RELATED CORRESPONDENCE

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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USNRC

Before the Atomic Safety and Licensing Board

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In the Matter of LONG ISLAND LIGHTING COMPANY (Shorenam Nuclear Power Station, Unit 1)	Docket No. 50-322-OL-4 (Low Power)

TESTIMONY OF MICHAEL D. DIRMEIER AND
JAMSHED K. MADAN ON BEHALF OF SUFFOLK COUNTY

I. STATEMENT OF QUALIFICATIONS

Q. Please state your names and occupations.

A. My name is Jamshed K. Madan and my business address is 456 Main Street, Ridgefield, Connecticut. I am a principal in the management consulting firm of Georgetown Consulting Group, Inc.

My name is Michael D. Dirmeier and my business address is 456 Main Street, Ridgefield, Connecticut. I am a member of the firm of Georgetown Consulting Group, Inc..

Q. Please describe the general nature of your firm's services.

A. Our firm offers services in financial and management consulting with special emphasis on utility regulation. Members of our firm have performed or are performing analyses of petitioners' testimonies and have presented testimony before many commissions and boards in regulatory cases involving telephone companies, air carriers, pipeline companies, and electric, gas and water utility companies.

Q. Briefly describe your educational and professional background.

A. (Madan) I graduated from the Massachusetts Institute of Technology in 1966 with a Bachelor of Science Degree in Electrical Engineering. I continued my graduate studies at M.I.T. and in 1968 I graduated with a Master of Science Degree in Management from the Alfred P. Sloan School of Management. During my graduate studies, I held the position of research assistant and teaching assistant in areas related to financial management.

From August 1968 through April 1979, I was primarily employed by Touche Ross & Co., an international public accounting firm. I was promoted to principal in September 1977 and held the position of National Director of

Regulatory Consulting. I left Touche Ross & Co. to become a principal in Georgetown Consulting Group in May of 1979.

I have presented testimony on accounting and related matters on behalf of Rate Counsel, the public or intervenors before various public utility commissions in proceedings in 15 states, including proceedings before the New York Public Service Commission involving LILCO. A listing of the rate proceedings in which I have presented testimony is set forth in Attachment 1.

Besides regulatory consulting, I have been the project leader on other projects, including operations reviews, financial feasibility studies, economic studies, marketing studies, cash flow analyses, cost reduction studies, and system planning studies. I have also given talks before American Management Association meetings entitled "Rate of Return Concept - A Management Tool."

(Dirmeier) I hold a Master of Business Administration degree in finance from the University of Chicago, received in 1973, and a Bachelor of Science degree in Physics, received from Texas A&M University in 1971.

I hold a Certificate in Management Accounting, which is a professional certification for management accountants and financial managers awarded by the Institute of Management Accounting of the National Association of Accountants.

Prior to joining Georgetown Consulting Group, Inc., I was employed by Touche Ross and Co. My consulting experience includes operations reviews, system implementation and product-line analysis.

Before joining Touche Ross, I was a financial analyst with the Bendix Corporation. My work included capital budgeting, investment analysis, financial modeling and planning, analysis of acquisitions and divestments, and preparation of financial reports for the Board of Directors. I have also analyzed company testimony, managed the preparation of accounting testimony or testified in 13 jurisdictions including before the New York Public Service Commission in matters involving LILCO. A listing of the rate proceedings in which I have presented testimony is set forth in Attachment 2.

II. SCOPE AND PURPOSE OF TESTIMONY

Q. Please indicate the scope and purpose of this testimony.

A. In its May 22, 1984 Application for Exemption, LILCO claims that the requested exemption is in the public interest. LILCO's claim is based, in part, on an analysis that purports to show that economic benefits would flow from a grant of the Application and the early low power testing of Shoreham. The purpose of this testimony is to address LILCO's economic benefit claim and how the public interest would be affected by the grant of the requested exemption. Unless otherwise indicated, all the testimony which follows is jointly sponsored by both of us.

III. ECONOMIC EFFECTS OF GRANTING THE EXEMPTION

A. LILCO's Claimed Economic Benefit

Q. Please state your understanding of LILCO's claimed economic benefit.

A. In its Application, LILCO initially claimed that granting the exemption would be "in the public interest because it will result in economic benefits of $90-$135 million." (Application 20-21). Subsequently, during the course of discovery, the LILCO witness who will be testifying on the claimed "economic benefits" of granting the exemption stated that the $90-$135 million range of figures "is not correct" (Nozzolillo Depo. Tr. 134). LILCO is now claiming, apparently, that the economic "benefit" will be either $8 million or $42 million, depending on the timing of LILCO's receipt of certain alleged tax benefits. (See Nozzolillo Depo. TR 121-134 and Attachment 3 hereto.)

Q. How did LILCO arrive at the $8 million and $42 million figures?

A. Both the $8 million figure and the $42 million figure reflect benefits which LILCO perceives as flowing from LILCO's premise that the granting of the pending Application will enable Shoreham to go into commercial operation approximately three months earlier than would otherwise be the case. The financial models which LILCO has furnished during discovery compare the potential impact on ratepayers of commencing commercial operation in July 1, 1985 (as presently projected by LILCO) with waiting until October 1, 1985 to commence commercial operation.

LILCO has prepared computer-based corporate financial models of sales, revenues, expenses, balance sheets and cashflows covering the years 1984-2000. These models have been developed for three alternative hypothetical dates on which Shoreham would be considered to be "in service" as follows:

Full power operation	In-service for tax purposes
July 1, 1985	Dec. 1984
July 1, 1985	Jan. 1985
Oct. 1, 1985	Mar. 1985

For each of the above alternatives, LILCO computed the revenue requirements (that is, the amount LILCO must receive from ratepayers), expenses and other financial indicators in each of the years 1984-2000. In order to compare the financial results, LILCO then computed the net present value of the revenue requirements under each alternative. A higher net present value equates to higher revenues and is, therefore (all other things being equal) less desirable, from a ratepayer's point of view, than a lower net present value. This is because a higher net present value means that the ratepayers must pay higher rates (in real terms).

The results of LILCO's computations are as follows:

Full Power Operation	In service for tax purposes	($ millions) Net Present Value (1)
July 1, 1985	Dec. 1984	$21,295
July 1, 1985	Jan. 1985	21,329
Oct. 1, 1985	Mar. 1985	21,337

(1) Note: Present Value of 17 years' revenue requirements.

LILCO's computations, as provided during discovery, are annexed as Attachment 3.1/ Our own computations, which are based on LILCO's computation presented in a different format, are annexed hereto as Attachment 4.

In analyzing the Company's computations, it is obvious that the net present value of revenues is affected by when Shoreham goes into full power operation and when it is declared "in-service" for federal corporate income tax purposes. LILCO's minimum claimed benefit of $8 million from the grant of the exemption is based on the assumption that Shoreham will be in-service for tax purposes in 1985, and represents LILCO's projected effect of beginning the full power operation three months earlier than the case without the grant of the exemption. LILCO's

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1/ We learned on July 12, 1984, that LILCO has prepared new financial runs reflecting somewhat different assumptions. After we have had an opportunity to review these new data, we will, if necessary, amend our testimony.

maximum claimed benefit of $42 million starts with the $8 million effect of a three-month change in the timing of full power operation plus an additional $34 million benefit which could be obtained only if Shoreham can be declared in-service for tax purposes in 1984 rather than in 1985. Thus, the maximum $42 million benefit consists of an $8 million element and a separate $34 million element.

The $34 million figure represents the differential in net present value effect of beginning the stream of benefits to ratepayers related to tax depreciation in 1984, as opposed to 1985. The $34 million differential assumes that Shoreham is in service for tax purposes on or before December 31, 1984. If Shoreham is not in service by that date, however, the $34 million differential disappea s.

The $8 million figure represents the present value of the differential in rates necessary to cover revenue requirements for all items other than tax depreciation (including, for example, estimated fuel savings), based on commencing commercial operation of Shoreham on July 1, 1985 instead of October 1, 1985.

Q. How would the 1984 tax in-service date create an apparent benefit?

A. If Shoreham can be declared in-service during 1984, LILCO's 1984 tax depreciation will be $186 million higher. This increase in tax depreciation is a tax benefit, resulting in lower taxes, which, in turn, reduces the amount of capital that investors have to provide to LILCO. Since revenue requirements provide a return on capital, lower capital requirements lead to lower revenue requirements. By depreciating Shoreham for tax purposes in 1984 rather than in 1985, the benefit of Shoreham tax depreciation is received earlier, thereby leading to a lower net present value of revenue requirements. This $34 million benefit can only be obtained if Shoreham is declared in-service for tax purposes in 1984 rather than in 1985.

Q. What creates the $8 million net present value difference for full power operation between July and October?

A. In the first 12 months after Shoreham begins commercial operation, LILCO's revenue requirements will be increased by over $800 million. The increase, which, in turn must be recovered from ratepayers, arises from the need to recover the carrying charges associated with Shoreham and the related depreciation, operations and maintenance expenses. If Shoreham goes into commercial operation on July 1, 1985, customers will pay $166 million more in revenue requirements in 1985 than if commercial power operation begins October 1, 1985. There is a greater revenue requirement associated with a July 1, 1985 commercial operation date, as opposed to on October 1, 1985 commercial operation date, because there will exist three more months in 1985 at which the higher (appoximately $800 million) revenue requirement amount will be charged to ratepayers. Thus, 1985 customers receive no utility rate benefit from a July 1, 1985 start-up. Customers in subsequent years will also have higher rates than if Shoreham had not been built, but lower with a July 1, 1985 start than an October 1, 1985 start.

