 2 — when TMI-1 resumes substantial generation, Met-Ed's and Penelec's energy cost rates decrease by \$77.5 million and \$36.2 million, respectively, to be partly offset by increases in annual base rate revenues of \$24.2 million (Met-Ed) and \$11.3 million (Penelec). The second phase was to result in net decreases in annual revenues of \$53.3 million and \$24.9 million for Met-Ed and Penelec respectively, reflecting TMI-1 energy cost savings and providing for customer participation in the cleanup. Additionally, TMI-1's capital and operating costs will be recognized in base rates.
- Step 3 — reduced annual revenues for Met-Ed of \$34.6 million and for Penelec of \$10.9 million upon expiration of deferred energy charges and increases in annual base rate revenues of \$16.2 million for Met-Ed and \$4.5 million for Penelec.

March 26

PaPUC approved Penelec's tariff implementing Step 3 of the January settlement agreement,

reducing net charges to customers by \$6.4 million.

July 1

Met-Ed and Penelec reduce their tax adjustment surcharges based on legislation exempting TMI accident-related costs from collection of the state gross receipts tax.

August 27

PaPUC approved modifications of the January rate case settlements to allow \$16.2 million for Met-Ed and \$4.5 million for Penelec to be accounted for annually as TMI-2 cleanup funding.

November 16

PA Commonwealth Court hears appeals of Met-Ed and Penelec from 1981 rate orders of PaPUC. As this report went to press, no decision had been rendered.

Federal Rate Action

In June, Penelec requested the Federal Energy Regulatory Commission (FERC) to increase its wholesale rates \$9.3 million. The FERC subsequently issued an order granting, subject to refunds, \$0.9 million of the increase effective August 10, 1982, and \$8.4 million effective January 10, 1983. In December, Met-Ed filed a two-phase rate increase request with FERC to increase its wholesale rates by \$1.84 million. A February 1983 order granted a \$1.74 million annual increase. An additional \$0.1 million annual increase has been approved effective July 1983. These increases are subject to refund and final determination.

1983:

January 21

Met-Ed and Penelec filed for changes in retail base rates. Met-Ed seeks \$60 million increase in retail base rates prior to TMI-1's return to service and an additional \$22.7 million when the unit resumes commercial operation.

Penelec asked for \$75 million in increased base rates and an additional \$10.2 million when TMI-1 returns to service.

March 1

Penelec and Met-Ed filed for ECR changes effective with April sales. Penelec's filing would reduce customer energy charges by \$62.8 million annually, while Met-Ed has requested an ECR increase of \$12.9 million a year.

Actions in New Jersey: 1982

January 29

JCP&L filed for a \$97.5 million retail increase in its Levelized Energy Adjustment Clause (LEAC) to become effective March 1, 1982.

February 11

The New Jersey Board of Public Utilities (BPU) ordered hearings to begin in March on the Arthur Young & Company study of strategic options for the franchise area now served by JCP&L.

March 10

BPU approved a base rate increase, to begin with the start of construction on the project, to help pay for the proposed Lake Erie transmission cable intended to bring power from Ontario Hydro.

July 1

BPU authorized JCP&L's cancellation of the Lake Erie transmission cable project.

July 16

JCP&L granted \$81.8 million in retail base rate increases, to become effective July 21, including TMI-2 cleanup funds of \$13.6 million. (The base rate increase request had been filed in July 1981.)

September 2

BPU allowed JCP&L a \$95 million retail increase in its LEAC, effective September 2.

November 4

BPU ordered two hearings on the issue of possibly imposing restric-

tions on future electrical connections by JCP&L as part of the BPU's continuing inquiry into the options open to the company following the TMI-2 accident.

November 16

The Superior Court of NJ (Appellate Division) consolidated the appeals and cross-appeals of JCP&L and the Public Advocate of three rate orders of the BPU with respect to JCP&L rates: the July 1981 base rate decision, the July 1982 base rate decision and the September 1982 LEAC decision. Included in the appeals of the Public Advocate are his position that the BPU could not authorize base rate or LEAC increases without first determining whether JCP&L TMI-2 accident-related actions were prudent and, if not, what actions should be taken by the BPU.

December 2

BPU rules that JCP&L cannot recover through rates about \$7 million in design, engineering and termination costs connected with the cancellation of the proposed Lake Erie Transmission Cable Project. On December 17, the Company filed a motion for reconsideration by the BPU.

Federal Rate Action

JCP&L filed with FERC in March for a two-stage wholesale rate increase of \$5.6 million. In June, FERC ordered a summary reduction of \$0.8 million in the proposed increases and allowed, subject to refund, an increase of \$4.6 million effective June 1, 1982 and effective November 1, 1982, a further increase of \$1.3 million. JCP&L has appealed the FERC's summary reduction order to the U.S. Court of Appeals for the District of Columbia.

1983:

January 28

A \$123.4 million base rate request is filed by JCP&L. At the same time, the company asked to reduce customer energy charges by \$102.9 million.

Operations

Three Mile Island Unit 1: Steps to Restart

The Company continued its extensive efforts to bring this unit, undamaged in the TMI-2 accident, back into service. This involved considerable physical activity at the TMI site to implement the "lessons learned" from the accident, together with the important regulatory actions to gain restart approval.

In mid-year, the Atomic Safety and Licensing Board recommended that the Nuclear Regulatory Commission (NRC) authorize the unit's return to service.

Later in the year, the Company asked the NRC to lift its earlier shutdown order, stating that the concerns involving emergency planning, plant modifications and management have now been favorably resolved. The NRC, after first announcing that it would reach a decision before the end of 1982, subsequently deferred that action. In a parallel proceeding, certain issues were appealed to an NRC Atomic Safety & Licensing Appeals Board, which scheduled hearings that began March 7, 1983.

Whatever the NRC's ruling may be, two issues beyond the scope of the earlier shutdown order must be resolved before Unit 1 can begin to again generate power: the efficacy of steam generator repairs and related NRC procedural issues (which could involve lengthy hearings) and whether and how the NRC must consider psychological stress issues in connection with restart.

Steam Generator Repairs are Essentially Complete

With the completion of the kinetic (explosive) expansion of the Unit 1 steam generator tubes in late January 1983, the repair program has moved into a phase of cleaning and testing those tubes. Analysis indicates the need to chemically clean the reactor cool-

ant system before initiating the program of functional testing in April to verify the integrity of the fix.

The cracks in the tubes, which resulted from corrosion during the shutdown of the Unit after the TMI-2 accident, were discovered in late 1981. Confined predominantly to the upper tube sheets, the damage was corrected by expanding the upper portion of the tubes, creating in each tube a new seal below the point of corrosion.

The ultimate pacing item on the restart schedule may be the issue of psychological stress now before the U.S. Supreme Court. The Court of Appeals directed the NRC to determine whether significant new information or circumstances concerning psychological health impacts of operating TMI-1 have arisen since the time TMI-1 was licensed in 1974. If so, the Court required the NRC to prepare a supplemental Environmental Impact Statement considering both psychological health effects and the effects on the wellbeing of surrounding communities. The Supreme Court agreed to review the Court of Appeals decision. Oral arguments before the Supreme Court were held on March 1, 1983 and a decision is expected by mid-summer. Should the Court's action be unfavorable, this could significantly delay the Unit 1 start-up timetable.

Three Mile Island Unit 2: Major Steps Toward Cleanup

This past year, the accident cleanup program resulted in two major steps forward: (1) completion of the removal, decontamination and on-site storage of some 650,000 gallons of radioactive water previously held in the containment buildings; (2) the collection and evaluation of important visual evidence on the condition of the damaged reactor core.

The examination of the core was conducted using a specially de-

signed, miniature underwater television camera lowered into the reactor. The video tapes were consistent with earlier estimates of the extent of damage and provided valuable data necessary for developing the procedures and equipment for fuel removal.

A large-scale effort in the continuing decontamination of the containment building is underway, involving the washing of ceiling, wall and floor surfaces. This program reduces contamination levels and increases worker safety and productivity. The next major step will be the removal of the reactor vessel head, now scheduled for later this year.

A revised cost and schedule estimate for the entire cleanup job was completed early in 1983. This updated estimate, which incorporated technical information gained to date, together with revised cost estimates and realistic funding expectations, showed that the total cleanup cost since the accident remains at about \$1 billion. However, the time schedule for completion of the work stretches out by about two years, to 1988.

TMI-2 Cleanup Funding

Essential to the pace and progress of the cleanup itself is the ability to put in place all of the components of an equitable funding program for the job.

The past year produced some very encouraging moves, and a few disappointments in the effort to bring together financial participation under the overall plan earlier proposed by Governor Dick Thornburgh of Pennsylvania.

Regulatory actions, discussed earlier in this report, resulted in provision for GPU customer contributions to cleanup in both Pennsylvania and New Jersey at the level contemplated by the Thornburgh plan.

The U.S. Department of Energy (DOE) program funding continued, although at a lower level than out-

lined in the Thornburgh plan.

The DOE has agreed to take responsibility for the disposal of the damaged fuel core and high level radioactive wastes.

After enactment of authorizing legislation, the State of Pennsylvania has agreed to make contributions to cleanup as contemplated by the Thornburgh plan. New Jersey Governor Kean has recommended comparable legislation in New Jersey which has not yet been enacted.

The utility industry, having previously endorsed their financial participation, sought Congressional legislation during 1982 that would mandate their contributions. Congress failed to take final action on bills sponsored by New Jersey and Pennsylvania legislators. Early in 1983, the Board of Directors of the Edison Electric Institute, the trade association for the investor-owned segment of the electric utility industry, recommended a voluntary program of financial participation by both nuclear and non-nuclear members of EEI under a formula that, if fully implemented, would raise \$150 million for the cleanup over a period of six years. That solicitation program is in process at the time of this report. Additional funds are expected to be available for cleanup as a result of the settlement of the litigation with B&W and possibly from foreign utilities.

Oyster Creek Modifications

Following a period of "coast-down" power operation as it neared the end of its fuel cycle, the Oyster Creek Nuclear Station was shut down in mid-February 1983 for major system modifications, overhaul and refueling, which are scheduled to require most of this year. This entire program at the thirteen-year-old plant is estimated to cost about \$155 million this year. Another extended outage is planned for 1985 for work on emergency core cooling systems, but this work may be done earlier, if necessary.

Oyster Creek has been a reliable performer with a lifetime capacity factor since entering service in December 1969 of about 62 percent, comparing favorably with that of all commercial U.S. nuclear plants. The planned investment in modifications and upgrading is expected to result in a plant economically competitive with any other alternative available to JCP&L for generating the same amount of power.

Power Purchases Meet Demand, Defer Construction

The System has positioned itself to provide firm and adequate electricity at competitive prices through long-term power purchases for the remainder of this decade.

GPU announced in mid-June the signing of a contract with Detroit Edison Company for the delivery of 650 megawatts of capacity through 1990, putting into place, with provision for extension by mutual agreement, a substitution for part of the 1,000 megawatts of power cancelled with the termination of the Ontario Hydro interconnection. Unlike the proposed link to Ontario Hydro, the agreement with Detroit Edison does not call for the construction of further transmission capability but instead routes the power over existing lines in Michigan and Ohio to the GPU System's lines in western Pennsylvania. Energy began flowing under this agreement in early September.

In October, the Company put into place a long-term power agreement with the American Electric Power (AEP) and Allegheny Power (APS) Systems for some 560 megawatts of AEP-supplied power to be delivered through the APS transmission network. This power began flowing in that same month and will continue through the end of 1990 with a provision for a possible five-year extension.

In addition to solidifying power supplies and providing about \$540 million in customer energy savings since the TMI accident,

purchased power agreements made since that accident will also provide the company time to improve its financial position before seeking to re-enter the capital markets to finance additional generating capacity for completion in the mid-1990's, if needed.

Reaching a Balance on Environmental Concerns

Maintaining a proper balance between the System's desire to protect the environment and the on-going costs associated with environmental equipment and techniques is a continuing concern. Negotiations are in progress by Penelec and New York State Electric & Gas Corporation with the Pennsylvania Department of Environmental Resources for an amended consent decree which will essentially average the sulfur dioxide emission levels from all three coal-fired units at the Homer City station in western Pennsylvania. Under the amendment, Unit 3 would be permitted to exceed its stricter sulfur dioxide limit slightly because Units 1 and 2 will emit less than regulations allow.

Pennsylvania Governor Thornburgh has joined the Company in asking the Federal Environmental Protection Agency to accept the terms of such a consent decree. This will enable the Station to continue to burn Pennsylvania coal and thus avoid increasing both operating expenses and customer energy costs. Resolution of the situation is anticipated later this year.

Projecting Future Capacity Additions

Recognizing the possible need to resume a construction program sufficient to meet customer requirements from the mid-1990s on, and taking into consideration construction lead times, the Company is projecting a new generating plant construction program to begin within the next five years. The

program will start with design and environmental qualification of a standard coal-fired unit, probably to be located in the eastern portion of the service territory because of transmission considerations. To this end, a limited preliminary planning effort is scheduled for 1983. The construction program is obviously dependent upon regulatory support and the System's financial ability to undertake such an effort.

Energy Programs Reduce Capital Needs

The Energy Management and Conservation programs of the GPU System Companies have saved electricity users in New Jersey and Pennsylvania several hundred million dollars over the past decade while, at the same time, limiting the need to finance and construct costly new generating facilities.

GPU continues to pioneer in the field of energy management and conservation through a major initiative predating the OPEC oil embargo of 1973, which triggered energy consciousness throughout much of the U.S. Since that time, the System companies have developed and implemented conservation practices that have reduced electricity use and shifted the demand for electricity to the lower-cost night and weekend hours. These programs are being steadily expanded for further customer savings and investor benefits.

GPU's Energy Initiatives

In line with its Master Plan for Energy Management and Conservation, announced in 1980, GPU plans to make major investments over the next decade in conservation and energy management programs that will avoid financial construction costs for 1,000 megawatts of generating capacity while helping shelter customers from some of the burdens of rising electric rates. This money, rather than being applied to new generating

plants, will be invested in such energy-saving devices as storage hot water heaters that use electricity only at night, storage home heating installations and home weatherization projects. These programs are predicated on the concept that it is less expensive to invest money in energy saving techniques and equipment than to build generating stations.

Legal Matters

As the text of the Annual and Quarterly Reports and the footnotes to the financial statements issued since the accident amply demonstrate, the GPU companies have been involved in a great deal of litigation since the TMI-2 accident. Some of the potential liabilities involved are not insured and decisions adverse to the GPU companies could have a material adverse impact on their financial condition. Progress was made in 1982 and early 1983 in bringing some of that litigation nearer to resolution. For those matters not discussed in the text of this report, see Class Action Suits in Note 1 to the Financial Statements, page 23 and Nuclear Fuel Litigation, page 24.

B&W Suit Settled

On January 24, 1983, GPU and B&W jointly announced a settlement that will provide the System with up to \$37 million of rebates for services and equipment through the next 10 to 15 years. The net proceeds from such rebates are expected to be applied to the TMI-2 cleanup.

Both GPU and B&W agreed that neither party had established that the other was the cause of the TMI Unit 2 accident and that it would be counter-productive to incur the substantial costs of further litigation to resolve that issue.

The settlement agreement fully preserves the rights of GPU to pursue any and all claims that the Company may have against others,

including GPU's claims against the federal government alleging negligence and omissions by the Nuclear Regulatory Commission in the performance of its duties, discussed below.