Revenue requirements are lower in 1986 and subsequent years primarily because an earlier start up date accelerates the point in time at which costs incurred at Shoreham are expensed to the income statement and charged through higher rates to customers, rather than capitalized as a higher book cost for the unit. Thus, the earlier full power date results in higher 1985 revenue requirements in exchange for a lower overall book cost for Shoreham. This lower overall book cost leads to relatively lower 1986 and subsequent revenue requirements. The cumulative effect of the higher 1985 revenue requirement and lower 1986-2000 revenue requirements is, according to LILCO, $8 million in net present value.

The $8 million net present value of this benefit would likely result from any three month difference in the timing of the commencement of full power operation, such as October to January, as well as the three months developed by the Company from July to October.

Q. How realistic, in your opinion, is the $8-$42 million benefit which LILCO claims will flow from the grant of the exemption?

A. LILCO's claimed benefits are greatly overstated. Indeed, based on LILCO's own analysis, we believe there is an economic detriment of $49 million resulting from the grant of the exemption. Thus, LILCO's rate-payers would be worse off if the Company were to obtain a low power license sooner rather than later.

Q. Please explain your last answer.

A. First, it is clear that Shoreham will not be in-service for tax purposes during LILCO's proposed low power testing program which is all that would be authorized by the requested exemption. In order to place the plant in service for tax purposes, LILCO must obtain a full power operating license which would require final NRC decisions on the outstanding emergency planning and TDI diesel issues. By LILCO's own admission (see Application for Exemption at 21), and as is clear from the current schedules for litigation of those issues, such decisions (and necessary "immediate effectiveness" approved by the NRC) are unlikely prior to the end of 1984. Thus, it does not appear to be possible for Shoreham to be in service for tax purposes in 1984, which means that $34 million of the $42 million maximum claimed benefit cannot be obtained. LILCO's economic benefit claim therefore is in reality only $8 million. In our opinion, the $8 million benefit is overstated and is actually a detriment of up to $49 million.

Q. Why do you say that the $34 million benefit resulting from 1984 tax depreciation cannot be obtained?

A. During his deposition, Mr. Nozzolillo testified that in order to be in service for federal income tax purposes, Shoreham has to generate sufficient electric power to the LILCO grid such that the electrical output from the plant exceeds the amount taken from the grid to run the plant; i.e., the net output has to be a positive figure to the grid (Nozzolillo Tr. 129). In the April 20 prefiled testimony of Messrs. Atambir S. Rao, Eugene C. Eckert, George F. Dawe and Robert M. Kasesok filed by LILCO, however, LILCO's witnesses state at page 34 that during Phases III and IV of LILCO's proposed low power testing program, "the generator will not be connected to the grid during these phases of testing." (emphasis supplied) This statement is also made at page 17 of the Affidavit of Dr. Glenn G. Sherwood, Dr. Atambir S. Rao, and Mr. Eugene C. Eckert, which was submitted by LILCO in support of its March 20, 1984 Supplemental Motion for Low Power Operating License. It is further our understanding that the turbine is not run at all during Phases I and II of LILCO's proposed low power program.

In short, since the Shoreham generator will not even be connected to the LILCO grid during the low power testing proposed by LILCO, there is no possibility that

Shoreham will be in service for federal income tax purposes prior to the issuance of a full power license, which appears highly unlikely if not impossible during 1984. Thus, the alleged $34 million tax benefit will not, and cannot, materialize.

Q. What are the areas in which LILCO in your opinion has overstated its $8 million claim?

A. LILCO's analysis shows that the cash cost of Shoreham decreases by $59 million if full power operation is moved up by three months. Earlier, we stated that this reduction in cash cost is achieved because expenses and revenue requirements are increased as costs are charged to customers rather than charged to the cost of Shoreham. LILCO's own analysis, however, shows only a $31 million increase in expense when Shoreham is operated three months earlier, although the cash cost of the plant is decreased by $59 million. Therefore, there is a $28 million mismatch in LILCO's analysis that erroneously favors the economics of earlier full power operation, because it either understates revenue requirements associated with a July 1, 1985 start-up date or overstates revenue requirements associated with an October 1, 1985 start-up. In either event, correction of this error, which has a net present value of $26 million, reduces LILCO's $8 million benefit claim to an $18 million detriment.

LILCO's second error results from its decision to stop the analysis in the year 2000, rather than analyzing the effect of early operation over Shoreham's anticipated full life cycle. The effect of this error is to exclude a net present value benefit of $14 million for operations in the years 2001 - 2015. In addition, this error results in an implicit assumption that early low power operation results in greater lifetime energy production from Shoreham. Correcting this error results in a reduction in the benefit of up to $45 million.

Q. Please explain the $28 million error in the Company's analysis.

A. The Company's financial models show that three month earlier full power operation decreases the capitalized cash cost of Shoreham by $59 million. Correspondingly, the amount expensed if operation is three months earlier should be $59 million greater to balance the lower capitalized cash cost. However, LILCO's own financial projections show only a $31.1 million increase in expense, as follows:

($ million)

	October 1, 1985	Change	July 1, 1985
Shoreham Cash Investment	$2,734.4	$(59.0)	$2,675.4
O & M Expense	$ 257.1	$ 16.1	$ 273.2
Property Tax	15.0	15.0	30.0
	$ 272.1	$ 31.1	$ 303.2

The above table shows that the July 1, 1985 projection has $59 million <u>less</u> expended at Shoreham, but only $31.1 million <u>more</u> expensed. As we discussed earlier, the effect of early full power operation is higher expenses and rates, but lower amounts charged to the capital cost of the plant. In LILCO's financial analysis, the lower capital cost is improperly not balanced by equal increases in expenses.

Q. How does this imbalance lead to a change in the relative net present values of assumed July versus October commercial full power operation?

A. To make the models comparable, we examined the impact on revenue requirements if expenses in the October 1 model were decreased by the $27.9 million difference between capital change ($59.0) and expense change ($31.1). If expenses are lower, revenue requirements will be lower by a similar amount to achieve the same earned rate of return on investment. Consequently, the net present value of revenue requirements for the October 1 operation alternative is reduced by $26 million, thereby improving this alternative's economic effect.

Q. Please explain the problems created by the Company's decision to stop the analysis in the year 2000.

A. Allowing Shoreham to operate commercially three months earlier in 1985 creates an increase in revenue requirements in that year of $166 million, because any fuel savings that may be achieved are far outweighed by increases in base rates to provide for depreciation, return, operation and maintenance of the unit. If Shoreham operates three months earlier, then it is presumed to retire three months earlier in the year 2015. Early operation in 1985 results in increased revenue requirements in the year 2015, because early retirement will result in lower fuel savings in that year.

A proper economic analysis of Shoreham's early operation would examine the trade-offs between the higher rates in 1984, and the lower rates in 2015, as well as the differences in revenue requirements in the intervening years. In general, the intervening years will have slightly lower revenue requirements if Shoreham is allowed to operate early, because the unit will be of lower book cost and therefore have lower depreciation and return requirements. LILCO's analysis already considers the effect of the lower revenue requirements in the years 1986 through 2000. Therefore, the corrections that we recommend are made in order to extend LILCO's analysis from the year 2000 through 2015.

Extension of the analysis includes two components: fuel expense and other elements of revenue requirements. In 1985, the fuel benefit of three month's earlier operation is projected to be $50 million. Obviously, estimation of the fuel detriment in the year 2015 is subject to great uncertainty, including the effects of inflation, changes in oil availability, technological changes, and so forth. For purposes of this analysis, we have assumed that the fuel difference in the year 2015 will be worth the same amount, in 1984 dollars, as the fuel saving in 1985. Significantly, even if there were no fuel offsets in 2015, LILCO's analysis would still show a $4 million detriment due to early operation of Shoreham. See Attachment 4. Expanding the analysis for the effects of lower depreciation and return requirements if Shoreham is allowed to operate earlier in 1985 provides an incremental benefit of $14 million. However, this benefit is more than offset by the detriment in 1985 due to the error in accounting for operations and maintenance expense discussed earlier.

Q. LILCO has claimed that earlier low power testing will result in significant savings in oil consumption. Do you agree with this claim?

A. No. LILCO's claim would be true in the short-run, if earlier low power testing guaranteed earlier full power commercial operation, which it does not, since TDI diesel and emergency planning issues remain to be resolved before issuance of a full power license, and it is the date of <u>commercial</u> operation which determines when oil savings would begin. That date is subject to many uncertainties. More importantly, however, in the long-run, LILCO's claim of oil savings can only be true if earlier operation results in a change in the operating life of Shoreham. In fact, the anticipated life of Shoreham is currently 30 years. Whether it runs 30 years from July 1, 1985 or from October 1, 1985 should result in no difference in the overall amount of oil that Shoreham will save, because the date of shutdown of the plant will change by a corresponding amount of time.

Q. Please summarize your conclusions based on your review of LILCO's analysis.

A. LILCO's analysis fails to support any claim of economic benefit from early operation of Shoreham. In fact, there is an economic detriment of up to $49 million associated with early operation of Shoreham. Earlier operation of Shoreham, if it leads to earlier rate recognition, will simply result in placing that increased burden on customers earlier rather than later. Thus, overall, granting the requested exemption would result in an economic detriment to ratepayers.