GPU Suit Against NRC Passes Challenge

On November 30, the U.S. District Court for the Eastern District of Pennsylvania denied a motion of the U.S. Government to dismiss the suit filed by the GPU companies in December 1981 against the Government under the Federal Tort Claims Act to recover damages incurred by them as a result of the TMI-2 accident. The Government's motion to dismiss the suit was based on its argument that that Act is not applicable to the companies' claims under certain provisions of that Act. The District Court held in its order that these exceptions do not bar the utilities' claims. At the same time, however, the District Court allowed an interlocutory appeal of its decision to the Court of Appeals for the Third Circuit, and that Court has authorized such an appeal. The District Court halted any further proceedings pending such an appellate review.

Administration

Changes in GPU Board of Directors

Donald J. Bainton, Director and Executive Vice President and Operating Officer for the Continental Group, Inc., and President of the Continental Packaging Company, Stamford, Connecticut was elected to the GPU Board on July 1st.

With sincere regret, the Board of Directors accepted on September 2 the resignation of Val B. Diehl, retired Nabisco President and Chief Operating Officer, as a Director.

Management Changes

Recognizing 46 years of service, the Corporation accepted the retirement on January 31, 1983 of Helen M. Graydon, Corporate Secretary for the parent company, the GPU Service Corporation and the GPU Nuclear Corporation.

William B. Murray, Vice President-Communications for GPU Service Corporation, was elected to the additional post of Corporate Secretary, succeeding Miss Graydon. Mr. Murray joined the Service Corporation in his present post in 1974.

As part of the System's continuing commitment to community involvement and consumer concerns, the directors of JCP&L have elected two prominent men from the company's service area to the JCP&L Board. On November 12, the Board elected Stephen B. Wiley, of Morristown, and, on January 25, 1983, Stanley Van Ness of Ewing Township.

A partner in the Morristown law firm of Wiley, Malehorn and Sirota, Mr. Wiley served in the New Jersey Senate from 1973 to 1977. Mr. Van Ness completed service in February 1982 as Commissioner of the New Jersey Department of the Public Advocate, a post to which he was appointed in 1974. He was the state's first Public Advocate.

Changes in Employment Levels

The total number of System employees increased by 400 during 1982 to 12,420 through additions to GPU Nuclear staff. Employment levels were lower among the System's operating companies. Ongoing attention to the administration of Affirmative Action programs continued within the GPU System companies during 1982, increasing employment levels of women and minorities.

Statement of Management

The management of General Public Utilities Corporation is responsible for the information and representations contained in the financial statements and other sections of this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles consistently applied. In preparing the financial statements, management makes informed judgments and estimates of the expected effects of events and transactions that are currently being reported.

To fulfill its responsibilities for the reliability of the financial statements, management has developed and maintains a system of internal accounting control. This system is intended to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

The Board of Directors, through its Audit Committee, consisting solely of outside directors of the Company, is responsible for reviewing and monitoring the Company's financial reporting and accounting practices. The Audit Committee meets with management and internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The Audit Committee also meets periodically with the independent auditors who have free access to the Audit Committee, without management present, to discuss internal accounting control, auditing, and financial reporting matters.

Coopers & Lybrand, independent public accountants, are engaged to examine and express an opinion on the financial statements. Their opinion, which appears on page

14, refers to the contingencies and uncertainties resulting from the nuclear accident at Three Mile Island.

Reference is made to Notes 1 and 3 to the accompanying financial statements and to Management's Discussion and Analysis of Financial Condition and Results of Operations below for further discussion of the effects and impact of the accident.

Management's discussion and analysis of financial condition and results of operations

Liquidity and Capital Resources:

Liquidity of the GPU System has improved substantially from its position following the Three Mile Island accident. Short-term debt at December 31, 1982 was \$19 million compared with \$60 million at year-end 1981 and a peak of \$326 million in August 1980. The \$19 million of short-term debt, together with \$18 million due under a term loan with certain of the revolving credit banks is expected to be paid by mid-1983. Moreover, at December 31, 1982 the subsidiaries held about \$80 million of funds for retirement of bonds due within one year and \$103 million of temporary cash investments.

Nevertheless, the GPU companies' sole source of outside financing remains a revolving credit from a group of 45 banks (described more fully in Note 5 to financial statements). The companies will not be able to access normal long-term capital markets until earnings are restored sufficiently to provide the level of interest and preferred dividend coverage required by bond indentures and preferred stock charters, and until remaining uncertainties concerning funding of cleanup costs and recovery of investment in Three Mile Island are resolved.

As a result of the Three Mile

Island accident in March 1979, the state regulatory commissions in New Jersey and Pennsylvania took action to exclude from customer rates about \$1.5 billion of assets relating to TMI-2, TMI-1 and Forked River.

The New Jersey and Pennsylvania commissions issued rate orders to the GPU subsidiaries in 1982 which included restoring to rates the capital and operating costs associated with TMI-1 upon the unit's return to service and operation at a specified level. Such return to service is contingent upon decisions pending before the NRC to allow for the restart of TMI-1 (see Note 1 to financial statements).

Also as part of the 1982 Pennsylvania Commission rate orders, GPU's Pennsylvania subsidiaries were permitted to amortize their investments in TMI-2 but were not permitted to earn a return on such investments. Such amortization has significantly improved the Pennsylvania subsidiaries' cash positions but does not improve net income. (see Note 1 to financial statements).

As a result of a 1981 rate order issued by the NJBPU, GPU's New Jersey subsidiary is recovering most of the original investment in the abandoned Forked River project through rates but is not earning a return on the unamortized investment and therefore there is no improvement in net income (see Note 3 to financial statements).

Current projections provide for the cleanup of TMI-2 to be completed in 1988 at a cost of approximately \$1 billion (including post-1983 escalation). It is the Company's objective to fund the cleanup in a manner consistent with the plan proposed by the Governor of Pennsylvania, Dick Thornburgh. While substantial progress has been made in 1982 toward this objective, all elements of that plan are not yet in place. For additional information see "Cost of TMI-2 Cleanup" in Note 1 to financial statements.

Results of Operations:

1982 net income before extraordinary items, was \$33.7 million or 55 cents per share which increased from the \$20.5 million or 33 cents per share for 1981. Although 1982 net income increased over 1981, it was \$105 million or \$1.75 per share below 1978.

1982 vs. 1981

The increase in net income, before extraordinary items, of \$13.2 million over 1981 resulted primarily from rate increases received by the subsidiaries in 1982 and a decrease in interest expense resulting from lower levels of short-term debt outstanding during 1982. Partially off-

setting these increases to income was an increase in operating and maintenance expenses including expenditures to repair TMI-1 and a decline in kilowatt hour sales.

Although 1982 net income before extraordinary items increased over 1981, earnings levels continue to be adversely affected by the regulatory treatment of the subsidiaries' investments in TMI-1, TMI-2 and Forked River, as discussed above and under "Rate Proceedings" in Note 1 to financial statements.

1982 vs. 1978

The decline in net income of \$105 million from 1978 is primarily the result of regulatory response to the TMI-2 accident as discussed above.

Other major factors contributing to the decline in earnings between 1978 and 1982 include an increase in operating and maintenance expenses, resulting primarily from inflation and additional expenditures at the nuclear stations and increased interest expense from increased borrowings at higher rates. Partially offsetting the declines to net income were base rate increases granted the subsidiaries by the New Jersey and Pennsylvania commissions.

For a discussion of extraordinary items and for further discussion of events subsequent to the TMI accident, see Notes 3 and 1, respectively, to financial statements.

Quarterly Financial Data (Unaudited)

In Thousands Except Per Share Data

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1982	1981	1982	1981	1982	1981	1982	1981
Operating Revenues	\$647,831	\$523,877	\$559,325	\$476,159	\$599,962	\$538,724	\$598,409	\$526,727
Operating Income	\$ 70,215	\$ 62,641	\$ 50,180	\$ 50,206	\$ 66,679	\$ 66,979	\$ 49,447	\$ 53,844
Income (Loss) Before Extraordinary Items	\$ 18,446	\$ 7,825	\$ (1,246)	\$ (2,357)	\$ 14,951	\$ 14,050	\$ 1,583	\$ 1,026
Extraordinary Items (Note 3)			\$ 7,636	\$ (24,313)			\$ (3,863)	\$ (12,135)
Net Income (Loss)	\$ 18,446	\$ 7,825	\$ 6,390	\$ (26,670)	\$ 14,951	\$ 14,050	\$ (2,280)	\$ (11,109)
Earnings (Loss) per share Before Extra- ordinary Items	\$.30	\$.13	\$ (.02)	\$ (.04)	\$.24	\$.23	\$.03	\$.01
Extraordinary Items (per share)			\$.12	\$ (.40)			\$ (.06)	\$ (.19)
Earnings (Loss) per share	\$.30	\$.13	\$.10	\$ (.44)	\$.24	\$.23	\$ (.03)	\$ (.18)
Average Shares	61,264	61,264	61,264	61,264	61,264	61,264	61,264	61,264

See Notes 1 and 3 which contain information with respect to rate orders and their effect on quarterly earnings.

**Consolidated Financial Statements
and Notes to The Financial Statements**

Report of Auditors

To the Board of Directors and Stockholders
General Public Utilities Corporation
Parsippany, New Jersey

We have examined the consolidated balance sheets of General Public Utilities Corporation and Subsidiary Companies as of December 31, 1982 and 1981, and the related consolidated statements of income, retained earnings and changes in financial position for each of the five years in the period ended December 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully discussed in Note 1 to Consolidated Financial Statements, the Corporation is unable to determine the ultimate consequences of the accident at Unit No. 2 of the Three Mile Island Nuclear Generating Station (TMI-2) and of the response of rate-making and other regulatory agencies to that accident. Among the contingencies and uncertainties which have resulted as a direct or indirect consequence of this accident are questions concerning:

- a. The recovery of the approximately \$755 million investment in TMI-2;
- b. The recovery of the indeterminable amount of uninsured costs yet to be incurred in connection with the anticipated cleanup of TMI-2;
- c. The recovery of the approximately \$449 million investment in Three Mile Island Unit No. 1 Nuclear Generating Station;
- d. The recovery of the excess, if any, of amounts which might be paid in connection with claims for damages resulting from the accident over available insurance proceeds; and
- e. Any action of rate-making agencies with respect to any portion of the replacement power costs for which recovery is now permitted.

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles applicable to a going concern which contemplates, among other things, the realization of assets and the liquidation of liabilities in the normal course of business. As described in Note 1, the Pennsylvania Public Utility Commission and the New Jersey Board of Public Utilities have approved rate increases sufficient to reasonably project the short-term solvency of the Corpora-

tion's subsidiaries. These actions include allowing the recovery of the TMI-2 investment by the Pennsylvania subsidiaries, receipt of some financial assistance for the cleanup cost required for TMI-2 and continued recovery of replacement power costs. Accordingly, the Corporation's cash position, supported by the amended revolving credit agreement, has been sufficiently improved to serve as a basis on which to reasonably project the short-term viability of the Corporation and its subsidiaries even though earnings levels remain inadequate for raising long-term capital from external securities markets. However, because of the sensitivity of such short-term viability to the possible unfavorable resolution of one or more of the contingencies and uncertainties set forth in the preceding paragraph and the resultant material adverse impact on the financial condition of the Corporation and its subsidiaries, their ability to continue as a going concern cannot presently be assured.

As more fully discussed in Note 1 to Consolidated Financial Statements, the Corporation's New Jersey subsidiary is engaged in litigation with a nuclear fuel supplier involving the pricing of nuclear fuel. At this time, the outcome of the litigation and the rate-making treatment of any increased fuel costs which might result from an adverse legal determination are uncertain.

In our opinion, subject to the effect, if any, on the 1982, 1981, 1980 and 1979 consolidated financial statements of such adjustments as might have been required had the outcome of the uncertainties discussed in the second through fourth paragraphs been known, the aforementioned statements (pages 15 through 32) present fairly the consolidated financial position of General Public Utilities Corporation and Subsidiary Companies at December 31, 1982 and 1981 and the consolidated results of their operations and the consolidated changes in their financial position for each of the five years in the period ended December 31, 1982, in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

March 3, 1983
1251 Avenue of the Americas
New York, New York 10020

Consolidated Statements of Income (Note 1)

General Public Utilities Corporation and Subsidiary Companies

For the Years Ended December 31,	(In Thousands)				
	1982	1981	1980	1979	1978
Operating Revenues	\$2,405,527	\$2,065,467	\$1,831,741	\$1,490,154	\$1,326,644
Operating Expenses:					
Fuel	429,067	37,931	401,922	347,079	326,083
Power purchased and interchanged, net	591,614	96,494	429,993	268,210	133,741
Deferral of energy costs, net (Note 2)	106,495	74,157	25,058	(69,832)	(17,916)
Other operation and maintenance (Note 13)	522,539	432,755	390,797	309,653	305,400
Depreciation (Notes 2 and 3)	202,725	145,932	147,086	141,224	109,505
Amortization of property losses (Note 16)	26,547	11,312	1,265	1,168	1,186
Taxes, other than income taxes (Note 13)	218,507	189,260	172,565	149,445	129,862
Total	2,097,494	1,807,871	538,686	1,146,947	987,861
Operating income before income taxes	308,033	257,616	263,055	343,207	338,783
Income taxes (Notes 2 and 11)	71,511	23,946	18,460	65,905	84,354
Operating Income	236,522	233,670	244,595	277,302	254,429
Other Income and Deductions:					
Allowance for other funds used during construction (Note 4)	6,663	7,486	12,014	24,744	49,888
Other income, net	15,838	15,913	7,462	8,937	3,682
Income taxes on other income, net (Notes 2 and 11)	(7,726)	(6,411)	(4,513)	(5,146)	(2,461)
Total other income and deductions	14,775	16,988	14,963	28,535	51,109
Income Before Interest Charges and Preferred Dividends	251,297	250,658	259,558	305,837	305,538
Interest Charges and Preferred Dividends:					
Interest on long-term debt	171,770	178,226	176,754	168,325	155,320
Other interest	13,594	31,122	41,786	24,387	4,527
Allowance for borrowed funds used during construction—credit (net of tax) (Note 4)	(7,960)	(15,229)	(15,226)	(19,296)	(22,255)
Income taxes attributable to the allowance for borrowed funds (Notes 4 and 11)	(1,583)	(6,432)	(7,404)	(7,977)	(14,758)
Preferred stock dividends of subsidiaries	41,742	42,427	43,057	43,615	43,930
Total interest charges and preferred dividends	217,563	230,114	238,967	210,054	166,764
Income Before Extraordinary Items	33,734	20,544	20,591	95,783	138,774
Extraordinary Items, Net of Taxes (Note 3)	3,773	(36,448)			
Net Income (Loss)	\$ 37,507	\$ (15,904)	\$ 20,591	\$ 95,783	\$ 138,774
Earnings Per Average Share Before Extraordinary Items	\$.55	\$.33	\$.34	\$ 1.56	\$ 2.30
Extraordinary Items Per Share	.06	(.59)			
Earnings (Loss) Per Share	\$.61	\$ (.26)	\$.34	\$ 1.56	\$ 2.30
Average Common Shares Outstanding	61,264	61,264	61,264	61,218	60,217

Consolidated Statements of Retained Earnings (Note 1)