B. <u>Other Economic Effects of Granting the Exception</u>

Q. Your prior testimony has dealt with LILCO's claimed economic benefit resulting from LILCO obtaining a low power license now rather than waiting until the uncertainties surrounding the TDI diesels have been resolved. Have you considered whether the public interest would be served by having LILCO engage in low power operation at this time?

A. Yes.

Q. What are your views on that matter?

A. We do not believe the public interest would be served by having LILCO operate Shoreham at low power at this time, as opposed to waiting until the TDI diesel issues are resolved.

Q. What is the basis for your answer?

A. LILCO lacks the resources to assure that the activities for which it seeks an exemption from otherwise applicable NRC regulations can be conducted safely. There is an increased risk of inadequate maintenance and/or inadequate security were LILCO to operate Shoreham, even at low power, without sufficient resources. This risk relates to nuclear and non-nuclear operations. We do not believe the Company has the ability to cope with unexpected events or accidents, whether nuclear related or otherwise, because LILCO lacks the wherewithal and flexibility to deal with unpredicted contingencies. LILCO's existing customers have already suffered as a result of cut-backs in service to them. There is no reasonable assurance that LILCO even has the resources to conduct the activities it proposes to be engaged in during low power operation at Shoreham, or to shut down the plant and safely decontaminate it, if such action became necessary. Thus, it is our opinion that the public interest does not favor the grant of an exemption to permit early operation of Shoreham at a time when LILCO is unable to muster the necessary resources to carry out the necessary operational duties.

It is important to note that we consider this conclusion to be valid, even as events and circumstances change on a weekly basis. The primary difficulties being faced by LILCO -- potential default on loans for LILCO's share of Nine Mile Point 2 and potential reduction of requested rate relief due to LILCO management's imprudence -- remain important and significant obstacles to LILCO's ability to continue to provide safe and adequate service to the public during the anticipated period of early low power testing and likely well beyond.

Q. What leads you to believe that LILCO lacks the resources to assure that it can conduct its activities safely and that the public interest would be harmed if LILCO were to commence low power operation at this time?

A. Our belief is based on information that has recently come to light which shows that LILCO is on the verge of insolvency. In our opinion, the public interest is not served by permitting an insolvent company like LILCO to operate a nuclear plant, much less permit such operation on the basis of an unprecedented exemption from a safety regulation.

Q. What is the basis for your belief that LILCO is on the verge of insolvency?

A. The available information shows that LILCO has:

- Projected that it will run out of cash by September 1984;

- Cancelled payment of its common dividend and stated publicly that it may do the same for preferred dividends;

- Instituted an austerity program, involving layoffs of almost 1,000 jobs, thereby placing at risk its ability to provide safe and adequate service;

- Cancelled its payments toward the construction of Nine Mile Point No. 2, thereby placing at risk LILCO's $585 million investment in that unit;

- Placed itself subject to continuing periodic bank review that could lead to a declaration of financial default;

- Cancelled planned issuances of long-term debt, preferred stock and common stock;

- Been excluded from normal capital markets and from raising the capital it needs to continue to provide adequate service;

- Been forced to seek financing arrangements which, if consummated, may further limit the Company's ability to provide adequate service; and

- Sustained a strike of up to 3,900 of its remaining employees, because its financial condition has led it to seek wage and benefit reductions in contract negotiations which employees have rejected.

LILCO's continued capability to provide safe and adequate service must be seriously questioned at this time, due to both its serious financial problems, and the fact that it now must rely solely upon roughly 1,500 management (non-union) employees to provide all services. In addition, LILCO has made disclosures that indicate that its capability to provide service must continue to be questioned until: (1) some other party assumes $918 million of construction costs paid, and to be incurred, by LILCO for the construction of Nine Mile Point 2; and (2) other parties agree on terms, favorable to LILCO, concerning the ultimate amount of Shoreham costs that will be recognized in establishing electric rates.

Q. What information have you reviewed in reaching your conclusions that it is not in the public interest to permit the early operation of Shoreham on the basis of the exemption application?

A. The information we have reviewed includes (a) LILCO's annual report on Form 10-K as filed with the Securities and Exchange Commission (SEC) on March 30, 1984 (See Exhibit III of that report, attached hereto as Attachment 5); (b) its current report on SEC Form 8-K dated February 21, 1984 (Attachment 6 hereto); (c) LILCO's quarterly report on Form 10-Q, as filed with the SEC on May 15, 1984 (Attachment 7 hereto); (d) financial information furnished by LILCO in rate proceedings which are pending before the New York Public Service Commission ("PSC"); and (e) a "Position Paper" dated May 30, 1984, which was submitted by

LILCO to the Governor of New York on May 31, 1984 (Attachment 8 hereto).

Based on the information we have reviewed, it is our opinion that LILCO is on the brink of financial disaster. Thus, notwithstanding the fact that LILCO raised $911 million through external financing during 1983, at the time of the filing of the Form 10-K (i.e. on or about March 30, 1984), the Company believed it only had "on hand sufficient cash and short term investments to continue the Company's operations until the Fall of 1984" (Form 10-K at 6). More recently, in its quarterly report to the SEC on Form 10-Q for the three months ended March 31, 1984, LILCO identified August 31, 1984 as the date beyond which it will not have "sufficient cash and short term investments to continue the Company's operations." (Form 10-Q at 22). The Form 10-Q also reveals that $90 million of LILCO's outstanding bonds will mature on September 1, 1984, at a time when LILCO is not presently anticipated to have the funds to meet such an obligation.

Q: What are the public interest ramifications of having a utility with little or no cash engaging in low power testing of a nuclear reactor?

A. LILCO's current situation raises the clear potential that if LILCO were granted a low power license, it might have significant difficulty in paying for items which are necessary for safe operation. In our view, the public interest is not served by licensing a plant where such a potential exists.

Q: What measures has LILCO already taken to raise cash?

A. LILCO will run out of cash on or about August 31, 1984 notwithstanding that: (1) LILCO raised approximately $63 million of external financing in January and February 1984 (Form 10-K at 6); (2) LILCO has instituted austerity measures intended to save $100 million in cash (Form 10-K at 2); (3) LILCO has unilaterally ceased construction payments for its share of Nine Mile Point 2, even though such action threatens acceleration of $500 million of LILCO's outstanding debt (Form 10-K at 58);[2/] and (4) LILCO has omitted common stock dividends, which would otherwise have

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2/ Had LILCO not unilaterally ceased construction payments for its share of Nine Mile Point 2 in February 1984, it is estimated that it would have had to pay $114 million for such construction during 1984. Of this amount, only $11.5 million was paid before LILCO ceased making further payments. If LILCO had continued payments on Nine Mile Power 2, it might well already be out of cash.

amounted to approximately $180 million during the remainder of 1984.

LILCO's financial situation has deteriorated, in fact, to the point that its outside auditor, Price Waterhouse, has taken the unusual step of qualifying its report on the Company's financial statements to the effect that the opinion was "subject to the Company's continued financial viability." (Form 10-K at 49). In short, the report questioned whether LILCO was capable of continuing operations. In its report to LILCO, Price Waterhouse enumerated specific matters, the outcome of which was indeterminable, as were their effects on the financial position or results of operation of LILCO.[3/] Price Waterhouse

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3/ Specifically, Price Waterhouse noted:

(a) That the Staff of the New York Public Service Commission, on February 10, 1984, alleged "serious mismanagement and inefficiency throughout" the Shoreham project;

(b) That LILCO has been notified that other participants in the Nine Mile Point 2 project consider LILCO to have defaulted in its financial obligations to the project; that LILCO's suspension of its payments for Nine Mile Point 2 may have constituted a violation of LILCO's agreement with lending banks; that the banks have effectively given LILCO a renewable (at the bank's option) 30-day grace period; and that in the absence of such a grace period other "long term debts of the Company could become due and payable as a

(Footnote cont'd next page)

concluded, therefore, that LILCO "cannot give any assurance of its ability to meet its capital and operating requirements." (Form 10-K at 49).

Q. Is it common for an outside auditor to qualify its opinion on the financial statements of a public utility in the manner which Price Waterhouse has done?

A. No, it is extremely rare and is an indication of a company which is in a severe financial crisis and whose entire economic existence is in doubt.

Q. Does LILCO have the resources to meet immediate capital needs?

A. No. LILCO has stated that it will require $700 million in 1984 cash to meet anticipated capital expenditures and refunding requirements. (Form 10-K at 46).[4] As of

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(Footnote cont'd from previous page)

result of cross-defaults and result in rights of acceleration of maturities of such debt";

(c) That recovery of $118 million in costs of abandoned nuclear projects and $111 million advanced to a supplier of uranium concentrates were (as evidenced elsewhere in the Form 10-K) uncertain.

4/ The $700 million does not reflect putative savings of $100 million resulting from LILCO's austerity plan.

December 31, 1983, the Company had approximately $275 million in cash and temporary cash investments. (Form 10-K at 52). By February 20, 1984 the $275 million figure had dwindled to $214 million (Form 8-K at 1); and by March 31, 1984, cash and short term investments amounted to only $174 million (Form 10-Q at 4).

Assuming that LILCO is able to save $100 million as a result of its "austerity" program, the Company would still need $325 million in cash, beyond cash and investments on hand as of December 31, 1983, in order to meet its planned capital expenditures during 1984. Of the $325 million necessary, LILCO raised approximately $63 million of external financing during January and February 1984 (Form 10-K at 6), and after consideration of omitted common dividends, the net shortage in 1984 is approximately $80 million. Thus, if all of LILCO's cash conservation plans were fully realized during 1984, it would still be approximately $80 million short of funds by the end of the year. Mr. Sideris, LILCO's Vice-President for Finance, has filed testimony before the New York Public Service Commission indicating LILCO's year-end shortfall will be between $44 million and $64 million.

All of LILCO's existing lines of credit have been drawn down (Form 10-K at 8), and the Company has disclosed no commitments from any source to furnish LILCO additional financing. Indeed, in the absence of outside financing or other unanticipated event, LILCO will be unable to pay the $90 million due on outstanding bonds which will mature on September 1, 1984.

Q. How has LILCO's condition affected its ability to raise funds externally?

A. Because of its condition, LILCO has effectively been blocked from access to the financial markets. Thus, as further evidence of LILCO's dire financial condition, its Form 10-K states: ". . . given the various adverse factors now impacting the Company, little or no assurance can be given regarding the Company's ability to raise additional funds in 1984 and in future years in order to meet construction and other capital requirements and operational needs." (Form 10-K at 6).

The various ratings services have all lowered their ratings of the Company's securities. Indeed, Moody's Investors Service, Inc. ("Moody's") recently has lowered its ratings of the Company's securities on three occasions:

in December 1983, January 1984 and March 1984. (Form 10-K at 9). The company has stated: "In Moody's view, since December 1983, when it reduced the Company's ratings on all of the Company's fixed income securities, the Company's prospects for continued financial flexibility and for reduction of the Shoreham safety plan impasse have worsened." (Form 10-K at 9). Neither Moody's, Standard & Poor's Corporation, nor Duff & Phelps considers any of the Company's securities to be of investment grade. (Form 10-K at 10). Moreover, as of March 31, 1984, "[t]he Company's commercial paper ratings have all been withdrawn." (Form 10-Q at 26). By May 30, 1984, none of LILCO's securities were "considered of investment grade" (Position Paper, 46). The Company has stated: "In view of LILCO's financial condition, external financing is not presently available . . . ." (Position Paper, 1).

Q. What kinds of financing arrangements has LILCO been seeking?

A. It is our understanding that LILCO has recently sought, but to our knowledge has not received, $200 million of additional bank financing. Terms of the discussions are not generally available, but we understand that this financing would entail transfer of control of certain LILCO assets to the lending banks. While this type of financing might address the immediate cash problem LILCO faces, in our opinion it would exacerbate LILCO's problems in providing safe and adequate service, and thus make the granting of the requested exemption even less in the public interest.

Q. Why is that?

A. The assets that the banks could control, as a result of the type of financing LILCO seeks, are likely to include fuel stock inventories that LILCO builds up during the summer for later burn-up or sale during winter months. It is normal practice for LILCO to have these inventories so that in the winter, when demand outstrips the ability to transport fuel into the service area, service demands can be met. However, if the inventories were controlled by banks, LILCO may not be able to sell the inventories and provide service to its customers. Thus, not only would normal utility practice and operating procedure be circumvented by the type of financing LILCO apparently seeks, but the public would potentially suffer.

Q. If LILCO has insufficent internal financial resources and no access to the capital markets, can it rely on rate relief to provide the necessary financial resources?

A. Not in our opinion. In addition to running out of cash on August 31, the ultimate recoverability by LILCO of Shoreham-related costs through rate relief is very much in doubt as a result of LILCO's alleged "serious mismanagement and inefficiency throughout the project." (Form 10-K at 48). Thus, the PSC is "currently investigating the prudency of the costs incurred by the Company in the construction of Shoreham." (Form 10-K at 22). In that proceeding, the staff of the PSC has recommended that "no more than $2.296 billion of the Shoreham costs be allowed in rate base." (Id.) Assuming July 1, 1985 is the earliest possible date on which LILCO might hypothetically put Shoreham into commercial service, at an estimated overall cost of $4.1 billion (Form 10-K at 19), the PSC staff's recommendation, if adopted by the PSC, would mean that LILCO would have to absorb $1,804,000,000 of Shoreham-related costs.5/ To the extent LILCO's continuously escalating estimate of $4.1 billion for Shoreham is exceeded, the PSC staff's recommendation would require LILCO to absorb a figure greater than $1.8 billion. Any

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5/ Certain intervenors in the proceeding, including Suffolk County, have sought to limit LILCO's recovery to $1.9 billion--a projected shortfall of $2.2 billion. (Form 10-K at 22).

disallowance has the potential, in the Company's own words, to "jeopardize the Company's ability to meet its financial obligations." (Form 10-K at 23). LILCO has recently made clear that a settlement of the prudency proceeding, on terms favorable to LILCO, is an underlying assumption of LILCO's plan to stave off bankruptcy. (Position Paper at 50). The terms which LILCO proposed, and which have been rejected by the Governor of New York, involve an absorption by LILCO of only $250 million -- instead of between $1.8 billion and $2.2 billion -- of Shoreham-related costs. (Position Paper at 51.)

Q. Would rate relief unrelated to Shoreham significantly improve LILCO's condition?

A. No. Non-Shoreham related rate increases are not likely to help stave off a financial disaster for LILCO. According to the Company's own figures, even if 100 percent of pending non-Shoreham rate relief is obtained, LILCO will still have a cash deficit of $43.3 million in September 1984 and of almost $61 million in December 1984. (June 21, 1984 letter from Gerard A. Maher, counsel for LILCO, to Hon. Frank S. Robinson, Administrative Law Judge, NYPSC, a copy of which is attached hereto as Attachment 9).

Q. What are the implications of LILCO's ceasing construction payments on Nine Mile Point 2 on LILCO's ability to run Shoreham at low power at an early date?

A. As noted previously, on February 9, 1984, LILCO "suspended" payments for its 18 percent share of construction costs of Nine Mile Point 2, a nuclear generating unit under construction near Oswego, New York. The cotenants of Nine Mile Point 2, in addition to LILCO, are Niagara Mohawk Power Corporation, who acts as agent for the cotenants, New York State Electric and Gas Corporation, Rochester Gas and Electric Corporation and Central Hudson Gas and Electric Corporation. (Form 10-K at 27). As a result of this unilateral suspension on the part of LILCO, "Niagara Mohawk has notified the Company that it considers the Company to be in default of its obligations to the other cotenants and has demanded payment." (Form 10-K at 27). Niag-ra Mohawk also has advised LILCO that Niagara Mohawk "may institute litigation against the Company . . . [which] could result in encumbering, diminishing or eliminating" LILCO's interest in Nine Mile Point 2. (Form 10-K at 27). As of December 31, 1983, the cost of LILCO's share of Nine Mile Point 2 was $585 million. (Form 10-K at 27).

LILCO's suspension of payments for Nine Mile Point 2 has raised the spectre of the acceleration of all of its outstanding Nine Mile Point debt -- approximately $500 million as of December 31, 1983. Thus, counsel for the banks who made loans to LILCO for purposes of Nine Mile Point 2 has questioned whether LILCO's suspension of payments for Nine Mile Point 2 violates the terms of LILCO's debt obligation. (Form 10-K at 57). In order to forestall immediate acceleration of LILCO's debt, however, LILCO and the lending banks for Nine Mile Point 2 have agreed that, only for so long as holders of two-thirds of the Nine Mile Point 2 debt continue to agree, no default on the debt will be declared for successive 30-day periods beginning April 27, 1984. (Id.)

Q. You have described the bases for believing that LILCO is tottering on insolvency such that the grant of an exemption would not be in the public interest. How does LILCO hope to save itself from bankruptcy and thus attempt to change this situation?

A. LILCO proposes that public agencies agree to alleviate LILCO's financial burdens. Thus, in its Position Paper, LILCO made a proposal to the Governor of New York which in

LILCO's view "assures a continuous electric supply, minimizes rate increases and saves LILCO from bankruptcy." (Position Paper at 4). A necessary condition of LILCO's proposal, and hence of avoiding bankruptcy, is "that LILCO's share, past and present, in the Nine Mile Point 2 nuclear plant is assumed by others." (Position Paper at 5). LILCO proposes that the New York Power Authority or "other state bonding agencies" undertake this bail-out (Position Paper at 52).

As of December 31, 1983, LILCO had invested $585 million (including payments for fuel and debt service) in Nine Mile Point 2. Since then, it paid $11.5 million in January 1984. LILCO is still obligated to pay $65 million in financing costs for Nine Mile Point 2 during 1984 (Form 10-K at 27), even though it has already defaulted on $102.5 million of 1984 construction payments for the project. Thus, without curing the default, by the end of 1984, LILCO will have invested a total of $661.5 million which someone else must assume if LILCO is to avoid bankruptcy.6/

6/ Furthermore, as revealed in LILCO's recent report to the SEC on Form 10-Q, the total estimated cost for completing Nine Mile Point 2 has risen to about $5.1 billion. (Form 10-Q at 8). LILCO's 18 percent share of that amount is

(Footnote cont'd next page)

The Position Paper also revealed, for the first time, that not only would LILCO require a $918 million bailout, but that the bailout would have to be coupled with rate relief, satisfactory to LILCO, to cover Shoreham-related costs. Thus, the Position Paper states:

> Two measures form the foundation of this proposal [to save LILCO from bankruptcy]. The first assumes that LILCO is relieved of its past and future obligation for Nine Mile Point 2 and that its cash investment in that plant is returned to the Company.
>
> The second measure crucial to the stability of the Company is a settlement of the prudency case.