General Public Utilities Corporation and Subsidiary Companies

For the Years Ended December 31,	(In Thousands)				
	1982	1981	1980	1979	1978
Balance, beginning of year	\$ 490,258	\$ 506,162	\$ 485,571	\$ 463,173	\$ 430,823
Add, net income (loss) (Note 3)	37,507	(15,904)	20,591	95,783	138,774
Total	527,765	490,258	506,162	558,956	569,597
Deduct, dividends on common stock				73,385	106,424
Balance, end of year (Note 10)	\$ 527,765	\$ 490,258	\$ 506,162	\$ 485,571	\$ 463,173

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Balance Sheets (Note 1)

General Public Utilities Corporation and Subsidiary Companies

December 31,	(In Thousands)	
	1982	1981*
Assets		
Utility Plant (at original cost):		
In service	\$3,846,108	\$3,689,536
Less, accumulated depreciation (Note 2)	1,165,724	1,072,150
Net	<u>2,680,384</u>	<u>2,617,386</u>
Investment in Three Mile Island:		
Unit 1	490,560	469,462
Unit 2	783,932	745,490
Less, accumulated depreciation and amortization (Note 3)	164,430	97,347
Net	<u>1,110,062</u>	<u>1,117,605</u>
Construction work in progress	153,582	120,495
Held for future use	42,735	47,074
Nuclear fuel, net of amortization (Note 2)	172,740	201,346
Net utility plant	<u>4,159,503</u>	<u>4,103,906</u>
Investments:		
Other physical property, net	5,284	5,482
Loans to non-affiliated mining companies (Note 12)	15,575	16,575
Other, at cost	774	740
Total	<u>21,633</u>	<u>22,797</u>
Current Assets:		
Cash	5,392	8,251
Temporary cash investments	103,047	42,294
Funds held by subsidiaries for retirement of bonds due within one year	79,800	
Funds held in special deposits for TMI cleanup	13,895	9,277
Accounts receivable:		
Customers, net (Note 5)	174,613	147,001
Other (Note 11)	11,629	8,457
Inventories, at average cost or less:		
Materials and supplies for construction and operation	76,971	71,149
Fuel	62,299	66,446
Deferred energy costs (Note 2)	(35,961)	70,554
Deferred income taxes (Notes 2 and 11)	28,541	20,942
Prepayments	12,803	14,391
Other	6,851	3,775
Total	<u>539,880</u>	<u>462,537</u>
Deferred Debits:		
Unamortized property losses (Note 16)	344,806	376,807
Deferred costs-nuclear accident, net of recoveries	(33,800)	(6,635)
Deferred costs-health and safety and restart of TMI-1 (Note 3)	9,059	
Deferred income taxes (Notes 2 and 11)	78,957	45,956
Other	60,621	48,653
Total	<u>459,645</u>	<u>464,781</u>
Total Assets	<u>\$5,180,661</u>	<u>\$5,054,021</u>

*Reclassified to conform to 1982's presentation.

The accompanying notes are an integral part of the consolidated financial statements.

	(In Thousands)	
	1982	1981*
Liabilities and Capital		
Long-Term Debt, Capital Stock and Consolidated Surplus:		
Long-term debt (Notes 5 and 6)	<u>\$1,998,700</u>	<u>\$2,109,336</u>
Cumulative preferred stock-mandatory redemption (Note 7)	74,350	79,700
Less, capital stock expense	<u>2,076</u>	<u>2,365</u>
Total	<u>72,274</u>	<u>77,335</u>
Cumulative preferred stock-no mandatory redemption (Note 8)	423,391	423,391
Premium on cumulative preferred stock	1,348	1,348
Less, capital stock expense		328
Total	<u>424,739</u>	<u>424,411</u>
Common stock and consolidated surplus (Notes 5, 9 and 10):		
Common stock	153,229	153,229
Consolidated capital surplus	773,946	773,473
Less, capital stock expense	18,056	18,056
Consolidated retained earnings	<u>527,765</u>	<u>490,258</u>
Total	<u>1,436,884</u>	<u>1,398,904</u>
Less, reacquired common stock	70	70
Total	<u>1,436,814</u>	<u>1,398,834</u>
Total	<u>3,932,527</u>	<u>4,009,916</u>
Current Liabilities:		
Securities due within one year (Notes 5, 6 and 7)	128,567	80,567
Notes payable to banks (Note 5)	19,000	60,300
Accounts payable	178,529	139,418
Customer deposits	8,507	7,587
Taxes accrued (Note 11)	93,870	64,884
Deferred income taxes — energy (Notes 2 and 11)	(18,311)	33,274
Interest accrued	43,165	41,962
Accrued costs — Forked River abandonment (Note 3)	11,371	13,090
Other	60,485	51,021
Total	<u>525,183</u>	<u>492,103</u>
Deferred Credits and Other Liabilities:		
Deferred income taxes (Notes 2 and 11)	502,165	432,662
Unamortized investment credits (Notes 2 and 11)	131,073	63,393
Reserve capacity (Note 2)	51,832	23,160
Other	37,881	32,787
Total	<u>722,951</u>	<u>552,002</u>
Commitments and Contingencies (Note 1)		
Total Liabilities and Capital	<u>\$5,180,661</u>	<u>\$5,054,021</u>

Consolidated Statements of Changes in Financial Position

(Note 1)

General Public Utilities Corporation and Subsidiary Companies

	(In Thousands)				
For the Years Ended December 31,	1982	1981	1980	1979	1978
Source of Funds:					
Operations:					
Income before extraordinary items	\$ 33,734	\$ 20,544	\$ 20,591	\$ 95,783	\$138,774
Principal non-cash charges (credits) to income:					
Depreciation (Notes 2 and 3)	202,725	145,962	147,086	141,224	109,505
Amortization of nuclear fuel and spent fuel costs (Note 2)	10,307	9,908	7,260	21,314	21,443
Amortization of property losses (Note 16)	26,547	11,312	1,265	1,168	1,186
Investment tax credits, net (Notes 2 and 11)	76,444	(4,104)	(53,155)	(11,830)	41,733
Deferred income taxes, net (Notes 2 and 11)	(32,211)	25,093	77,406	67,882	58,285
Allowance for other funds used during construction (Note 4)	(6,663)	(7,486)	(12,014)	(24,744)	(49,888)
Total from operations	<u>310,883</u>	<u>201,229</u>	<u>188,439</u>	<u>290,797</u>	<u>321,038</u>
Extraordinary items, net of taxes (Note 3)	3,773	(36,448)			
Extraordinary items (non-cash portion)	(3,773)	36,448			
Long-term debt (Note 6)	3,964	32,848	15,783	153,800	154,082
Common stock, net of expense (Note 9)				4,771	22,273
Increase in bank borrowings (Note 5)				87,400	24,625
Deferred energy costs, net (Note 2)	106,495	74,157	25,058		
Reserve capacity (Note 2)	28,672	23,160			
Sale of nuclear fuel	34,193	16,558	15,798		
Decrease in other working capital items (excluding debt)		26,581		17,954	
Other, net		20,718	7,634		1,957
Total source of funds	<u>\$484,207</u>	<u>\$395,251</u>	<u>\$252,712</u>	<u>\$554,722</u>	<u>\$523,975</u>
Application of Funds:					
Construction expenditures—Utility plant	\$241,632	\$239,627	\$191,980	\$281,912	\$376,812
Nuclear fuel	6,983	24,333	53,760	69,114	30,878
Allowance for other funds used during construction (Note 4)	(6,663)	(7,486)	(12,014)	(24,744)	(49,888)
Decrease in bank borrowings (Note 5)	41,300	95,700	15,000		
Increase in funds held for retirement of bonds	79,800				
Retirement or redemption of long-term debt and preferred stock	71,828	29,677	32,602	54,463	32,908
Dividends on common stock				73,385	106,424
Deferred energy costs, net (Note 2)				69,832	17,916
Deferred costs-nuclear accident, net	12,045	15,100	(46,108)	24,373	
Deferred costs-health and safety and restart of TMI-1 (Note 3)	9,059				
Loans to non-affiliated mining companies (Note 12)	(1,000)	(1,700)	(1,100)		625
Increase in other working capital items(excluding debt)	18,494		18,592		8,300
Other, net	10,729			6,387	
Total application of funds	<u>\$484,207</u>	<u>\$395,251</u>	<u>\$252,712</u>	<u>\$554,722</u>	<u>\$523,975</u>

The accompanying notes are an integral part of the consolidated financial statements.

Notes To Consolidated Financial Statements

1. Commitments and Contingencies

THREE MILE ISLAND NUCLEAR ACCIDENT:

On March 28, 1979, an accident occurred at Unit No. 2 of the Three Mile Island nuclear generating station (TMI-2) resulting in significant damage to TMI-2, and a release of some low level radiation which published reports of governmental agencies indicate did not constitute a significant public health or safety hazard. TMI-2 is jointly owned by the Corporation's subsidiaries, Jersey Central Power & Light Company (JCP&L), 25%; Metropolitan Edison Company (Met-Ed), 50%; and Pennsylvania Electric Company (Penelec), 25%. At December 31, 1982, total investment, net of \$66 million of amortization and \$29 million of depreciation, in TMI-2 was \$689 million.

Three Mile Island nuclear generating station Unit No. 1 (TMI-1), which adjoins TMI-2, was out of service for a scheduled refueling and was not directly involved in the accident. TMI-1 is jointly owned by the Corporation's subsidiaries in the same percentages as TMI-2. At December 31, 1982, total investment, net of depreciation, in TMI-1 was \$449 million.

TMI-1 Restart: By orders dated July 2, 1979 and August 9, 1979, the Nuclear Regulatory Commission (NRC) directed that TMI-1 remain in a shutdown condition until resumption of operation is authorized by the NRC, after public hearings and the satisfaction of various requirements set forth in such orders. Hearings before the NRC's Atomic Safety and Licensing Board (ASLB) on the restart of TMI-1 commenced on October 15, 1980. During 1981, the ASLB issued two partial initial decisions, in which it found, among other things, that the licensee "has demonstrated (its) managerial capability and technical resources to operate Unit 1..." and recommended that, subject to various conditions, short-term operation of TMI-1 should be permitted. The ASLB reopened the record in these proceedings to consider incidents of cheating on, and test administration procedures used in connection with, operator training examinations given to TMI-1 control room operators. On July 27, 1982, the ASLB, in a third partial initial decision, reaffirmed its recommendation to the NRC that TMI-1 be allowed to resume operation. It also proposed that the subsidiaries be fined \$100,000 for their failure to safeguard the integrity of the examination process and failure to instill a proper attitude in their operators toward the examination process, and that certain additional conditions be imposed on the restart of TMI-1. The subsidiaries advised the NRC that they did not propose to appeal to the Atomic Safety and Licensing Appeal Board (ASLAB), appointed by the NRC to hear appeals to the ASLB's partial initial decisions, the matter of such fine or to object on procedural grounds to NRC consideration of a monetary penalty up to the amount proposed by the ASLB. The ASLB's partial initial decisions are pending before the ASLAB as well as the NRC. In connection with consideration of certain appeals by parties to the proceed-

ings, the ASLAB issued an order on December 29, 1982, directing that hearings be reopened with respect to certain questions it posed concerning the unit's emergency cooling systems and operations in the case of small break loss of coolant accidents.

On April 2, 1982, the U.S. Court of Appeals for the District of Columbia issued an amended judgment ordering the NRC to determine whether, since the preparation of the initial environmental impact statement under the National Environmental Policy Act (NEPA) for TMI-1, "significant new circumstances or information have arisen with respect to the potential psychological health effects of operating" TMI-1, and that if such were the case, to prepare "a supplemental environmental statement which considers not only effects on psychological health but also effects on the well-being of the communities surrounding Three Mile Island." On May 14, 1982 the court issued opinions in support of its amended judgment. The U.S. Supreme Court has agreed to review the Court of Appeals' decision and oral argument was held on March 1, 1983. If the Supreme Court affirms the action of the Court of Appeals, compliance with the amended judgment could prevent or result in a substantial delay in the restart of TMI-1.

In late 1981, it was discovered that tubes in the TMI-1 steam generators had experienced cracking. A program to repair substantially all the tubes and to test the tubes as so repaired is in process. At this date, the NRC has not determined what further proceedings before it will be required as a result of such repairs. The subsidiaries are unable at this time to ascertain whether such proceedings will prevent or delay the restart of TMI-1 or whether the results of the repair will prove satisfactory. The subsidiaries are currently charging the cost of repairs to maintenance expense. The Corporation intends to pursue the recovery of the cost of such repairs through insurance contracts and/or rate proceedings. If successful, such recoveries will offset part or all of these charges to expense.

Cost of TMI-2 Cleanup: Current projections provide for the cleanup of TMI-2 to be completed in 1988, at a cost of approximately \$1 billion (including post 1983 escalation).

The cleanup estimate is subject to major uncertainties, including (a) the regulatory environment, (b) the full scope of the challenges in decontaminating the reactor, (c) the effect of government regulations on the issue of waste disposal, and (d) the availability of funds.

The subsidiaries, as of December 31, 1982, had spent \$283 million (net of \$39 million which has been added to the plant investment) on costs associated with the cleanup and recovery process of which \$241 million has been deferred on the balance sheet. The remaining \$42 million has been charged to maintenance expense. Insurance proceeds of \$261 million and cleanup revenues from customers of \$14 million have been offset against deferred costs. Current excess recoveries will be applied to future cleanup expenditures.

The subsidiaries' first mortgage bond indentures pro-

vide for insurance proceeds to be held by their respective trustees for reimbursement to the company for either expenditures on repair of damaged property (including decontamination) or construction of other bondable property. Insurance proceeds of \$2 million were on deposit with the subsidiaries' trustees and cleanup revenues from customers of \$12 million were in escrow accounts at December 31, 1982. Such amounts are recorded on the balance sheet as funds held in special deposits for TMI cleanup and are included in the proceeds mentioned above.

The subsidiaries carried the maximum insurance coverage then available (\$300 million) for damage to the unit and core and for decontamination expenses. It is the Corporation's belief that the recoveries from the insurance companies will approximate the amount of the insurance carried, as estimated cleanup expenditures are expected to exceed significantly the available insurance coverage.

The subsidiaries are seeking financial assistance from the Federal government, the utility industry and others. Management believes that any loss suffered by the subsidiaries for which they do not receive financial assistance, or reimbursement from suppliers or others, should be recoverable in rates. Moreover, it is management's intent to seek to recover such costs in rate and/or judicial proceedings. Under these circumstances, the amount of loss, if any, suffered by the Corporation and its subsidiaries resulting from damages to TMI-2 is not presently determinable and, therefore, no provision has been made in their accounts.

A plan has been proposed by the Governor of Pennsylvania providing for the estimated remaining cost of the cleanup as of January 1, 1982 (\$760 million) to be shared as follows: The Corporation's subsidiaries, \$245 million; the Federal government, \$190 million; the nuclear industry, \$190 million; insurance, \$90 million; the State of New Jersey, \$15 million; and the Commonwealth of Pennsylvania, \$30 million.

The rate settlement agreements approved by the Pennsylvania Public Utility Commission (PaPUC) on January 8, 1982 and amended on September 3, 1982 and the rate orders issued by the New Jersey Board of Public Utilities (NJBPUC) in July 1982 allowed for collection of cleanup revenues at the level called for by the Governor's plan described above, namely \$49 million per year. However, in the case of the PaPUC settlement, collection of a part of such cleanup revenues is not to begin until restart of TMI-1, so that the aggregate annual amount currently being collected is \$33 million.