(Position Paper at 50).

The Position Paper also makes clear that a bailout for Nine Mile Point 2 and settlement of the prudency proceeding are the only alternative for LILCO. "In view of

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(Footnote cont'd from previous page)

estimated to be $918 million. On May 30, 1983, LILCO disclosed that the Company needs governmental assistance from its participation in Nine Mile Point No. 2. Assuming that someone else is found to bail LILCO out of its Nine Mile Point 2 involvement, that someone else will have to incur new obligations of at least $256.5 million (beyond the payments LILCO will have made by the end of 1984) before the project is completed.

LILCO's financial condition, external financing is not presently available, and the Company's current estimates show that it will run out of cash in September 1984." (Position Paper at 1). Additionally, the Position Paper reveals, again for the first time, that additional austerity measures would not suffice to avert bankruptcy. "Other austerity measures and suspension of preferred dividends cannot solve LILCO's financial crisis, nor can they avert the threat of bankruptcy." (Position Paper at 47).

Q. How is the public interest affected by the austerity program?

A. At December 31, 1983, LILCO had 5,947 employees. The austerity program eliminated 741 LILCO positions and 245 jobs with outside contractors. This represents a 12.5 percent reduction in presumably needed and necessary positions. There can be no question that this action reduces LILCO's ability to provide safe and adequate service. The public interest is directly affected by any event that reduces that ability.

Further, the Position Paper revealed that LILCO's customers are already suffering as a result of the

Company's financial problems. In LILCO's words, "The effects of LILCO's financial crisis are presently being suffered . . . by its customers, who are subject to longer service response times and reduced customer service under the austerity plan." (Position Paper at 46).7/ The grant of an exemption would only further the adverse impact on LILCO ratepayers: low power operation at an early date in the midst of the financial crisis would lead to more nuclear expenditures and less resources to be spent for customer service. This not in the public interest.

Thus, LILCO is at reduced service levels, having cut back on current operation and maintenance programs in order to conserve cash. Apparently, not even Shoreham was exempted from austerity, since the Appendix to the Position Paper shows that austerity shifted $50 million of capital expenditures at the unit from 1984 to 1985.

Q. Is your conclusion regarding the public interest in present low power testing affected by consideration of

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7/ In addition, LILCO's counsel has stated "LILCO is now assuring safe and adequate service for the short run -- not the long haul." (June 21, 1984 letter from Gerard A. Maher, Counsel for LILCO, to Hon. Frank S. Robinson, Administrative Law Judge, NYPSC, attached hereto as Attachment 9).

what might happen if Shoreham goes into low power testing but fails ultimately to receive a full power license?

A. No, it is not. Our conclusion regarding near-term low power testing versus testing at a later date after diesel uncertainties are cleared up hinges on LILCO's current cash situation and financing capability, its low capability to deal with contingencies, and the grave uncertainties resulting from the Nine Mile Point No. 2 default and the possibility that Shoreham costs will not be recovered. In addition, however, we believe that if Shoreham is allowed to undergo testing and then does not receive a full power license, the result would clearly be a public detriment approaching, if not exceeding, $100 million.

Q. How do you compute the $100 million detriment from low power testing without subsequent full power operation?

A. Before discussing the computation of this amount, it should be recognized that if Shoreham does not achieve commercial operation, it will provide no benefit to the Company's customers from low power testing. However, if low power testing is permitted and Shoreham does not operate commercially, a new economic detriment is created.

The tangible economic costs resulting from low power testing, with subsequent abandonment, are estimated to be at least $100 million. This is composed of the following elements:

1. Reduction in salvage value of the Shoreham plant, and in the value of nuclear fuel.

2. Increased costs of decommissioning an irradiated nuclear facility.

3. Increased costs that will be incurred in handling and storing high level (fuel) waste and low level nuclear reactor system wastes.

4. Reduction in reclamation value of the Shoreham site, while radioactive materials are stored.

5. The increased costs incurred to perform low power testing activities will, themselves, have been incurred with no benefit.

Q. What is your understanding of the effect of low power testing on Shoreham's salvage value and nuclear fuel?

A. The state of the nuclear power industry in the United States is well known, with many plants having been abandoned, so there is some question as to whether there would be significant salvage proceeds from Shoreham relative to its $4.1 billion cost. However, there should be no question that the salvage proceeds would be reduced once the nuclear reactor internals and piping are irradiated.

In addition to the irradiation of the nuclear reactor internals, low power testing would also involve irradiation of the initial nuclear fuel load. LILCO's Office of Engineering Report indicates that "If Shoreham receives a low power license and operates before it is abandoned, there would be no salvage value for this core." (p. 22 of "Shoreham Operation versus Abandonment.") The cost in terms of lost nuclear fuel value is estimated at $70 million.

Q. How would low power testing affect the costs of decommissioning Shoreham?

A. At the present time, we understand that no portion of Shoreham has been irradiated. Consequently, dismantling it can be performed using conventional power plant techniques. After irradiation, even at low power levels, it would be necessary to employ increased safety measures during the plant's dismantlement, in order to control releases of radioactive materials to the environment and to limit worker exposure. Constant monitoring of the plant and workers would become a necessity. In the PSC phase-in hearings, LILCO estimated that the total cost of decommisioning (assuming full power operation had occurred) would be $407 million in after-tax dollars at the expiration of the plant's book life. This equates to approximately $130 million in today's terms. We have no information as to how much of that $130 million cost is due to the need to deal with irradiated fuel and components as opposed to dismantling the plant if it were never irradiated. Although the cost of decommissioning a plant that has operated only at 5 percent power would be less than that of a plant that had operated at full power, we do not know the point of the differential. Thus, the cost of decommissioning Shoreham following 5 percent operation would be some number lower than $130 million in today's terms.

Similarly, it is difficult at this time to estimate the lost value of the Shoreham site during the period in which radioactive materials would have to be stored there. It is our understanding that the federal government repository for nuclear wastes will not be ready until late in the 1990's, so it is likely that the period of storage, and thereby the period of lost value, is in the 15 to 20 year range.

Based on the preceding -- nuclear fuel loss, salvage loss, decommissioning and decontamination, and storage -- we believe the economic effect of testing without operation could easily exceed $100 million.

Q. Please summarize your conclusions.

A. In our opinion, there is a $49 million economic detriment associated with accelerating low power testing of Shoreham by three months. In addition, the public will be adversely affected by allowing LILCO to proceed with low power testing in the near term, so long as LILCO's financial future is so questionable as it is at the present time. Finally, so long as there is serious question as to whether Shoreham will receive a full power license, receipt of a low power license is not in the public interest.

ATTACHMENT 1

Attachment 1

Rate Proceedings in Which Testimony was Submitted by Jamshed K. Madan

Alabama

-	Continental Telephone of the South - Alabama	Docket No. 17968
-	South Central Bell	Case Nos. 10875 & 10876

Arkansas

-	Southwestern Bell Telephone Company	Docket No. 83-045-U

Colorado

-	Mountain States Telephone & Telegraph Company	Docket Nos. 1400 and 1575
-	Public Service Company of Colorado	Docket Nos. 1425 and 1525

Connecticut

-	Southern New England Telephone Company	Docket Nos. 770526 & 800418

Delaware

-	Delmarva Power and Light Company	Docket No. 41-79
-	Delmarva Power and Light Company	Complaint Docket No. 279-30
-	Delmarva Power and Light Company	Docket Nos. 80-29
-	Delmarva Power and Light Company	Docket No. 81-23, 81-13, 81-12

Georgia

-	Southern Bell Telephone Company	Docket No. 3393-U

Maryland

-	Baltimore Gas and Electric Company	Case No. 6985
-	Potomac Electric Power Company	Case No. 7348
-	Chesapeake and Potomac Telephone Company	Case Nos. 7467 and 7591
-	Delmarva Power and Light Company	Case No. 7427

Massachusetts

-	Boston Edison Company	DPU-906

Minnesota

-	Northwestern Bell Company	Docket No. P-421/ GR80-911

New Jersey

-	Atlantic City Electric Company	Docket Nos. 701-641 & 772-113
-	Elizabethtown Gas Company	Docket No. 727-624
-	Elizabethtown Water Company	Docket No. 727-606
-	Hackensack Water Company	Docket No. 744-315
-	Jersey Central Power and Light	Docket Nos. 743-184 & 7610-1021
-	New Jersey Bell Telephone Company	Docket No. 747-522, 7512-1251, 7711-1136, 802-135 and 815-458
-	Public Service Electric and Gas Company	Docket Nos. 744-335 & 794-310 and 812-76

New York

-	Long Island Lighting Company	Case Nos. 27374 & 27375 Case No. 27774
-	New York Telephone Company	Case Nos. 27100 & 27469

Ohio

-	Columbus and Southern Ohio Electric Company	Docket No. 78-1439 EL-AEM
-	Ohio Bell Telephone Company	Case No. 79-1184 TR-AIR
-	Cleveland Electric Illuminating	Case No. 81-146 EL-AIR

Pennsylvania

-	Bell Telephone Company of Pennsylvania	R.I.D. 367 and 811819
-	Metropolitan Edison Company	R.I.D. 434, 626 & 308
-	Pennsylvania Electric Company	R.I.D. 392, 599 & 308
-	Philadelphia Electric Company	R.I.D. 295, et al.