The Edison Electric Institute (EEI), the national trade association of investor owned electric utilities, in January 1983, recommended to its members that they make voluntary contributions to cleanup funding in connection with the Governor of Pennsylvania's plan. Such program, if all members of EEI contribute in accordance with this recommendation, would contribute \$150 million (\$25 million per year for six years) to the TMI-2 cleanup. To become effective, \$100 million must be committed by the association's members. Solicitation of the EEI membership is currently underway.

The Federal government is providing some research

and development funds related to TMI-2 (a portion of which would directly offset anticipated cleanup expenses) for certain activities engaged in during the course of the cleanup. The U.S. Department of Energy (DOE) has agreed to take responsibility for the disposal of certain wastes and the damaged fuel core. The Corporation and its subsidiaries do not now know the total amounts of such assistance to be realized from the Federal government.

The Commonwealth of Pennsylvania has enacted legislation providing \$5 million for certain cleanup expenditures in the current year, and it is anticipated that similar legislation will be enacted in subsequent years, which would be consistent with the Governor's plan.

On January 24, 1983, the subsidiaries entered into a settlement agreement with The Babcock & Wilcox Company (B&W) which sold the TMI-2 nuclear steam supply system to them. Under that agreement, B&W is to pay the subsidiaries rebates of up to \$37 million on anticipated future purchases of about \$270 million of services and equipment made from B&W. It is the intent of the subsidiaries to seek to apply such rebates to cleanup costs.

The NRC has proposed certain revisions to the technical specifications or license conditions governing the maintenance of TMI-2 in a safe shutdown condition. Two individuals and one organization have intervened in a hearing to contest the adequacy of the proposed technical specifications. A hearing on this matter before an NRC licensing board has not yet been held. The NRC has directed that the hearing should focus on the technical specifications and not on the TMI-2 cleanup or whether TMI-2 should be allowed to operate again.

Repair and Restoration of TMI-2: While it is the subsidiaries' current plan to return TMI-2 to service, a final decision must await completion of a major portion of the cleanup, assessment of the useability of the major components, and an evaluation of the economic appropriateness and licensing feasibility of restoration.

Accounting for the Investment in TMI:

Investment in TMI-2: In April 1981 rate orders, the PaPUC directed Met-Ed and Penelec to cease the accrual of depreciation effective approximately when the operating and capital costs of TMI-2 were eliminated from base rates, (January 1, 1979 for Met-Ed and April 1, 1979 for Penelec). Met-Ed and Penelec ceased the accrual of depreciation as more fully described in Note 3.

The settlement agreements approved by the PaPUC on January 8, 1982 provide for the amortization of Met-Ed's and Penelec's investment in TMI-2 based on the unrecovered original cost of the facility, the nuclear fuel in the reactor at the time of the accident in March 1979 and capital additions from that time to the date of the settlements. Effective January 14, 1982, Met-Ed and Penelec began amortizing their investments in TMI-2 by amounts equivalent, after consideration of the related tax consequences, to the revenues being collected for such purpose. Such amortization, which totaled \$66 million through December 31, 1982, is being included in depreciation expense and is included in accumulated depreciation at December 31, 1982.

A recent amendment to the Pennsylvania Public Utility Law prohibits the inclusion in rates of any Pennsylvania electric utility for the cost of construction or expansion of facilities until such time as such facilities are presently providing actual utility service to customers.

In February 1983, the Pennsylvania Consumer Advocate filed a motion with the PaPUC for reconsideration of the PaPUC's rate order for another electric utility on the grounds that this amendment precludes the recovery through charges to customers for amortization of its investment in an abandoned generating station that was under construction. The PaPUC granted a rehearing but has not yet rendered a decision on that motion.

Met-Ed and Penelec do not know what effect, if any, the above will have on their investments in TMI-2.

The NJBPU has not issued a directive to JCP&L with respect to the accrual of depreciation on the TMI-2 plant. Accordingly, JCP&L has continued to accrue depreciation on TMI-2, which has accumulated to about \$24.6 million at December 31, 1982.

The January 8, 1982 orders of the PaPUC and the July 1982 orders of the NJBPU provide for the partial recovery from customers of the portion of the TMI-2 cleanup costs allocated to the companies by the plan proposed by the Governor of Pennsylvania. The cleanup costs contemplated by this plan include ongoing normal costs of maintaining the facility. Accordingly, the subsidiaries, effective January 1, 1982, began deferring all such maintenance costs, which totaled \$13.3 million for 1982 and are included in deferred costs-nuclear accident.

Investment in TMI-1: In April 1981 rate orders, the PaPUC directed Met-Ed and Penelec to cease the accrual of depreciation effective when the operating and capital costs of TMI-1 were eliminated from base rates (June 1, 1980). Met-Ed and Penelec ceased the accrual of depreciation as more fully described in Note 3.

The settlement agreements approved by the PaPUC on January 8, 1982, make allowance for the future recognition in Met-Ed's and Penelec's base revenues for the operating and capital costs associated with TMI-1, contingent upon that facility generating power at a specified level.

The July 1982 rate orders of the NJBPU directed JCP&L to cease the accrual of depreciation effective April 1, 1980, (the date its operating and capital costs were removed from base rates) on that portion of its investment in TMI-1 subject to NJBPU's jurisdiction (98% of JCP&L's 25% ownership). The reversal of previously accrued depreciation has been accounted for as an extraordinary item (see Note 3). The NJBPU rate orders provide for further hearings on the appropriateness of future base revenues for the operating and capital costs associated with TMI-1, contingent upon that facility's generating power at a specified level.

Rate Proceedings-New Jersey: In June 1979 and April 1980, the NJBPU issued orders removing from base rates the capital and operating costs associated with JCP&L's investments in TMI-2 and TMI-1, respectively.

In July 1981 and in July 1982, the NJBPU issued orders granting part of the base rate increases that JCP&L had requested. JCP&L has appealed such orders to the New

Jersey Supreme Court, Appellate Division, primarily on the ground that the rate increases authorized by those orders do not meet the criteria for just and reasonable rates as set forth in applicable judicial decisions. The New Jersey Public Advocate and several intervenors have also appealed these orders and another NJBPU order granting JCP&L an increase in its levelized energy adjustment clause (LEAC) charges on various grounds. These include their assertion that the NJBPU should not grant JCP&L base rate or LEAC increases until it has conducted proceedings to determine whether the TMI-2 accident was caused by JCP&L's imprudence or negligence and that TMI-2 accident-related costs, such as replacement power and TMI-2 cleanup costs, should not be recovered through rates to the extent that JCP&L's imprudence or negligence contributed thereto. In an order, dated April 23, 1981, the NJBPU rejected this position of the Public Advocate and such intervenors, and they have also appealed that order and this rejection has been raised in the above mentioned appeals.

The New Jersey Legislature has passed a bill, now before the Governor for signature, which if enacted, could require the NJBPU to determine the issue of fault in connection with the TMI-2 accident prior to the NJBPU making any rate determination in excess of \$10 million for accident-related expenses, including replacement power costs.

JCP&L is unable to predict the outcome or impact of the pending appeals from the NJBPU orders or of the proposed legislation referred to above.

The July 1982 base rate orders of the NJBPU make provision, upon TMI-1's return to service, for an increase in base rates to cover TMI-1 operating and capital costs at the then anticipated level and for a decrease in LEAC charges, after further review by the NJBPU and satisfaction of certain operating criteria.

On January 28, 1983, JCP&L filed petitions with the NJBPU seeking a base rate increase of \$123 million annually and a decrease in LEAC charges of \$103 million annually. The petitions are pending before the NJBPU.

Rate Proceedings--Pennsylvania: In April 1979, the PaPUC removed from base rates, the capital and operating costs associated with the investments made by the Pennsylvania subsidiaries in TMI-2 and prescribed lower temporary rates. In June 1979, the PaPUC ordered that the temporary rates become permanent. In May 1980, the PaPUC took similar action to remove TMI-1 costs from customer rates and to prescribe lower temporary rates. Also in the May 1980 order, the PaPUC allowed for full energy cost recovery from June 1 to December 31, 1980 and permitted recovery of the then outstanding post-accident deferred energy costs in the form of a surcharge. In this regard, the PaPUC stated: "Those amounts are subject to audit and review by the Commission and to a later determination that specific amounts of energy costs were imprudently or unreasonably incurred. If the courts and/or the NRC should ultimately conclude that Met-Ed was imprudent or negligent in its operation or management of Three Mile Island, then this Commission will take notice of such

determinations and their relevance to any portion of the replacement power costs for which current recovery is permitted today."

In 1980, the Pennsylvania subsidiaries filed complaints with the PaPUC against the temporary rates prescribed by the May 1980 order and filed proposed increases in base rates. In May 1981, the PaPUC denied the complaints against the temporary rates and granted part of the rate increases sought by the Pennsylvania subsidiaries. The Pennsylvania subsidiaries appealed those orders to the Pennsylvania Commonwealth Court primarily on the ground that the rate increases authorized by those orders do not meet the criteria for just and reasonable rates as set forth in applicable judicial decisions. Briefs have been filed and oral argument has been held before the court and the appeals are awaiting decision.

In January 1982, pursuant to PaPUC orders approving settlements reached by the parties in rate proceedings, the Pennsylvania subsidiaries placed in effect increases in base rates. Such rate increases made provision, among other things, for amortization of the Pennsylvania subsidiaries' investment in TMI-2 and for a part of the TMI-2 cleanup costs. The settlement agreements also provide for further base rate increases, and for the recognition of TMI-1 operating and capital costs, at the 1982 anticipated level, when TMI-1 returns to service and meets certain operating criteria. Such costs would be more than offset by a reduction in the Pennsylvania subsidiaries' energy cost rate charges as a result of lower-cost TMI-1 generation.

On January 21, 1983, the Pennsylvania subsidiaries filed proposed annual increases in base rates of \$60 million for Met-Ed and \$75 million for Penelec and on March 1, 1983 for changes in energy cost rates (a \$62.8 million decrease in the case of Penelec and a \$12.9 million increase in the case of Met-Ed). The filings also make provision for increasing to 1983 cost levels the allowances made in the 1982 settlements for TMI-1 operating and capital costs when that unit returns to service.

Rate Proceedings - Federal: In 1982, the subsidiaries filed with the FERC for increases in their wholesale for resale rates aggregating \$16.7 million, annually. The subsidiaries have collected \$2.6 million at December 31, 1982, subject to refund. All filings include an amount for the participation in funding of the TMI-2 cleanup.

Investigations: On October 30, 1979, the President's (Kemeny) Commission on the Accident at Three Mile Island issued its report. The report states, in part, that its "investigation has revealed problems with the 'system' that manufactures, operates and regulates nuclear power plants" and the short-comings which turned the incident into a serious accident "are attributable to the utility, to suppliers of equipment and to the Federal commission that regulates nuclear power." The NRC's Special Inquiry Group (Rogovin) and the U.S. Senate Subcommittee on Nuclear Regulation (Hari Committee) issued the results of their investigations of the accident at TMI-2 in January

1980 and July 1980, respectively. Their conclusions with respect to these matters were similar to those of the Kemeny Commission. In January 1980, the NRC imposed civil penalties against Met-Ed of \$155,000 for safety, maintenance, procedural and training violations at TMI. The NRC has also stated that, depending upon the findings of continuing investigations into the TMI-2 accident, it may take additional enforcement action such as assessing additional civil penalties or ordering the suspension, modification or revocation of the license to operate TMI-2.

In March 1980, the NJBPU requested an independent analysis of strategic options for JCP&L in response to the extreme financial pressures experienced by JCP&L following the TMI-2 accident. The intent of this study was to identify options that would minimize additional costs to JCP&L's customers and continue to provide an adequate supply of power. The report was completed in April 1981 and submitted to the NJBPU. It recommends, in part, that (i) a Regional Power Authority owning and operating TMI would best provide the financing capability to fund the cleanup and reduce its cost to the ratepayer and (ii) some form of public ownership of JCP&L has the greatest likelihood of significantly moderating the growth in electric rates. The other options, as stated in the report, including "merger, divestiture, bankruptcy and a state-owned generating company would provide limited long-term benefits to the rate-payer and involve substantial legal, economic and political risks." Regardless of the option selected, the study further indicates that immediate and consistent rate relief is necessary to restore JCP&L's earnings, improve its cash flow and begin to restore its access to capital markets to ensure that needed construction and cleanup programs continue. During 1982, the NJBPU held 14 public hearings to receive comments on the report's recommendations. In February 1983, JCP&L filed with the NJBPU its comments on the hearings, stating its view that the hearings had demonstrated that customers and investors would be best served by continuation of JCP&L as a subsidiary of the Corporation with a level of revenues that will permit the provision of safe, adequate and reliable service. JCP&L does not know what further action, if any, the NJBPU may take in this proceeding.

Other investigations and inquiries into the nature, causes and consequences of the TMI-2 accident commenced by various Federal and state bodies are continuing. The Corporation and its subsidiaries are unable to determine the outcome or consequences of these investigations. The Corporation is also unable to determine the impact, if any, the results of such investigations may have on (i) the proceedings to return TMI-1 to operation, (ii) the efforts to clean up TMI-2, and (iii) the rate regulatory agency decisions with respect to the ultimate recoverability from rate-payers of the replacement power costs necessitated by the unavailability of TMI-1 and TMI-2.

Litigation: As a result of the accident, the Corporation, and/or its subsidiaries, have been named as defendants in various lawsuits. The suits include (i) individual suits as well as purported and actual class actions for alleged personal and property damages (including claims for punitive

damages) resulting from the accident and (ii) suits to enjoin the future operation of TMI-2.

The suits described in (i) above involve questions as to whether certain of such claims, that are material in amount and arise out of both the accident itself and the cleanup and decontamination efforts are (a) subject to limitation of liability set by the Price-Anderson Act and (b) outside the insurance coverage provided pursuant to the Price-Anderson Act. These questions have not yet been resolved.

In February 1981, the insurance companies and representatives in the class actions reached an agreement for the proposed settlement of the class action claims for economic losses and claims for the costs of medical detection services resulting from the TMI-2 accident for persons, businesses and entities within a 25 mile radius of TMI-2. The settlement, which was approved in September 1981 by the court in which class action claims are pending, provide for the insurance companies to establish a fund of \$20 million for economic loss claims and a separate fund of \$5 million for public health purposes. Earlier, the court had held that personal injury claims (other than for medical detection services) could not be pursued in class action proceedings and the February 1981 agreement does not deal with such claims. Purported class action complaints (including claims for punitive damages) for (i) alleged economic injury by reason of increased charges for electricity, (ii) alleged costs incurred by municipalities in response to the accident and (iii) alleged personal injury and economic loss as a result of venting of certain gasses from TMI-2 (effected pursuant to NRC authorization) as well as individual complaints (including claims for punitive damages), for alleged personal injury and for alleged economic losses of persons, businesses and entities outside the 25 mile radius area, are pending.

Class suits for alleged damages on behalf of purchasers of GPU common stock during the period August 25, 1975 through April 1, 1979 have also been instituted against the Corporation and certain of its directors as a result of the accident.

The plaintiffs claim, among other things, that the Corporation failed to disclose in its prospectuses and reports the severe financial consequences it might suffer in the event of an accident at one of its nuclear plants. The Corporation does not have insurance with respect to its own potential liability in these suits, which are presently scheduled for a jury trial later this year. The Corporation is unable to estimate the likelihood of an unfavorable outcome in these suits, and its total financial exposure with respect thereto is uncertain; an unfavorable judgment could have a material adverse impact on the Corporation's financial condition.

These suits have also raised questions, which have not yet been resolved, as to whether certain claims against the directors are beyond the \$30 million insurance coverage for directors' and officers' liability carried by the Corporation and its subsidiaries. The directors filed a third-party complaint against the insurance company providing such primary insurance coverage. That insurance company filed an answer to such complaint denying liability.

In May 1981, the court entered an order striking certain of the defenses asserted by the insurance company. Negotiations for the possible settlement of this litigation are being pursued.

On December 14, 1981, the Corporation and its subsidiaries filed an amended complaint against the supplier (and its parent) of the nuclear steam supply system and associated services, training and procedures for TMI-2, for damages suffered by the Corporation and its subsidiaries and their customers as a result of the accident. The defendants answered the amended complaint denying liability and seeking approximately \$4 million, plus finance charges, from the Corporation and its subsidiaries for services rendered and equipment allegedly provided under the contract for the TMI-2 nuclear steam supply system. The trial of this matter, dealing with issues of liability only, commenced November 1, 1982. On January 24, 1983, the Corporation and its subsidiaries and the supplier (and its parent) entered into a settlement agreement terminating the suit and the claims against the Corporation and its subsidiaries. Under the terms of the agreement the supplier will provide rebates of up to \$37 million on anticipated future purchases of about \$270 million by the subsidiaries for services and equipment over a period of ten to fifteen years. The Corporation's subsidiaries will seek to apply the net rebate proceeds to the cleanup of TMI-2.

In December 1981, the Corporation and its subsidiaries filed a complaint against the U.S. Government for damages and losses, estimated at about \$4 billion, suffered by the Corporation and its subsidiaries and their customers as a result of the accident. The complaint alleges that the NRC violated its statutory and common law duties to warn plaintiffs of defects and hazardous conditions in equipment, analyses, procedures and training in use at TMI-2. The complaint also charges that, following a similar incident at a nuclear power plant operated by a non-affiliated utility which the NRC had investigated, the NRC failed to take and recommend appropriate action and to warn Met-Ed and other licensees of similar reactors of any defects. The complaint seeks to recover the cost of cleanup and restoration, replacement power costs, lost revenues and increased financing costs. A motion filed by the U.S. Government to dismiss the complaint on the grounds that the court lacks jurisdiction and the complaint fails to state a cause of action was denied by the District Court in November 1982. The Government has appealed this decision in the U.S. Court of Appeals for the Third Circuit where the matter is pending.

Insurance: The property damage insurance, and the \$300 million limit of coverage, was applicable to both TMI-1 and TMI-2. This property insurance had been reduced by claims paid. The insurance carriers have reinstated the coverage for the TMI site, but with regard to property insurance for TMI-2, such coverage has been reinstated only for possible damage which might result from a non-nuclear accident during the unit's cleanup and restoration period. Effective January 10, 1983, on a prospective basis, the primary property damage insurance coverage was raised to \$500 million on the site.

Effective April 1981, JCP&L became a member of Nuclear Mutual Limited (NML). Such membership provides JCP&L with \$500 million of primary property damage insurance for its Oyster Creek station. As a member of NML, JCP&L is subject to annual assessments of up to 14 times its annual premium, or approximately \$27.8 million, in the event that losses as the result of an accident at a nuclear plant of any member company exceed the accumulated funds available to NML.

Effective January 15, 1982, the subsidiaries increased their property damage insurance for damages in excess of \$500 million at each of their nuclear generating sites. The policies currently limit coverage to \$483 million for losses in excess of \$500 million up to \$1 billion. This excess insurance is provided by Nuclear Electric Insurance Limited (NEIL), a mutual insurance company, and American Nuclear Insurers/Mutual Atomic Energy Liability Underwriters (ANI/MAELU) and provides that expenses for decontamination and debris removal shall be paid before any payments in respect of claims for property damage. Under the NEIL portion of this coverage, the subsidiaries are subject to a retrospective premium of up to \$15.2 million in the event of an accident at a nuclear plant of any member company.

The Price-Anderson Amendments to the Atomic Energy Act currently limit liability to third parties to \$560 million for each nuclear incident. Such coverage of the first \$140 million (raised to \$160 million following the accident) of such liability is provided by private insurance. The next \$400 million is provided by assessments of up to the limit of \$5 million per nuclear reactor per incident, but not more than \$10 million per reactor in any calendar year. Based on the ownership of three nuclear reactors, the subsidiaries' maximum potential assessment under these provisions would be \$15 million per incident but not more than \$30 million per calendar year for claims covered by this insurance.

Effective September 15, 1980, JCP&L, with respect to incremental replacement power costs resulting from an extended accidental outage at its Oyster Creek nuclear generating station only, became a member of NEIL. Such coverage under NEIL provides for a weekly indemnity of \$2.5 million, beginning 26 weeks after an accidental outage, for the incremental cost of replacement power. The policy limits covered outages to 52 weeks at 100% of the weekly indemnity and 52 additional weeks at 50% of the weekly indemnity. As a member of NEIL, JCP&L is subject to a retrospective premium adjustment limited to \$7.5 million, which is five times its annual premium, in the event that losses exceed the accumulated funds available to NEIL. The subsidiaries expect to obtain similar coverage with respect to TMI-1 upon that unit's return to operation.

Some potential losses or liabilities to which the Corporation and its subsidiaries may be subject are not insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities. Under those circumstances such losses or liabilities could have a material adverse effect on their financial condition.

NUCLEAR FUEL LITIGATION:

In 1971, JCP&L entered into a contract for the purchase of three nuclear fuel reloads for the Oyster Creek station, with an option for five additional reloads beginning in 1976. In 1974, the supplier offered an extension of that contract to cover five additional reloads beginning in 1981. JCP&L believes that it effectively exercised the option in the initial contract and accepted the offer to extend the contract to cover the five additional reloads. The supplier disputes this position and, in November 1978, submitted bills for material and services in the aggregate amount of approximately \$33 million, covering reloads supplied in 1977, 1978 and 1979. The supplier stated that its objective was to establish revised prices and other terms and conditions rather than to diminish supplies and, without prejudice to its legal position, provided the 1979 annual fuel reload. Of the \$33 million claimed by the supplier to be due, JCP&L has paid approximately \$3.8 million and is of the opinion that the balance of approximately \$29 million is not payable by it and so informed the supplier. On January 26, 1979, the supplier filed suits against JCP&L, the Corporation and GPU Service Corporation (GPUSC). JCP&L filed a counter-claim in this action for a declaratory judgment confirming its view of the supplier's contractual commitments and damages suffered by reason of the supplier's repudiation thereof. On March 5, 1982, following a trial on the issues of liability (but not the amount of any damages) the court issued a memorandum opinion upholding JCP&L's position that a binding contract exists for the sale by the supplier to JCP&L of the nuclear reload batches that are the subject of the litigation. The amount of damages to be recovered by JCP&L will be determined in further trial proceedings which have not been concluded. JCP&L does not know whether the supplier will appeal the court's decisions. JCP&L believes that any additional amount that it might be required to pay if the supplier is successful in any such appeal would be valid costs and should be recognized for ratemaking purposes. However, there can be no assurance that this will be the case. If the suits were to be ultimately resolved in the supplier's favor, JCP&L would incur \$17.9 million in additional fuel expense, based on the amount of fuel consumed through December 31, 1982.

In 1975, GPUSC, as agent for JCP&L, entered into a reprocessing agreement with Nuclear Fuel Services, Inc. (NFS) providing for the transportation, storage and reprocessing by NFS at the West Valley, New York Nuclear Fuel Receiving Facility (Facility) of spent nuclear fuel discharged from JCP&L's Oyster Creek nuclear generating station. During 1975, 224 spent nuclear fuel assemblies discharged from the Oyster Creek station were shipped to the Facility for storage pending reprocessing. In 1976, however, NFS announced that due to regulatory impediments, it was withdrawing from the reprocessing business and notified GPUSC that it was terminating the reprocessing agreement. Pursuant to that agreement, however, NFS continued to store the Oyster Creek spent fuel at the Facility. In 1978, NFS and GPUSC entered into an additional storage agreement. That agreement provided, among other things, that NFS would continue to store the

Oyster Creek spent fuel at the Facility for a storage charge of \$134,000 per year and GPUSC and JCP&L agreed to remove the Oyster Creek spent fuel from the Facility, but only under certain specific circumstances as provided for in the agreement. Through December 31, 1980 storage charges were paid to NFS in accordance with this later agreement, but NFS submitted no invoices subsequent to that date (although JCP&L continued to accrue such charges on its books). In April 1982, however, the New York State Energy Research and Development Authority (Authority), the owner of the Facility, which had leased the Facility to NFS, invoiced GPUSC for storage charges for the period January 1, 1981 through March 1982 in the amount of \$1.3 million or a more than eight-fold increase in the agreed upon storage charges. Additional invoices for the period of April 1982 through December 1982 have since been received amounting to \$1.1 million. GPUSC and JCP&L refused to pay such increased charges and in May 1982, the Authority commenced an action in the U.S. District Court for the Western District of New York against the Corporation, GPUSC, JCP&L, NFS and its parent and two non-affiliated electric public utilities which also have spent nuclear fuel stored at the Facility. In its amended complaint the Authority has alleged, among other things, that the defendants have failed and refused to remove spent nuclear fuel from the Facility, and that continued storage of such spent fuel at the Facility is unlawful. The suit requests a court order directing the defendants to remove their spent fuel from the Facility as well as for damages (for which all the defendants are claimed to be jointly and severally liable) allegedly sustained by the Authority in the amount of \$20 million for unpaid storage charges and use of the Facility and \$1 billion for loss of value to the Facility and interference with the decontamination and decommissioning thereof. Additional damages are requested from NFS. A motion for partial summary judgment filed by the Authority is pending before the court. It is management's position that the GPU defendants have no liability to the Authority other than for reasonable storage charges.

OTHER:

The subsidiaries' construction programs, which extend over several years, contemplate expenditures of approximately \$290 million during 1983. In connection with these construction programs, the subsidiaries have incurred commitments.

The staff of the FERC conducts periodic audits of the accounts of electric utilities subject to the Federal Power Act. In the course of its current audits of Met-Ed, Penelec and JCP&L, the FERC staff has raised various questions, the most significant of which concerns the issues of accrual of allowance for funds used during construction (AFC) associated with nuclear fuel. Discussions with the FERC to resolve these questions are being held.

The subsidiaries have entered into long-term contracts with non-affiliated mining companies for the purchase of coal for certain of their generating stations. These contracts, which expire between 1997 and the remaining life of the generating station, require the subsidiaries to pur-

chase minimum amounts of the stations' coal requirements from these mining companies. The price of the delivered coal is established by formulas described within the contracts and provides for the recovery by the mining companies of their costs. Coal purchases under these agreements amounted to \$101 million, \$84 million, \$87 million, \$79 million and \$61 million for the years 1982, 1981, 1980, 1979 and 1978, respectively.

GPUSC has entered into agreements with other utilities for firm delivery of an aggregate of 1,210 megawatts of capacity through 1990. The price of the energy delivered is established by formulas described within contracts and provides for recovery by sellers of their costs. Total annual payments are estimated to aggregate \$215 million for expected capacity, energy and transmission services. Other possible long term purchases are the subject of pending negotiations.

Since the TMI-2 accident the subsidiaries have suspended or delayed construction on various proposed generating projects. Investments in such projects at December 31, 1982 aggregate about \$31 million of which \$18 million is primarily related to land and site engineering costs which will be assignable to a future site. The remaining \$13 million is not assignable to future projects and therefore the subsidiaries are seeking amortization of such costs through their current rate filings.

The Oyster Creek nuclear generating station, owned by JCP&L, is expected to experience two extended outages over the next few years. The first outage began in February, 1983 and is expected to last about 11 months. JCP&L, in its current rate proceeding, is seeking amortization of the incremental operating and maintenance costs over normal levels as well as increased capital costs which are expected to be substantial. The second outage is expected to begin in 1985 and JCP&L expects that the capital costs of this outage will also be substantial.

The subsidiaries are engaged in negotiations with various suppliers relating to the latter's claims for delay or termination charges or increased fees which such suppliers assert result from the subsidiaries' revisions of their construction plans and schedules and/or from the increased scope of supply. The subsidiaries' managements do not expect at this time that such negotiations will result in any material increase in costs that would not be valid costs properly recognizable through the ratemaking process.

Claims for damages arising out of the operation of the Oyster Creek station have been asserted. Two suits are pending, one of which was a class action which was decided in favor of JCP&L on the liability issue and the plaintiffs are presently seeking review by the U.S. Supreme Court. The other suit is presently inactive pending the outcome of the class action. JCP&L does not know if Supreme Court review will be granted or what action the Court might take. JCP&L is unable to estimate its financial exposure in the event of unfavorable Supreme Court action or the likelihood that additional suits might be commenced in such event.

Suits for damages have been commenced against Penelec by four dairy farmers claiming damages for losses as

a result of neutral to ground voltage. Penelec is unable to estimate the likelihood of an unfavorable outcome of these actions or its financial exposure with respect thereto.

The subsidiaries may own (or may have previously owned) inactive waste disposal sites which may be subject to certain regulatory requirements under the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act (Superfund legislation). At this time, the subsidiaries are unable to estimate the extent to which they might be subject to such regulatory requirements or any uninsured costs of compliance therewith.

2. Summary of Significant Accounting Policies

GENERAL:

The consolidated financial statements include the accounts of all subsidiaries.

It is the general policy of the Corporation's subsidiaries to record additions to utility plant at cost, which includes material, labor, overhead and AFC. The cost of current repairs (except those related to the nuclear accident described in Note 1) and minor replacements is charged to appropriate operating expense and clearing accounts and the cost of renewals and betterments is capitalized. The original cost of utility plant retired, or otherwise disposed of, is charged to accumulated depreciation.

OPERATING REVENUES:

Revenues are generally recorded on the basis of billings rendered.

DEFERRED ENERGY COSTS:

Energy costs are recognized in the period in which the related energy clause revenues are billed.

RESERVE CAPACITY CREDIT:

Effective April 1981, Met-Ed and Penelec began recognizing future possible payments to other members of the Pennsylvania-New Jersey-Maryland Interconnection as a charge to current expense equivalent to the revenues provided for that purpose.

DEPRECIATION:

The Corporation's subsidiaries provide for depreciation at annual rates determined and revised periodically, on the basis of studies, to be sufficient to amortize the original cost of depreciable property over estimated remaining service lives, which are generally longer than those employed for tax purposes. The subsidiaries use depreciation rates which, on an aggregate composite basis, resulted in an approximate annual rate of 3.24%, 3.21%, 3.18%, 3.17% and 3.07% for the years 1982, 1981, 1980, 1979 and 1978, respectively. Reference is made to Notes 1 and 3 regarding the accrual of depreciation on TMI-1 and TMI-2.

AMORTIZATION OF TMI-2 INVESTMENT:

The Corporation's Pennsylvania subsidiaries, pursuant to a settlement agreement approved by the PaPUC in January 1982 (see Note 1), began amortizing their investments in TMI-2 in January 1982. Such revenues for amortization are for the recovery of the original cost of the facility and nuclear fuel in the reactor at the time of the accident in March 1979 and capital additions from the time of the accident to the settlement date. The settlement did not provide for a return on the investment in TMI-2.

AMORTIZATION OF PROPERTY LOSSES:

Property losses are amortized and recovered through rates as prescribed by the NJBPU and the PaPUC (see Note 16).