Vermont

-	New England Telephone and Telegraph Company	Docket No. 3806

Virgin Islands

-	Abramson Bus Lines	
-	Manassah Bus Lines	Docket No. 150
-	Virgin Islands Telephone Company	Docket Nos. 104, 105, 108, 126, 121, and 180
-	Virgin Islands Water & Power Authority	Docket No. 193

ATTAC MENT 2

Attachment 2

Rate Proceedings in Which Michael D. Dirmeier has Participated

Colorado

-	Public Service Company of Colorado (1981)	I&S 1525
-	Mountain Bell Telephone (1982) (1984)	I&S 1575 I&S 1655

Delaware

-	Diamond State Telephone Company (1982)	Docket No. 82-32

Maryland

-	Delmarva Power & Light Company	Case No. 7734
-	Baltimore Gas and Electric Company (1977) (1983)	 Docket No. 7070 Docket No. 7695
-	Potomac Electric Power Company (1982)	Docket No. 7662

Minnesota

-	Northwestern Bell Telephone Company (1981)	Docket No. P-421/ GR-80-911
-	Northwestern Bell Telepohone Company (1983/4 divestiture case)	Docket No. P-421/ GR-83-600

Mississippi

-	South Central Bell Telephone Company Accounting and Divestiture	Docket No. U-4415

New Jersey

- Atlantic City Electric Company (1982)	Docket No. 822-116
- Elizabethtown Gas Company (LPGA, 1981)	
- Hackensack Water Company (1980)	Docket No. 804-275
(1981)	Docket No. 815-447
(1982)	Docket No. 815-447
- Jersey Central Power & Light Co. (2 cases: 1979, 1980)	Docket No. 795-427
- Middlesex Water Company (2 cases: 1979, 1980)	Docket No. 793-269
- New Jersey Bell Telephone Co.	
(1978)	Docket No. 7711-1136
(1981)	Docket No. 815-458
Expensing Station Connections	Various Dockets
- New Jersey Bell Telephone Co. (1983 divestiture case)	Docket No. ___
- New Jersey Natural Gas Company (1982)	BPU Docket No. 815-459 (Phase II)
- PURPA ratemaking standards (1980)	
- Rockland Electric Co. (LEAC, 1979 and 1980)	Docket Nos. 7911-920 7611-1100
- South Jersey Gas Company (Overearnings case, 1981)	Docket No. 808-517
- West Keansburg Water Co. (1978)	Docket No. 7710-1026

New Mexico

- Mountain States Telephone and Telegraph Co. (1979)	Docket No. 877

New York

-	Consolidated Edison Company (1980)	Docket No. R-800-11069
-	Long Island Lighting Company (1980) Rate Case (1982/3 Shoreham Phase-In)	 Docket No. 27774 Docket No. 28252
-	New York Telephone Company (2 cases: 1979, 1980)	Docket Nos. 27469 & 27710

Ohio

-	Columbus and Southern Ohio Electric Co. (1977/8)	Docket No. 77-545-EL-AIR
	(1978/9)	Docket No. 78-1439-EL-AIR
-	Toledo Edison Electric Co. (1979)	Docket No. 79-143-EL-AIR

Pennsylvania

-	Bell of Pennsylvania (1982 accounting)	RID 1819
-	Bell of Pennsylvania (1983) (Accounting & Divestiture)	Docket R-811319
-	Duquesne Light Company (1982)	Docket No. R-21945
-	Metropolitan Edison and Pennsylvania Electric Co. (2 cases: 1979, 1980)	Docket Nos.I-79040308 & M-79040129
-	Metropolitan Edison Company (1980) (1981) (1983)	Docket No. R-80051196 Docket No. R-80011601 Docket No. R-822249
-	Pennsylvania Electric Company (1980) (1981) (1983)	Docket No. R-80051197 Docket No. R-80011602 Docket No. R-822250
-	UGI-Luzerne Electric Division (1979)	Docket No. R-78030572

- Pennsylvania Bell Telephone Co. 1982) Docket No. 811819

Rhode Island

- Newport Electric Company (1979) Docket No. 1410

South Carolina

- PURPA ratemaking standard (1980)

U.S. Virgin Islands

- Virgin Islands Telephone Company (1978) Docket No. 180

- Virgin Islands Water & Power Authority

ATTACHMENT 3

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------ JES2 JOB STATISTICS ------

 27 JUN 84 JOB EXECUTION DATE

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LISTEND  TS066124  NO....3454  DATE 84179  STATUS=0000  TOTAL JOB CPU=HH.MM.SS.T.H=00.00.1?.4.?
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STRATEGIC FINANCIAL PLANNING MODEL

(SFP)

PROGRAM SOFTWARE PRODUCT VERSION # 1.2 (07/01/83)

PURCHASED FROM

NEW YORK STATE ELECTRIC AND GAS CORPORATION

THIS IS A PROPRIETARY PRODUCT AND IS ONLY TO

BE USED BY PERSONS AUTHORIZED BY NYSEG.

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***** INPUT DATA LISTING FOLLOWS: *****

C ******************************************************************       00040000
C *                    FILE LDPH0701                                *       00040000
C *                                                                 *       00040000
C * THIS FILE CONTAINS THE RERUN CARD, REPORT CARDS,                *       00040000
C * BENEFIT OF EARLY LOW POWER TESTING                              *       00040000
C * SHOREHAM IN SERVICE 7/85 -NO SPEC. LIMS-                        *       00040000
C * LILCO OPERATES NINE MILE PT. 2 ( 194MW ) IS 1/87                *       00040000
C * LILCO PHIEDS 1/81 345KV TIE: JULY RATE INCREASES : 11.5%        *       00040000
C * ASSOCIATED FILES: D0518COM, D0518NML, D0518HSL                  *       00040000
C ******************************************************************       00040000
RERUN  NEW  0  1984:2000   MILS >
           |CASE  1 - SHOR I/S 7/85 SYNC 12/84|
C -------------------------------------------------------------------
C REPORT REQUESTS FOLLOW
C -------------------------------------------------------------------
RSTA01 P 1984:2000   COMB MILS DEC2 CURR TOTAL NO
RINC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RINC02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
RINC04 A 1984:2000   GAS MILS DEC1 CURR TOTAL NO
RSAU01 P 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RBAL01 A 1984:2000   COMB MILS DEC1 CURR
RSTA02 A 1984:2000   COMB MILS DEC2 CURR
RRAT01 A 1984:2000   COMB MILS DEC2 CURR
RFIT01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RITC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RPLT01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RPLT02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
C ******************************************************************       00040000
C * FOLLOWING IS  ALL SHOREHAM-RELATED INPUT BOTH                   *       00040000
C ******************************************************************       00040000
C -------------------------------------------------------------------
C ADDITIONAL FIT REDUCTIONS - SHOREHAM  DECOMMISSIONING, OVERHEADS
FADTD01  0 2*-1.0 3*-2.0 2*-3.0 2*-4.0 2*-5.0 -6.0 -7.0
           -8.0 -9.0 -10.0
FADTD02    40 0 30.0
C -------------------------------------------------------------------
C ADDITIONAL FINANCING REQT -  SHM  DECOMMISSIONING
FADFR01  0 2*-1.0 3*-2.0 2*-3.0 2*-4.0 2*-5 -6 -7 -8 -9 -10
C -------------------------------------------------------------------
C ELECTRIC EXPENSES:  PROD FUEL INCL PURCH POWER 9MILE 194MW
C -------------------------------------------------------------------
C THE FOLLOWING IS THE SYSTEM FUEL W/O SPECIAL LIMITATIONS
SFUEL01  662 676 583 611 633 816 732 741 739 881 990 1108 >
         1245 1330 1419 1500 1613
C
C -------------------------------------------------------------------
C OTHER PRODUCTION OPERATION EXP. - SHOREHM O&M AND DECOMMISS.
C
GOPRE01     0 27.4 57.8 71.9 74.2 68.7 83.4 88.4 91.8 99.3 >
          105.3 97.4 112.3 125.4 116.0 140.9 149.3 138.2 167.8 177.0
GOPRE02     0 2*1.0 3*2.0 2*3.0 2*4.0 2*5.0 6.0 7.0 8.0 9.0 10.0
GOPRE03     0 4.9 10.2 10.7 11.4 30*65
C           FIT BACK ADJUST
GOPRE04     0 -0.6 -1.0 -3.1  30*65
C -------------------------------------------------------------------
DELC1RC  |SHOREHAM NUCLEAR|  2274.4  949.8  DOG TERRITO
DELC1SC  07  103
DELC1 ... 1
```