NUCLEAR PLANT DECOMMISSIONING COSTS:

JCP&L, in accordance with rate determinations, is charging to expense and crediting to a reserve amounts intended to provide over their service lives for the cost of decommissioning nuclear plants at the end of their useful lives (estimated for purposes of the ratemaking determinations to range between \$27 and \$36 million per unit prior to July 1982 and \$36 million to \$51 million per unit subsequent to July 1982 in then current dollars assuming in-place entombment). During 1982, such charges to expense for TMI-1 were discontinued as a result of a NJBPU order directing the cessation of depreciation accruals discussed in Note 3.

Met-Ed and Penelec, prior to the cessation of depreciation accruals discussed in Note 3, were charging to expense amounts intended to provide over their service lives for the decommissioning of their shares of the radioactive components of their nuclear units (approximately \$24 million per unit in then current dollars). During 1981, such charges to expense were discontinued retroactive to the dates that the TMI units were removed from base rates in Pennsylvania. The subsidiaries believe that any additional cash requirements with regard to nuclear plant decommissioning should be recovered through the ratemaking process.

AMORTIZATION OF NUCLEAR FUEL AND WASTE DISPOSAL:

Amortization of Nuclear Fuel: The amortization of nuclear fuel is provided on a unit of production basis. Rates are determined and periodically revised to amortize the cost over the useful life.

Waste Disposal: JCP&L is providing for estimated future handling costs for the spent Oyster Creek nuclear fuel, and similar treatment will be provided for future handling costs for the spent TMI nuclear fuel when it returns to service. Previously accumulated estimated residual credits, net of previously accumulated estimated costs of reprocessing, for the Oyster Creek station nuclear fuel are being amortized to fuel expense on a unit of production basis. The Pennsylvania subsidiaries, effective with the 1982 settlement agreements, are amortizing prior years disposal costs associated with TMI-1 spent nuclear fuel over a sixteen year period. Estimated disposal costs for the current and future periods will be provided for currently as the fuel is consumed. Current forecasts of nuclear waste disposal costs as outlined by the Nuclear Waste Disposal Act of 1982 may be as much as \$54 million in excess of those now being provided. The subsidiaries are seeking recognition of such costs in current rate proceedings and believe that they are recoverable.

INCOME TAXES:

The Corporation and its subsidiaries file consolidated Federal income tax returns. All participants in a consolidated Federal income tax return are severally liable for the full amount of any tax, including penalties and interest, which may be assessed against the group.

The revenues of the Corporation's subsidiaries in any period are dependent to a significant extent upon the costs which are recognized and allowed in that period for ratemaking purposes. In accordance therewith, the Corporation's subsidiaries have employed the following policies:

Tax Depreciation: The Corporation's subsidiaries generally utilize liberalized depreciation methods and accelerated cost recovery allowances and the shortest lives permitted by the Internal Revenue Code in computing depreciation deductions and provide for deferred income taxes where permitted in the ratemaking process. However, in 1980, with respect to TMI-2, the subsidiaries elected to utilize straight-line tax depreciation.

Investment Credits: investment credits (I.T.C.) are being amortized over the estimated service lives of the related facilities.

3. Extraordinary Items

As a direct or indirect consequence of the nuclear accident at TMI-2, consolidated net income for 1982 and 1981 reflect the following extraordinary items net of any related income tax effects:

	<i>In Millions</i>	
	1982	1981
(a) Write-off of Ontario Hydro Project	\$(3.9)	
(b) Reversal of TMI-1 depreciation	3.0	\$ 2.7
(c) Reversal of expenses incurred for public health and safety and restart of TMI-1	4.6	
(d) Abandonment of the Forked River project		(26.9)
(e) Reversal of TMI-2 depreciation		18.6
(f) Write-off of the excess of investments in subsidiaries over related net assets		(30.6)
Net	\$ 3.7	\$(36.4)

(a) In November 1981, JCP&L entered into a long-term contract for the purchase of large quantities of electricity from a major Canadian supplier. In June 1982, the NJBPU approved JCP&L's request to cancel the project due to uncertainties of cost, scheduling and financing and the availability of economic alternatives. In a decision in November 1982, the NJBPU has directed that JCP&L may not recover from customers the costs associated with the project. As a result, JCP&L wrote-off \$3.9 million (\$6.8 million of costs less \$2.9 million for income taxes) as an extraordinary charge. In December 1982, JCP&L filed a motion with the NJBPU requesting reconsideration of its November 1982 order and has filed with the NJBPU for recovery of the investment over 15 years in its currently pending rate case.

(b) As described in Note 1, the NJBPU issued rate orders in July, 1982 directing JCP&L to cease the accrual of depreciation on TMI-1 retroactively to April 1, 1980. For the five months ending May 31, 1982, depreciation expense for TMI-1 in the amount of \$1.6 million was charged to current operations. The adjustment to reflect the reversal of the previously accrued depreciation in the amount of \$7.7 million for TMI-1 for the period April 1, 1980 to May 31, 1982, net of related income tax charges of \$4.7 million, has been accounted for as an extraordinary item.

As described in Note 1, Met-Ed and Penelec, pursuant to the April 9, 1981 orders of the PaPUC, ceased the accrual of depreciation on their investment in TMI-1 subject to the PaPUC's jurisdiction retroactive to June 1, 1980. Met-Ed and Penelec, during the five months ended May 31, 1981, charged to operations depreciation expense for TMI-1 of \$4 million. The adjustment to reflect the reversal of \$9.3 million of depreciation accrued from June 1, 1980 through May 31, 1981, net of \$6.6 million of related income tax charges, was accounted for as an extraordinary item in June 1981.

(c) The July, 1982 NJBPU rate orders also directed JCP&L to defer certain operating and maintenance expenses incurred for TMI-1 related to restart, public health and safety protection due to the extraordinary levels of expense and to the nature of the items. The adjustment in the amount of \$8.6 million to reflect the reversal of expense incurred for the period April 1, 1980 to December 31, 1981, net of related income tax charges of \$4.0 million, has been accounted for as an extraordinary item. The rate orders also indicated that these expenses would be charged to customers over an eight-year period commencing with the restart of TMI-1.

(d) In November 1980, as a result of regulatory, cost and other uncertainties following the accident at TMI-2, JCP&L abandoned its effort to proceed with the construction of the Forked River nuclear project. Subsequent to this decision, the investment of \$413.7 million in the project was reclassified to deferred debits (unamortized property losses). The NJBPU, on July 31, 1981, issued a rate order which permitted JCP&L to recover, in part, over a 15 year period, its investment in the Forked River project. The order provided for JCP&L to recover \$225.4 million of its net investment of \$252.3 million after giving effect to \$142.2 million in anticipated income tax benefits and \$19.2 million in anticipated salvage value. However, the order excluded the recovery of AFC accrued during the period April 4, 1979, the date of the suspension of construction activities at the project, through March 31, 1980, the effective date JCP&L ceased the accrual of AFC on the project. In view of this

order, in June 1981, JCP&L recorded an extraordinary charge of \$26.9 million relating to the disallowed AFC.

(e) As described in Note 1, pursuant to the January 8, 1982 rate orders of the PaPUC, Met-Ed and Penelec have ceased the accrual of depreciation on their investment in TMI-2 subject to the PaPUC's jurisdiction retroactive to the approximate dates the unit's operating and capital costs were removed from base rates (in Met-Ed's case January 1, 1979 and in Penelec's case April 1, 1979). Met-Ed and Penelec, for the eleven months ended November 30, 1981, charged to operations depreciation expense for TMI-2 of \$15.5 million. The adjustment to reflect the reversal of \$45.6 million of depreciation accrued by Met-Ed from January 1, 1979 through November 30, 1981 and by Penelec from April 1, 1979 through November 30, 1981, net of \$27 million of related income tax charges, was accounted for as an extraordinary item in December 1981.

(f) Since 1946, in accordance with applicable regulations of the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act, the Corporation had carried its investment in its subsidiaries at amounts that were \$30.8 million in excess of the related net assets. In December 1981, the Corporation concluded that, in light of present and proposed ratemaking, the investment in the subsidiaries in excess of related net assets had no realizable value and wrote-off such excess as an extraordinary charge.

The effective tax rates applicable to the reversal of depreciation on TMI-1 and TMI-2 (items (b) and (e) above) are greater than the statutory rate, since deferred income taxes are currently being provided on the portion of the excess of tax over book depreciation on both units which was previously flowed through to net income. In addition, investment tax credits associated with TMI-1 and TMI-2 that were previously amortized have been reversed. Items (d) and (f) above do not result in any income tax benefits.

4. Allowance for Funds Used During Construction (AFC)

The applicable regulatory Uniform System of Accounts provides for AFC which is defined as including the net cost during the period of construction of borrowed funds (allowance for borrowed funds used during construction) used for construction purposes and a reasonable rate on other funds (allowance for other funds used during construction) when so used. While AFC results in a current increase in utility plant to be recognized for rate-making purposes and represents current compensation, AFC is not an item of current cash income; instead AFC is realized in cash after the related plant is placed in service by means of the allowance for depreciation charges based on the total cost of the plant, including AFC.

To the extent permitted in the ratemaking proceedings of the subsidiaries, the income tax reductions associated with the interest component of AFC have been allocated to reduce interest charges and, correspondingly, have not reduced income taxes charged to operating expenses. Pursuant to such rate orders, the Pennsylvania subsidiaries employ a net of tax accrual rate for AFC. JCP&L is employing a net of tax accrual rate for AFC on certain construction projects while using a gross AFC rate on others.

The subsidiaries have accrued AFC using rates which, on an aggregate composite basis, resulted in annual rates of 11.03%, 10.64%, 8.91%, 8.60% and 7.99% for the years 1982, 1981, 1980, 1979 and 1978, respectively.

5. Short-Term Borrowing Arrangements

On December 22, 1982, the Corporation and its subsidiaries entered into an amendment to their revolving credit agreement with a consortium of banks. The amended agreement, which expires on December 31, 1983, provides

for a System limit of \$125 million, which could be increased to \$200 million with the approval of the banks holding 85% of the outstanding notes. Individual borrowing sublimits are applicable to each company as follows:

The Corporation—An \$18 million sublimit which is to be reduced under an amortization schedule designed to provide for full repayment by June 30, 1983. The Corporation may not make additional borrowings under the amended credit agreement.

JCP&L—A \$45 million sublimit subject to the further restriction that outstanding borrowings may not exceed 60% of JCP&L's customer accounts receivable from the sale of electricity to customers.

Met-Ed—A \$25 million sublimit subject to the further restriction that outstanding borrowings are limited to the sum of (a) 80% of Met-Ed's customer accounts receivable pledged to the banks as collateral and (b) 50% (but not in excess of \$5 million) of the costs of Met-Ed's coal inventories pledged to the banks.

Penelec—A \$40 million sublimit.

The notes issued by the Corporation and its subsidiaries evidencing borrowings under the amended credit agreement bear interest at 107% of Citibank's prime rate, as in effect from time to time. The agreement provides for a commitment fee of 3/4 of 1% per annum on the unused portion of the banks' total commitment.

In connection with the amended credit agreement, the Corporation has entered into an amended loan agreement which provides, among other things, that the Corporation's \$18 million of outstanding borrowings will bear interest at 107% of Citibank's prime rate, and will be repaid in full by June 30, 1983.

The Corporation has guaranteed all borrowings by its subsidiaries outstanding under the amended credit agreement. As collateral for such guarantee, the Corporation's \$18 million of borrowings under the amended loan agreement referred to above, and the guarantee by the Corporation of \$4.4 million of certain mortgage loans of GPUSC, the Corporation has pledged the common stock of JCP&L, Met-Ed, Penelec and GPUSC.

Met-Ed has pledged as collateral for its indebtedness under the amended credit agreement, (i) \$40 million of first mortgage bonds (ii) its customer accounts receivable (\$31.8 million at December 31, 1982) and (iii) its coal inventory (\$13.3 million at December 31, 1982).

The amended credit agreement, amended loan agreement and the purchase agreements for certain bonds sold by JCP&L (\$97.5 million) and Penelec (\$50 million) subsequent to the accident at TMI-2 contain provisions for the immediate payment of the indebtedness involved upon the occurrence of an event deemed by specified majorities of the lenders or holders of an issue to have a materially adverse effect on the borrower.

6. Long-Term Debt

At December 31, 1982, the Corporation and its subsidiaries had long-term debt outstanding, excluding amounts due within one year, as follows:

Maturities	(In Thousands) Interest Rates			Total
	1% to 6% %	7% to 8% %	9% to 13 1/4 %	
First Mortgage Bonds:				
1984-1990	\$202,570	\$	\$125,000	\$ 327,570
1991-2000	278,952	134,869	184,495	598,316
2001-2009	25,120	392,742	399,698	817,560
	<u>\$506,642</u>	<u>\$527,611</u>	<u>\$709,193</u>	<u>1,743,446</u>
Bond sinking funds				(3,990)
Total				<u>1,739,456</u>
Debentures:				
1986-1990	\$ 54,740	\$	\$	54,740
1991-1998	13,600	126,140	19,000	158,740
Total	<u>\$ 68,340</u>	<u>\$126,140</u>	<u>\$ 19,000</u>	<u>213,480</u>
Other long-term debt				48,658
Unamortized net discount				(2,894)
Total				<u>\$1,998,700</u>

For the years 1983, 1984, 1985, 1986 and 1987 the Corporation and its subsidiaries have maturing long-term debt of \$127.8 million, \$109.5 million, \$81.5 million, \$59.8 million and \$53.5 million respectively, including cash sinking fund requirements. As reflected in the balance sheet at December 31, 1982, the subsidiaries had \$79.8 million held for retirement of bonds due within one year.

Substantially all of the subsidiaries' properties are subject to the lien of their respective mortgages.

On July 28, 1981, GPUSC and the DOE entered into an agreement for the repayment of amounts owed DOE since 1979 by the Corporation's subsidiaries under certain uranium enrichment contracts. Such agreement was subsequently revised on October 4, 1982 regarding the TMI liabilities. Interest on these amounts is accrued using the Current Value of Funds Rate, as determined quarterly by the U.S. Treasury Department (average rate for 1982 - 13.46%). The amounts due, and the schedule for their repayment, are as follows:

- (i) Oyster Creek related charges of \$13.5 million are to be repaid in 48 equal monthly installments, which began on January 29, 1982.
- (ii) Amounts related to the TMI units, \$22.2 million, will be paid in monthly installments beginning on the earlier of (a) the last day of the month in which TMI-1 resumes commercial operation through 1986 or (b) January 1984 through 1986.

As a result of the foregoing, amounts payable by the subsidiaries, due after December 31, 1983, are reflected as other long-term debt on the December 31, 1982 balance sheet.

7. Cumulative Preferred Stock - Mandatory Redemption

At December 31, 1982 and 1981, the subsidiaries had outstanding the following issues of cumulative preferred stock which are subject to mandatory redemption requirements:

	Shares Outstanding		Stated Value (In Thousands)	
	1982	1981	1982	1981
JCP&L:				
13.5% Series F	150,000	162,500	\$15,000	\$16,250
11% Series G	200,000	212,500	20,000	21,250
Due within one year	(12,500)	(12,500)	(1,250)	(1,250)
Penelec:				
11.72% Series J	162,500	175,000	16,250	17,500
10.88% Series K	272,000	288,000	27,200	28,800
Due within one year	(28,500)	(28,500)	(2,850)	(2,850)
Total	<u>743,500</u>	<u>797,000</u>	<u>\$74,350</u>	<u>\$79,700</u>

JCP&L has had annual redemption requirements of 12,500 shares of the Series F preferred stock since 1975 and 12,500 shares of the Series G preferred stock since 1980. The 1983 Series G redemption requirement was met during 1982.