```
PFE01AR  3,30% - 55%
PFE01AA  30-0
PFE01OH  0,00% 30 0%
PFE01NO  30+Y
PFE01EI  30+-5%
PFE01CP  355% 355%
PFE01IP  30+10%
PFE01IO  30-FF
PFE01IS  0 1 2675 3
PFE01RM  12 7
PFE01TM  12 1
PFE01RD  2+SL
PFE01PL  2-30
PFE01TD  2-TLFR
PFE01TL  2+10
PFE01ND  2+FULL
PFE01AT  146 140 -47 -46 0 0 -23 0 0 0 -210
PFE0130  0,0 0,0
PFE01PT  0%  30% 67% 73% 81% 83% 57% 107% 118%  23+6P
C
PFE02BG  |RESOURCES TRUST      |  54,3   44,7  TR1
PFE02CE   1 0 9 23 46 0 26 37 35 35 74 40 40 86 46 44 100
PFE02CL  2+100   30+0
PFE02RF  0 13 35 31 44 38 40 57 53 55 58 61 64 67 71 74 77 85
PFE02AR    30+11,0%
PFE02LR    30+0,0%
PFE02OH  30+0,0%
PFE02NO  30+N
PFE02EI  30+05%
PFE02IP  30+10%
PFE02IO  30+IC
PFE02IS  30+0,000
PFE02ND  30+D
PFE02RM  30+1
PFE02TM  30+1
PFE02RD  30+SL
PFE02PL  30+25,0
PFE02TD  30+TLFR
PFE02TL  30+15
C
PFE03BG  |SHOREHAM RETROFIT  |   0,0    0,0   0TR
PFE03OC   0  22,7 44,6 48,2 46,4 21,7 26,1 27,1 25,9 31,1 32,9    >
            30,5 37 0 32 2 36,7 44,1 46,7
PFE03CA  30+100%
PFE03AR  13,0%  30+GR
PFE03OH  30+5,0%
PFE03NO  30+N
PFE03ET  30+55%
PFE03CP  30+0
PFE03IP  30+10%
PFE03IO  30+10
PFE03IS   0  22,7 44,6 48,2 46,4 21,7 26,1 27,1 25,9 31,1 32,9    >
            30,5 37,0 32,2 36,7 44,1 46,7
PFE03ND  0  2?+FULL
PFE03RM  30+12
PFE03TM  30+12
PFE03RD  30+SL
PFE03PL  0      30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 >
             14 13 12 11 10 9 8 07 06 05 04 03 02 01
PFE03TD  30+TLFR
```

```
PFF03TL  30-10
PFF03FI  5*01
PFF03AD  30*0.0
C        ------------------------------------------------------------
C  COAL UNITS TRANSMISSION FOR OHO I/S AND NEW TIE CAPITAL COSTS
PFF04PG  [OHO I/S, COAL TRANS & TIE] 0.0 0.0 PEG
PFF04C    0 1 2 3 45 56 62 2 4 23 59 77 100 52
PFF04EA  30*100%
PFF04AP  13-0% 30*GP
PFF04OH  30*5.0%
PFF04AU  30*0
PFF04FT  30*05%
PFF04CP  30*0
PFF04IP  30*10%
PFF04IC  30*FP
PFF04TS   7*0 174 640 317
PFF04HD  7*0 FLOW 6*0 FLOW
PFF04RM  30*1
PFF04TM  30*1
PFF04PD  30*9L
PFF04RL  30*30.0
PFF04TD  30*TCFR
PFF04TL  30*15
PFF04PT  7*0.0% 20.0% 21.0% 25*6P
C        ------------------------------------------------------------
C  RELATED REPORT REQUESTS FOLLOW.
RPLT03 A 1984:2000   FE01 MILS DEC1 CURR TOTAL NO
RPLT04 D 1984:2000   FE02 MILS DEC1 CURR TOTAL NO
C LT05 A 1984:2000   FE03 MILS DEC1 CURR TOTAL NO
C LT06 A 1984:2000   FE04 MILS DEC1 CURR TOTAL NO
C *************************************************************          00040000
C  RMP DATA NP  IDENTIFIERS.
C  ------ RMP DATA FOR 10% RATE INCREASES ----------------------------
C BGF01 0 0 01 1992 0 23
C RRF01 0 30*15.5%
C CRF01 0 240 413 425 181 34 -37 -144
C  ------ RMP DATA FOR 11% RATE INCREASES ----------------------------
C BGF01 0 0 01 1991 0 24
C RRF01 0 30*15.5%
C CRF01 0 220 370 351 76 -87 -159
C  ------ RMP DATA FOR 11.5% RATE INCREASES --------------------------
C BGF01 0 0 01 1990 0 25
C RRF01 0 30*15.5%
C CRF01 0 210 348 314 26 -145
C  ------ RMP DATA FOR 12% RATE INCREASES ----------------------------
C BGF01 0 0 01 1990 0 25
C RRF01 0 30*15.5%
C CRF01 0 199 324 275 -26 -205
C  ------ RMP DATA FOR 12.25% RATE INCREASES -------------------------
C BGF01 0 0 01 1989 0 26
C RRF01 0 30*15.5%
C CRF01 0 194 312 256 -51
C  ------ RMP DATA FOR 12.5% RATE INCREASES --------------------------
C BGF01 0 0 01 1989 0 26
C RRF01 0 30*15.5%
C CRF01 0 1[illegible] 299 237 -79
C  ------ RMP DATA FOR 10.5% RATE INCREASES --------------------------
C BGF01 0 0 01 1991 0 24
C RRF01 0 30*15.5%
C CRF01 0 230 394 3[illegible] 12[illegible] [illegible]
```

```
C
C FUTURE ISSUES -- LONG TERM DEBT
FLTD01    0.0          16.000%   07 1984   01 2014
FLTD02    0.0          13.000%   07 1985   01 2015
C TD03 334.0           11.000%   07 1986   01 2016
C
C FUTURE ISSUES -- COMMON STOCK
FCSISS    56.0  0 4031 30*0
C SISS    30*0
C
C FUTURE ISSUES -- PREFERRED STOCK
FPST01    0.0001       16.000%   07 1984   09 2020
FPST02    0.0001       13.000%   07 1985   09 2020
C ST03    0.0001       11.000%   07 1986   09 2020
C ST04    0.0001       11.000%   07 1987   09 2020
C ST05    0.0001       11.000%   07 1988   09 2020
C ST06    0.0001       11.000%   07 1989   09 2020
C
C         ELECTRIC REVENUES
FREVE     1601 1775 1956 2192 2424 2652 2873 3025 >
          3044 3253 3370 3475 3617 3741 4499 4655 5078
C         GAS FULL RETURN REVENUES
FREVG     356 387 416 433 450 466 513 545 574 608 639 >
          675 712 751 795 840 897
C
FMAXSTD   -425.0% 30*0%
FSTDPCT   10.00%  13.50%  11.00% 30*10.00%
FPORDPS   0.50500%   75.0%    28*75.0%
FCERAT    30*37.25%
FORTRAT   51% 30*50%
C
C         RATES OF RETURN FUTURE ISSUES -- LOWER COST OF MONEY
FROE      16.0% 16.0% 15.8% 15.0% 27*14.0%
C OE      16.0% 30*0
C OE      16.0% 14.25% 14.30% 13.95% 13.85% 13.14% 13.15% 13.31% 13.34% >
C         13.44% 13.45% 13.46% 13.44% 13.41% 13.66% 13.70% 13.72%
FPSTPCT   16.0% 13.0% 27*11.0%
FLTDPCT   16% 13.0% 27*11.0%
C
C         TOTAL ELECTRIC SALES
SALSEAI   13315 13566 13793 13984 13990 14443 14370 14675 1905 >
          15512 15974 16443 16909 17392 17865 18350 18339  30*1.5E
C * ------ END ------- FILE D0519C1N ------END------             *       00040000
C *************************************************************         00040000
C *************************************************************
C * ---------------------- FILE D0518COM ------------------------*
C *                                                             *
C *       5/19/1984                                             *
C *                                                             *
C *  THIS FILE CONTAINS COMMON ASSUMPTIONS FOR D0519C__ CASES.  *
C *  THIS INCLUDES FINANCING REQUIREMENTS, WRITE-OFF ACCOUNTS   *
C *  AND DEPRECIATION ACCOUNTS OF CANCELLED AND FUTURE PROJECTS *
C *  RESPECTIVELY (FOR BOTH LILCO'S ELECTRIC AND GAS OPERATIONS)*
C *  ALL FILE NUMBERS ARE FROM 20 TO 21.                        *
C *                                                             *
C *************************************************************
C
C OTHER INCOME INPUTS -
C
```