Penelec has had annual redemption requirements of 12,500 shares of the Series J preferred stock since 1976 and 16,000 shares of the Series K preferred stock since 1980.

All redemptions are at the stated values of the shares, plus accrued dividends. No redemptions of preferred stock may be made unless dividends on all preferred stock for all past quarterly dividend periods have been paid or declared and set aside for payment. If dividends upon any shares of preferred stock of any subsidiary are in arrears in an amount equal to the annual dividend, the holders of preferred stock, voting as a class, are entitled to elect a majority of the board of directors of that subsidiary until all dividends in arrears have been paid.

The subsidiaries' aggregate mandatory redemption requirement for all issues of cumulative preferred stock outstanding at December 31, 1982 is \$5,350,000 per year, through 1987.

No shares have been sold during the five years ended December 31, 1982.

8. Cumulative Preferred Stock — No Mandatory Redemption

At December 31, 1982 and 1981, the subsidiaries had outstanding the following issues of cumulative preferred stock, which are redeemable solely at the option of the issuers:

	Shares Outstanding	Stated Value (In Thousands)
JCP&L:		
4% Series	125,000	\$ 12,500
9.36% Series	250,000	25,000
8.12% Series	250,000	25,000
8% Series	250,000	25,000
7.88% Series	250,000	25,000
8.75% Series H	2,000,000	50,000
Met-Ed:		
3.90% Series	117,729	11,773
4.35% Series	33,249	3,325
3.85% Series	29,175	2,917
3.80% Series	18,122	1,812
4.45% Series	35,637	3,564
8.12% Series	160,000	16,000
7.68% Series G	350,000	35,000
8.32% Series H	250,000	25,000
8.12% Series I	250,000	25,000
8.32% Series J	150,000	15,000
Penelec:		
3.40% Series B	56,610	5,681
3.70% Series C	97,054	9,705
4.05% Series D	63,696	6,370
4.70% Series E	28,759	2,874
4.50% Series F	42,969	4,297
4.60% Series G	75,732	7,573
8.36% Series H	250,000	25,000
8.12% Series I	250,000	25,000
9.00% Series L	1,400,000	35,000
Total	6,783,912	\$423,391

At December 31, 1982 and 1981, the subsidiaries were authorized to issue 37,035,000 shares (JCP&L — 15,600,000 shares, Met-Ed — 10,000,000 shares, and Penelec — 11,435,000 shares) of cumulative preferred stock, no par value. No shares have been sold since 1978.

9. Common Stock and Capital Surplus

Of the 75 million authorized shares of \$2.50 par value common stock of the Corporation at December 31, 1982 and 1981, 61,264,000 shares were issued and outstanding and 28,000 shares were recorded as reacquired at \$2.50 per share.

In 1978, the Corporation issued 1,250,000 additional shares of common stock for \$22.6 million of which \$3.1 million (par value) was credited to common stock and \$19.5 million (excess over par) was credited to capital surplus. In 1979, 293,000 shares were issued for \$4.9 million of which \$.7 million (par value) was credited to common stock and \$4.2 million (excess over par) was credited to capital surplus.

10. Consolidated Retained Earnings

Under the amended credit agreement, the balance of consolidated retained earnings must be at least \$450,000,000.

In accordance with JCP&L's supplemental indenture dated June 1, 1979, common dividends payable by JCP&L are limited, to the extent they are not matched by cash capital contributions from the Corporation, to an amount equal to 25% of earnings for the years 1979 and 1980 and 100% of earnings thereafter. As of December 31, 1982, \$34.5 million of retained earnings of \$97.5 million was available for declaration or payment of dividends on JCP&L's common stock. The NJBPU has requested prior notification to it before JCP&L declares dividends on its common stock. In February 1983, JCP&L gave such notice and the NJBPU did not object to payment by JCP&L of dividends of \$25 million on its common stock prior to June 30, 1983.

In accordance with Met-Ed's supplemental indenture dated March 1, 1952, \$3.4 million of the balance of Met-Ed's retained earnings is restricted as to the payment of dividends on its common stock. At December 31, 1982, \$12.5 million of retained earnings of \$15.8 million was available for declaration or payment of dividends on Met-Ed's common stock.

In accordance with Penelec's supplemental indenture dated June 1, 1979, the aggregate amount of any declaration or payment of dividends on common stock after December 31, 1978 cannot exceed Penelec's earnings available for common stock for the period commencing January 1, 1979 and terminating at the end of the last fiscal quarter preceding the date of such restricted payment. As of December 31, 1982, \$6.9 million of retained earnings of \$43.9 million was available for declaration or payment of dividends on Penelec's common stock.

Under the Public Utility Holding Company Act of 1935, the subsidiaries are prohibited from making any loans or extending any credit to the Corporation without first obtaining authorization from the SEC.

11. Income Taxes

Examinations of Federal income tax returns through 1978 have been completed.

Income tax expense for the years 1978 through 1982 was different from the amount computed by applying the statutory rate to book income subject to tax as follows:

	(In Millions)				
	1982	1981	1980	1979	1978
Operating income before income taxes	\$308	\$258	\$263	\$343	\$339
Other income, net	16	16	7	9	4
Total	324	274	270	352	343
Interest expense	(185)	(209)	(218)	(193)	(160)
Book income subject to income tax	\$139	\$65	\$52	\$159	\$183
Income tax at statutory rate (a)	\$64	\$30	\$24	\$73	\$88
Effect of difference between tax and book depreciation for which deferred taxes were not provided (Note 2)	7	2	(1)	(2)	(10)
Amortization of TMI-2 (Note 2)	11				
Amortization of I.T.C. (Note 2)	(5)	(3)	(4)	(5)	(4)
Other adjustments	1	(5)	(4)	(3)	(2)
Income tax expense	\$78	\$24	\$15	\$63	\$72
Effective income tax rate	56%	37%	29%	40%	39%

(a) Effective January 1, 1979, the statutory rate was changed from 48% to 46%.

Income tax expense is comprised of the following:

	(In Millions)				
	1982	1981	1980	1979	1978
Federal income tax	\$10	\$ (2)	\$ (8)	\$ 3	\$(20)
State income tax	18	5	2	7	5
Income taxes on other income, net	7	7	6	5	2
Income taxes attributable to the allowance for borrowed funds (Note 4)	(2)	(6)	(7)	(8)	(15)
Provisions for taxes currently payable (refundable)	33	4	(7)(a)	7	(28)
Deferred income taxes, net	(31)	24	75	38	58
Current I.T.C. (c)	81	(1)	(49)(b)	(7)(b)	46
Amortization of I.T.C.	(5)	(3)	(4)	(5)	(4)
Income tax expense	\$78(e)	\$24(d)	\$15	\$63	\$72

(a) As a result of the abandonment of the Forked River nuclear generating project, the Corporation and its subsidiaries incurred a consolidated net operating loss for tax purposes of \$299 million in 1980. At December 31, 1980, \$144 million of this amount was carried back to prior years resulting in a Federal income tax refund of \$9 million which is reflected in that year's Accounts receivable - Other and the balance was available as a carryforward. During 1981 and 1982, \$102 million and \$53 million, respectively, of such loss carryforward was utilized, resulting in a reduction of \$47 million and \$24 million, respectively, in Federal income tax currently payable which was offset by an equivalent charge to deferred income taxes.

(b) Redetermination of prior years' I.T.C. resulting from net operating losses. These amounts are reflected in unused I.T.C.

(c) Unused I.T.C. available for carryforward to future years aggregate \$62 million (which includes \$9 million of credits related to the Corporation's Tax Reduction Act Employee Stock Ownership Plan) of which \$15 million, \$23 million and \$24 million expire in 1995, 1996, and 1997, respectively.

(d) Does not include \$34 million (deferred income tax expense related to liberalized depreciation - \$33 million and amortization of I.T.C. - \$1 million) related to extraordinary items (see Note 3).

(e) Does not include \$6 million (deferred income tax expense related to liberalized depreciation - \$9 million and currently payable tax benefit relating to an abandonment loss of \$3 million) related to extraordinary items (see Note 3).

The provisions for deferred income taxes, net, result from the following timing differences:

	(In Millions)				
	1982	1981	1980	1979	1978
Liberalized depreciation (Note 2):					
Federal	\$33	\$42	\$36	\$50	\$37
State		2			5
Deferral of energy costs (Note 2):					
Federal	(47)	(38)	(11)	33	7
State	(5)	(1)	(1)	(2)	1
Forked River abandonment loss (Note 3)	20	42	70		
Revenue taxes - energy clause revenues (Note 13)	(8)	(7)	(10)	(4)	
Reserve capacity credit (Note 2)	(15)	(12)			
Other	(9)	(4)	(9)	(9)	8
Total	\$(31)	\$24	\$75	\$68	\$58

12. Loans to Non-Affiliated Mining Companies and Proposed Acquisition

Penelec is providing financing to non-affiliated mining companies supplying coal to the Homer City generating station under long-term contracts. These loans bear interest at a rate which is 1½% per annum above the prime interest rate. Penelec and a non-affiliated utility have filed petitions with regulatory agencies to acquire the Heien Mining Company, a non-affiliated mining company. Such requests are currently pending.

13. Supplementary Income Statement Information

Maintenance and other taxes charged to operating expenses consisted of the following:

	(In Millions)				
	1982	1981	1980	1979	1978
Maintenance	\$175	\$135	\$120	\$91	\$108
Other taxes:					
State and local gross receipts	\$134	\$114	\$103	\$87	\$75
Gross revenue and franchise	35	30	26	20	17
State surtax	15	13	11	9	7
Capital stock	6	5	6	11	11
Real estate and personal property	15	13	16	12	11
Other	14	14	11	10	9
Total	\$219	\$189	\$173	\$149	\$130

The liability for New Jersey State franchise and gross receipt taxes and surtax is established in each year of exercise of such franchise based on the preceding year's gross receipts and no liability exists in a current year to pay a tax based on that year's gross receipts. Prior to 1979, JCP&L made provision in its accounts for such taxes on this basis. For ratemaking purposes (including the operation of the energy adjustment clause) the NJBPU computes allowable expenses including provision for such taxes based on the current year's gross receipts rather than those of the preceding year. Effective January 1, 1979, pursuant to a recommendation by the FERC, JCP&L began recording state revenue taxes related to energy clause revenues in the period the revenues are collected. In July 1981, pursuant to an NJBPU rate order, \$300 million of energy clause revenues were rolled into the base rates of JCP&L. Following the precedent set by the FERC in 1979, JCP&L continued to record revenue taxes currently on the portion of energy clause revenues that were rolled into base rates and also recorded revenue tax expense on the incremental base revenues resulting from this order.

14. Pension Plans

The Corporation's subsidiaries have several pension plans applicable to all employees, the accrued costs of which are being funded. Prior service costs applicable to all plans are being amortized and funded over 25-year periods.

Total pension cost for the years 1982, 1981, 1980, 1979, and 1978 amounted to approximately \$30.6 million, \$25.9 million, \$24.2 million, \$22.8 million, and \$19.6 million, respectively.

Based on the latest available actuarial reports, the subsidiaries' plans had accumulated benefits and net assets as follows:

	(In Millions)	
	January 1, 1982	January 1, 1981
Actuarial present value of accumulated benefits:		
Vested	\$278.6	\$246.5
Nonvested	40.1	36.5
	<u>\$318.7</u>	<u>\$283.0</u>
Net assets available for benefits	<u>\$315.2</u>	<u>\$285.2</u>

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8 percent for both 1982 and 1981.

15. Jointly Owned Generating Stations

The Corporation's subsidiaries participated, with non-affiliated utilities, in the following jointly owned generating stations at December 31, 1982:

Station	% Ownership	Balance (In Millions)	
		In Service	Accumulated Depreciation
Homer City	50	\$309.3	\$60.4
Keystone	16.67	38.1	12.5
Conemaugh	16.45	48.8	12.4
Yards Creek	50	16.6	2.7
Seneca	20	13.3	2.1

Each participant in a jointly owned generating unit finances its own portion and charges the appropriate operating expenses with its share of direct expenses. The dollar amounts shown above represent only those portions of the units owned by subsidiaries of the Corporation.

16. Unamortized Property Losses

The Corporation's subsidiaries are amortizing costs associated with the following properties for ratemaking purposes:

Effective Date	Project	Period of Amortization (years)	Unamortized Balance at December 31, 1982 (In Millions)
October 1, 1973	Longwood Valley	10	\$.4
September 1, 1977	Mount Hope	10	2.1
April 1, 1980	Atlantic Station	20	3.6
April 9, 1981	Berne and Stoney Creek	5	3.6
July 31, 1981	Forked River (See Note 3)	15	335.1

The related Federal income tax reductions are being amortized over similar periods. The above procedure does not provide a return on investment during the recovery period.

System Statistics

General Public Utilities Corporation and Subsidiary Companies

	1982	1981	1980	1979	1978
Generating Capacities and Peaks (MW):					
Installed capacity (at year end)(a)	8,251	8,251	8,254	8,262	8,281
Annual hourly peak load	6,442(c)	6,215(c)	6,161(b)	6,173(c)	5,898(c)
Reserve (%) (a)	28.1	32.8	34.0	33.8	40.4
Net System Requirements (in thousands of MWH):					
Net generation	20,841	22,266	22,659	26,891	29,747
Power purchased and interchanged, net	13,336	12,659	12,346	7,992	4,275
Total Net System Requirements	<u>34,177</u>	<u>34,925</u>	<u>35,005</u>	<u>34,873</u>	<u>34,022</u>
Load Factor (%)	60.5	64.1	64.9	64.5	65.8
Production Data:					
Cost of fuel (in mills per KWH of generation):					
Coal	16.35	16.11	13.76	12.95	13.17
Oil	58.16	62.29	62.49	39.01	28.62
Nuclear	4.08	3.83	3.80	3.18	2.31
Other	64.06	56.82	42.29	35.77	27.59
Average	19.80	19.06	17.17	12.48	11.17
Generation by fuel type (%):					
Coal	81	78	81	67	57
Oil	2	3	5	6	9
Nuclear	9	11	8	25	34
Other (gas & hydro)	8	8	6	2	
Totals	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Electric Energy Sales (in thousands of MWH):					
Residential	10,604	10,707	10,810	10,754	10,715
Commercial	8,173	7,949	7,687	7,359	7,208
Industrial	10,752	11,535	11,520	11,974	11,447
Other	1,824	1,821	1,821	1,908	1,900
Totals	<u>31,353</u>	<u>32,012</u>	<u>31,838</u>	<u>31,995</u>	<u>31,270</u>
Electric Operating Revenues (in thousands):					
Residential	\$ 919,532	\$ 793,056	\$ 719,166	\$ 597,757	\$ 544,571
Commercial	661,910	548,367	470,123	360,859	328,081
Industrial	694,291	609,177	531,369	431,104	365,456
Other	101,712	91,591	87,535	77,512	67,421
Totals from KWH Sales	2,377,445	2,042,191	1,808,193	1,467,232	1,305,529
Other Revenues	24,391	20,097	21,102	20,479	18,721
Totals	<u>\$2,401,836</u>	<u>\$2,062,288</u>	<u>\$1,829,295</u>	<u>\$1,487,711</u>	<u>\$1,324,250</u>
Customers — Year End (in thousands):					
Residential	1,434	1,422	1,405	1,386	1,364
Commercial	164	163	161	157	154
Industrial	10	10	9	10	9
Other	3	3	3	5	5
Totals	<u>1,611</u>	<u>1,598</u>	<u>1,578</u>	<u>1,558</u>	<u>1,532</u>
Price per KWH — all customers (cents)	7.58	6.38	5.69	4.59	4.18

(a) Includes the installed capacity of the Three Mile Island nuclear generating station Unit No. 1 of 800 MW and Unit No. 2 of 906 MW for all periods. The reserve (%), excluding these units for 1982, 1981, 1980 and 1979 would be 1.6%, 5.3%, 6.3%, and 6.2% respectively.

(b) Summer peak.

(c) Winter peak.

Supplementary Information Concerning Inflation Effects (Unaudited)

INTRODUCTION: The following supplementary information is supplied in accordance with the requirements of FAS No. 33, "Financial Reporting and Changing Prices". FAS No. 33 requires companies to explain the effects of inflation upon their operations by applying two methods to adjust conventional historical cost financial statements for the effects of changing prices. These methods are: (1) the "constant dollar" method, and (2) the "current cost" method.

Both methods employ a number of judgments and experimental estimating procedures prescribed by FAS No. 33 in an attempt to approximate the effects of inflation. Consequently, the Corporation cautions readers to view these data as estimates, rather than as any precise measurement.

Consolidated Statement of Income Adjusted for Changing Prices

	In Thousands		
	Conventional Historical Cost	In Average 1982 Dollars	
	Constant Dollar	Current Cost	
For the Year Ended December 31, 1982			
Income Statement			
Operating Revenues*	\$ 2,405,527	\$ 2,405,527	\$ 2,405,527
Energy Costs	1,127,176	1,127,176	1,127,176
Depreciation	202,725	406,111	427,132
Other Operating Expenses	767,593	767,593	767,593
Income Taxes	71,511	71,511	71,511
Total Operating Expenses	2,169,005	2,372,391	2,393,412
Operating Income*	236,522	33,136	12,115
Other Income and Deductions	14,775	14,775	14,775
Interest Charges, Net	175,821	175,821	175,821
Preferred Dividends	41,742	41,742	41,742
Income (Loss) Before Extraordinary Items	33,734	(169,652)	(190,673)
Extraordinary Items: TMI-1	7,636	8,860	8,759
Other	(3,863)	(3,863)	(3,863)
Income (Loss) Available for Common (excluding current year adjustment to recoverable cost)*	\$ 37,507	\$ (164,655)	\$ (185,777)
Earnings (Loss) per Common Share	\$ 0.61	\$ (2.69)	\$ (3.03)
Effect of Changing Prices on Assets and Liabilities			
Current Cost Increase in Net Plant Held During 1982			\$ 343,127
Less: Increase in Current Cost Net Plant Attributed to General Inflation During 1982			301,136
Current Cost Increase, Net of General Inflation			41,991
Current Year Adjustment to Recoverable Cost		\$ 54,397	33,395
Reductions Due to Depreciation Differences			
—Expensed		(203,366)	(224,407)
—Capitalized		(1,393)	(1,260)
—Extraordinary Items: TMI-1		1,224	1,123
Total 1982 Reduction to Recoverable Cost		(149,158)	(149,158)
Gain from Decline in Purchasing Power of Net Amounts Owed		78,957	78,957
Net Erosion of Common Stockholders' Equity		\$ (70,201)	\$ (70,201)

*Revenues, operating income, and income (loss) available for common have been adversely affected by regulatory disallowances of operating expenses and return requirements associated with TMI-1 and TMI-2 (see Note 1).

CONSTANT DOLLAR BASIS: Constant dollar amounts represent dollars of equal purchasing power, as measured by the Consumer Price Index for All Urban Consumers (CPI-U). By this method, historical investments in physical plant items are restated, using the CPI-U, to amounts in present day dollars having the same purchasing power as the historical dollars had when originally invested.

CURRENT COST BASIS: Current cost amounts also restate historical physical plant investments to present day dollars. However, specific price indexes applicable to the various types of plant equipment are applied rather than the general inflation CPI-U index. Specific price indexes more closely reflect the changes in purchasing power of surviving plant investments from the dates these were originally acquired. The specific price indexes employed are individual company equipment cost indexes or the Handy-Whitman Indexes of Public Utility Construction Costs.

MONETARY AND NON-MONETARY ITEMS: A key concept in understanding the data adjusted for inflation is the distinction between monetary and non-monetary assets and liabilities.

Monetary items are those assets or liabilities which are or will be converted into, or paid by, a fixed number of dollars regardless of inflationary changes. Holding assets, such as receivables, prepayments, and inventories, during periods of inflation results in a loss of purchasing power because the amount of dollars received in the future will purchase less. Holding cash as an asset also results in a loss, similar to what happens to savings accounts, as these dollars will buy less in the future due to inflation. Conversely, holding monetary liabilities during periods of inflation results in a purchasing power gain because payment in the future will be made with dollars of diminished purchasing power, similar to what occurs with a home mortgage.

Non-monetary assets and liabilities, such as property, plant, and equipment, do not gain or lose purchasing power solely as a result of general price level changes, but rather are affected by changes in specific prices for the related physical property. For this reason, the Corporation considers the current cost method to be preferable to the constant dollar method which applies the CPI-U to all physical property investments without regard to specific property and equipment price changes.

PLANT, PROPERTY, AND EQUIPMENT: These investments are considered to be non-monetary items. Estimated utility plant was determined under both the constant dollar and current cost methods by applying the indexes specified above to the historical cost of utility plant by vintages and to related accumulated depreciation. Neither of these restatements of the purchasing power invested in surviving utility plant should be viewed as representing replacement cost or current value of existing plant productive capacity. The actual replacement of present facilities will occur over many years as future facilities, different in kind from present facilities, are constructed and placed into service.

GAIN FROM DECLINE IN PURCHASING POWER OF NET MONETARY ITEMS OWED: Since the Corporation owed net monetary liabilities (primarily long-term debt) during a period in which the purchasing power of the dollar declined, the inflation adjusted statements show the Corporation experiencing a net gain in purchasing power. This gain is strictly an economic concept and unfortunately is not realized in cash. As a result, this gain amount does not represent funds available for actual use or for distribution to shareholders.

DEPRECIATION EXPENSE: The current year's provision for depreciation for each inflation cost method was determined by applying the same methods and rates as used in the historical financial statements to the restated property, plant, and equipment investments.

OTHER ITEMS: In accordance with FAS No. 33, revenues and all expenses other than depreciation are considered to reflect the average price level for the year and accordingly remain unchanged from those amounts as reported in the Corporation's primary financial statements.

Energy costs, including fuel, power purchased and interchanged, and changes in deferred energy cost balances, have not been restated from their historical costs. Regulation limits the Corporation's recoveries of these items to actual historical cost through energy cost adjustment clauses in basic rate schedules. Consequently, energy and fuel costs, and related fuel inventories, are effectively monetary items.

Income taxes included in the inflation adjusted statements remain unchanged from those amounts presented in the primary financial statements, since present tax laws do not allow deductions for depreciation adjusted for inflationary effects.

INFLATION EFFECTS AND RATE REGULATION: Present regulatory ratemaking limits the Corporation's recovery of plant investments and other expenses to historical cost amounts in charges for service to customers. Therefore, the excess of constant dollar or current cost utility plant over historical cost is not recoverable in rates. Significant non-recoverable amounts are included in the constant dollar and current cost depreciation figures for 1982. A further amount related to inflation during 1982 is shown as a Current Year Adjustment to Recoverable Cost plant. The Total 1982 Reduction to Recoverable Cost is indicative of the additional cash flow from depreciation required to preserve the purchasing power of invested capital. While this effect is partially offset by the gain from holding long-term debt, the Corporation has a net purchasing power loss that erodes common shareholder interests and which can be overcome only as a result of appropriate recognition in the rate regulatory process.

Five Year Comparison of Selected Financial Data*

Year Ended December 31,	In Thousands Except Per Share Data				
	1982	1981	1980	1979	1978
Operating revenues					
As reported	\$2,405,527	\$2,065,487	\$1,831,741	\$1,490,154	\$1,326,644
In 1982 average purchasing power	2,405,527	2,192,116	2,145,690	1,981,617	1,962,800
Income (Loss) before extraordinary items					
As reported	\$ 33,734	\$ 20,544	\$ 20,591	\$ 95,783	\$ 138,774
In constant dollars	(169,652)	(155,321)	(141,336)	(15,820)	
In current cost dollars**	(190,673)	(176,976)	(169,737)	(57,368)	
Earnings (Loss) per share before extraordinary items					
As reported	\$ 0.55	\$ 0.33	\$ 0.34	\$ 1.56	\$ 2.30
In constant dollars	(2.77)	(2.54)	(2.31)	(0.26)	
In current cost dollars**	(3.11)	(2.89)	(2.77)	(0.94)	
Cash dividends per common share					
As reported	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1.20	\$ 1.77
In 1982 average purchasing power	0.00	0.00	0.00	1.62	2.61
Market price per common share at year-end					
As reported	\$ 6.750	\$ 6.750	\$ 5.000	\$ 8.625	\$ 17.500
In 1982 average purchasing power	6.674	6.932	5.594	10.846	24.935
Net plant assets (in 1982 year-end dollars)***					
In historical cost dollars	\$3,958,438	\$3,871,243	\$3,729,452	\$4,084,619	\$3,948,821
In constant dollars	7,742,510	7,850,117	7,874,990	8,688,208	
In current cost dollars**	8,021,295	8,128,670	8,209,012	9,157,035	
Net assets at recoverable cost					
In historical cost dollars	\$1,861,553	\$1,823,244	\$1,807,323	\$1,785,556	\$1,757,554
In constant dollars	1,840,550	1,872,496	2,022,090	2,246,053	
In current cost dollars**	1,840,550	1,872,496	2,022,090	2,246,053	
Current cost increases, net of general inflation, after current year adjustment to recoverable cost**	\$ 75,386	\$ (154,804)	\$ (352,885)	\$ (484,353)	
Gain from decline in purchasing power of net amounts owed	\$ 78,957	\$ 180,789	\$ 299,048	\$ 374,473	
Selected balance sheet data at year end (historical costs)					
Total assets	\$5,180,661	\$5,054,021	\$5,042,972	\$4,991,994	\$4,612,683
Long-term debt	1,998,700	2,109,336	2,105,439	2,148,972	2,017,123
Cumulative preferred stock—mandatory redemption	72,274	77,335	82,376	87,396	92,403
Average common shares outstanding	61,264	61,264	61,264	61,218	60,217
Average consumer price index	289.1	272.4	246.8	217.4	195.4
December consumer price index	292.4	281.5	258.4	229.9	202.9

* All constant dollar and current cost amounts expressed in 1982 average dollars, except as noted.

** Prior years' current cost amounts adjusted to 1982 by applying the CPI-U indexes, as required.

*** Includes \$5,284 for Other Physical Property and excludes \$33,609 for the TMI-2 damaged core. The latter is treated as a monetary item for FAS No. 33 disclosure purposes.

Directors

Louis J. Appell Jr.^{1,2,3}

President

Susquehanna Broadcasting Co.
York, Pennsylvania 17405
(Communications and
Consumer Products)

Donald J. Bainton^{1, 2}

Executive Vice President

The Continental Group, Inc.
Stamford, Connecticut 06904
(Packaging)

John F. Burditt^{1,2}

Chairman and Chief Executive Officer

ACF Industries, Inc.
New York, New York 10017
(Equipment Manufacturing)

Herman Dieckamp

President and Chief Operating Officer

General Public Utilities Corporation
Parsippany, New Jersey 07054

Dr. David L. Grove^{1,3}

President

David L. Grove, Ltd.
Armonk, New York 10504
(Economic Consultants)

William G. Kuhns

Chairman and Chief Executive Officer

General Public Utilities Corporation
Parsippany, New Jersey 07054

John F. O'Leary^{1,3}

Energy Consultant

Washington, D.C. 20015

Dr. John W. Oswald^{1,3}

President

Pennsylvania State University
University Park, Pennsylvania 16802

Paul R. Roedel^{1,2}

President and Chief Executive Officer

Carpenter Technology Corporation
Reading, Pennsylvania 19603
(Specialty Metals)

¹Member of Audit Committee

²Member of Compensation Committee

³Member of Nominating Committee

Officers

General Public Utilities Corporation

William G. Kuhns

Chairman and Chief Executive Officer

Herman Dieckamp

President and Chief Operating Officer

Verner H. Condon

Vice President and Chief Financial
Officer

Edward J. Holcombe

Comptroller

John G. Graham

Treasurer

William B. Murray

Secretary

Grace Wade

Assistant Secretary

Subsidiary Company Presidents and Chief Operating Officers

Robert C. Arnold

GPU Nuclear Corporation

Herman Dieckamp

GPU Service Corporation

James R. Leva

Pennsylvania Electric Company

Floyd J. Smith

Metropolitan Edison Company

William A. Verrochi

Jersey Central Power & Light Company

James B. Liberman

General Counsel

SHAREHOLDER NOTES

1983 Annual Meeting

The Annual Meeting of Stockholders of General Public Utilities Corporation will be held at 10 A.M. EDT, May 4, 1983 at the Birchwood Manor in Whippany, New Jersey.

Too many reports?

You may be receiving extra copies of the GPU Annual Report because of multiple accounts within your household. To stop the extra copies, please write to the Connecticut National Bank, P.O. Box 210, Hartford, CT 06101. Please enclose the mailing labels from the extra copies.

For further information

Copies of GPU's "System Statistics" and of the Corporation's 1982 annual report to the Securities and Exchange Commission will be available after March 31, 1983. Write to Mr. William B. Murray, Secretary, General Public Utilities Corporation, 100 Interpace Parkway, Parsippany, NJ 07054.

Transfer Agent and Registrar - Common Stock

Connecticut National Bank
150 Windsor Street, Hartford, CT 06115

Agent - Dividend Reinvestment and Stock Purchase Plan - Common Stock

Connecticut National Bank
P.O. Box 210, Hartford, CT 06101

QUARTERLY STOCK PRICE DATA 1981-1982

	Price	
	High	Low
1981		
First Quarter	5 1/2	3 7/8
Second Quarter	5 3/4	4 1/8
Third Quarter	5 3/8	4 3/8
Fourth Quarter	6 7/8	4 3/8
1982		
First Quarter	7 1/8	4 1/2
Second Quarter	5 3/4	4 5/8
Third Quarter	6 1/8	4 3/4
Fourth Quarter	7 1/4	5 1/4

GPU is listed on the New York Stock Exchange. At December 31, 1982 there were 122,884 registered holders of GPU Common Stock. With respect to restriction on the payment of common stock dividends by GPU, see Note 10 to the Financial Statements, page 30.

The General Public Utilities System Companies

General Public Utilities Corporation

100 interpace Parkway
Parsippany, NJ 07054
(201) 263-6500

GPU Service Corporation

GPU Nuclear Corporation

(Addresses and telephone numbers same as GPU Corp.)

Jersey Central Power & Light Company

Madison Avenue at PunchBowl Road
Morristown, NJ 07960
(201) 455-8200

Metropolitan Edison Company

2800 Pottsville Pike
Reading, PA 19640
(215) 929-3601

Pennsylvania Electric Company

1001 Broad Street
Johnstown, PA 15907
(814) 533-8111