```
C
C ADDITIONAL INTEREST INPUTS    OTHER
C
FADIL20   0.0  0.0  0.0   27*0.0
C
C ADDITIONAL OPERATING (NON-FIT) TAXES
C
FADOT20   30*0.0
C
C ADDITIONAL FIT DEDUCTIONS - TAXABLE INCOME ADJUSTMENT.
C
FADID20     0.0
C
C MISCELLANEOUS FINANCIAL PARAMETERS
C
FLTDLIF   30*30
FCSPRC    19.5 30*M
FCSMAR    70% 60% 50% 27*100%
FCSYLD    15% 15% 14% 27*12%
FDPT      5.00% 4.25%   28*4.0%
FCSPND    30*1
FLTDRND   30*1
FPSTRND   30*1
FITCUO    30*EVEN
FITCLIM   30*85%
FITCDEF   30*100%
FCOV      30*0.
FCOVLEV   30*2.00:2.10
FCOVADJ   30*0
FADJLEV   30*09%
FFIT      30*46%
FESC      1.29*12.5P
FDITCL    30*30
FWCRAT    30*0.0%
C                 GAS  DATA
C  GAS SALES : MILLIONS OF CUBIC FEET PER YEAR
GSLSG20   30*51000
C GAS PURCHASE EXPENSE EXCLUDING INTERDEPARTMENTAL EXP.
GFULG20    214.0 246.3 258.6   27*6P
C GAS OPERATION AND MAINTENANCE
GOPRG20   49  50  55  60  64  #7  30*AP
C
C OTHER PRODUCTION OPERATION EXPENSES :
C EXISTING ELECTRIC O&M,R&D, UNCOLLECTIBLE.
C
GOEPL20   163 190 230 260 275 292 28*6P
C                 WRITE-OFF ACCOUNTS
C
PWE20DC   NEW HAVEN WROF 01/85|    31.1   23.4   PEG
PWE20CE   30*0.0
PWE20EA   30*100%
PWE20AP   13.7%   30*GN
PWE20DH   30*5.0%
PWE20NF   30*0
PWE20TT   30*...%
PWE20CH   30*0
PWE20IR   30*10%
PWE20IC   30*IC
PWE20AP   ...
PWE20TI   ...
```

```
PWE20ND  0  FLOW
PWE20RM  30*1
PWE20TM  30*1
PWE20BL  30*10
C-E01AP  3 10 6  7 6 5 4 3 2 2
C
PWE21BG  |JAMESPORT WROF 01/87|   44.7  47.0  REG
PWE21CE  30*0.0
PWE21EA  30*100%
PWE21AP  13.7%  30*CR
PWE21OH  30*5.0%
PWE21NO  30*N
PWE21ET  30*35%
PWE21CP  30*0
PWE21IP  30*10%
PWE21IC  30*IS
PWE21BA  3*0  44.0
PWE21IA  3*0  15.0
PWE21ND  3*0  FLOW
PWE21RM  30*1
PWE21TM  30*1
PWE21BL  30*10
C
PWE22BG  |RCKUM WRITEOFF 01/88|   80.0  34.0  REG
PWE22CE   30*0.0
PWE22EA  30*40%
PWE22AP  4*9%
PWE22OH  30*5.0%
PWE22NO  30*N
PWE22ET  30*35%
PWE22CP  30*0
PWE22IP  30*10%
PWE22IO  30*IS
PWE22BA  4*0  80.0
PWE22IA  4*0  80.0
PWE22ND  4*0  FLOW
PWE22RM  30*1
PWE22TM  30*1
PWE22BL  30*10
C * ---- 1986 CALL FOR REMAINDER OF $180M CREDIT LIMIT. --------- *
FADEP20  .80 0 0.0 00.0
C
C * ------------------ DEPRECIATION ACCOUNTS -------------------- *
C ---------------------------------------------------------------
C
PFG20BG  |OTH FUTURE GAS PLANT|  3.5   0.0  REG
PFG20CE  15 15 15 16 17 18 18  30*6P
PFG20EA  30*100%
PFG20AP  13.7%    30*CP
PFG20OH  30*5.0%
PFG20NO  30*N
PFG20ET  30*35%
PFG20CP  30*1%
PFG20IP  30*10%
PFG20IC  30*IS
PFG20IP  15 15 15 16 17 18 19  30*6P
PFG20RM  30*6
PFG20TM  30*6
PFG20RD  30*EL
PFG20BL  30*31.6
```

```
PFG20TD  30+TEFP
PFG20TL  6+15
PFG20ND  30+FLOW
PFG20PT  30+0.0%
PFG20AD  30+0.9
C
PFE20BG  |OTHER ELEC INCL CT  |   22 30  4.8 PEG
PFE20CI   47  62  77  95  101 107 113   30+6P
PFE20EA  30+100%
PFE20AA   0.0       0.0   0.0  27+0.0
PFE20AP    13.75%   30+0P
PFE20DH  30+5.0%
PFE20LO  30+N
PFE20ET  30+55%
PFE20CP  30+44%
PFE20IP  30+10%
PFE20IO  30+10
PFE20IS   47  62  77  95  101 107 113   30+6P
PFE20BM  30+6
PFE20TM  30+6
PFE20HD  30+SL
PFE20BL  30+30.00
PFE20TD  30+TEFP
PFE20TL  30+15
PFE20ND  30+FLOW
PFE20PT  30+0%
PFE20AD  30+0.0
C
PFE21BG  |CAP*L 45 YR RET*PT]     0.0    0.0 REG
PFE21CI    0 0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21EA  30+100%
PFE21AA   0.0       0.0   0.0  27+0.0
PFE21AR    13.75%   30+0P
PFE21DH  30+5.0%
PFE21NO  30+N
PFE21ET  30+55%
PFE21CP  30+01
PFE21IP  30+10%
PFE21IO  30+IS
PFE21IS    0 0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21BM  30+12
PFE21TM  30+12
PFE21PD  30+CL
PFE21BL    0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21TD    0 0 TEFP 0 TEFP 0 TEFP 0 TEFP 0 TEFP 0 TEFP 0 0 TEFP
PFE21TL    0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21ND    0 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 0 FLOW
PFE21PT  30+0%
PFE21AD  30+0.0
C
C  THIS PROJECT IS THE SUM OF ALL INDIVIDUAL COAL UNIT PROJECTS
C       400MW TYPE 1-1998 +400MW TYPE 2 2000
C       400MW TYPE 1-2002 +400MW TYPE 1 2004
C
PFE23BG  |COMMON COAL UNITS   |   0.0    0.0  0.0
PFE23CI   4+0 1 1 0 13 30 141 31  346 4+4 476 -31  99 1292, 1131>
          553 674
PFE23EA  30+100%
PFE23AP  13.8% 30+0P
PFE23CP  30+5.0%
```

```
PEE23NO   30*P
PEE23LT   30*25$
PEE23CP   30*0
PEE23IP   30*10%
PEE23IC   30*PP
PEE23IS   14*0 133.0 0.0 1054.0  0.0  168..0  0.0 3792 0
PEE23NP   14*0 FULL   0   FULL  0  FULL   0 FULL
PEE23DP   30*1
PEE23TM   30*1
PEE23RD   30*SL
PEE23PI   30*30.0
PEE23TD   30*TTEP
PEE23TI   30*15
PEE23PT   14*0 57$ 66$ 112$ 10*6P
PEE23AD   30*0.0
C         COMMON COAL UNITS O&M  UNITS 1 & 2 ----------------
GGPPE21   14*0.0 6P 70 114 10*6P
C
PEE01BG   |EXIST ELEC PLANT|  1743.0  133.9   622.30  946.0 579.0 50
PEE01DP   SL 31.0   DDB  .09   FULL
PEE01PR   30*16.5$
PEE01TP   30*16.5$
PEE01PT   129$ 139$ 150$ 162$ 175$ 189$  25*6P
PEE01AT   30*0.
PEE01AD   0.0
C
PEG01BG   |EXIST GAS PLANT|   317.4   24.3  165.9    181.0  77.  19..
PEG01DP   SL 42.7   DDB  15   FULL
PEG01PP   30*1.50$
PEG01TP   30*1.50$
PEG01AT   30*0
PEG01PT   23$ 25$ 27$ 29$ 31$ 33$  24*6P
PEG01AD   0.0
C  ------------------------------------------------------------
C REPORT REQUESTS FOLLOW
C  ------------------------------------------------------------
C LT20 C 1984:2000   WE20 MILS DEC1 CURR TOTAL NO
C LT21 C 1984:2000   WE21 MILS DEC1 CURR TOTAL NO
C LT22 C 1984:2000   WE22 MILS DEC1 CURR TOTAL NO
C LT23 A 1984:2000   EG20 MILS DEC1 CURR TOTAL NO
C LT24 A 1984:2000   EE20 MILS DEC1 CURR TOTAL NO
C LT25 A 1984:2000   EE21 MILS DEC1 CURR TOTAL NO
C LT26 A 1984:2000   EE22 MILS DEC1 CURR TOTAL NO
C LT27 A 1984:2000   EE23 MILS DEC1 CURR TOTAL NO
C * ----*END*--------  FILE D0510COM --------*END*-------------- *
C ***************************************************************
C ***************************************************************     P0040000
C *  ----------------------- FILE D0510NML ----------------------- *     00040000
C *                                                               *     00040000
C * THIS FILE CONTAINS ALL THE DATA FOR THE COMPLETION OF 9 MILE  *     00040000
C * CONSISTENT WITH 5/18/84 CASES                                 *     00040000
C *                                                               *     00040000
C ***************************************************************     P0040000
C          NINE MILE O&M FOR 1-4NV
OPER 11     3*0 11 12 13 14 23*6P
C
PEE10BG   |NINE MILE E12-TRUST | 350.0   205.3   182
PEE10CF   11.5 169.5 101.0
PEE10CI   3*400
PEE10PP   25*0
```

```
PFE10AP  30*11.0%
PFE10LP  30*..0%
PFE10OH  0.0% 2*5.0%
PFE10NO  30*N
PFE10EI  30*95%
PFE10IR  30*10%
PFE10IO  30*IF
PFE10IS  3*0 632.0
PFE10ND  3*0 FULL
PFE10BM  30*1
PFE10TM  30*1
PFE10BD  30*SL
PFE10BL  30*30
PFE10TD  30*TLFR
PFE10TL  30*10
PFE10FT  3*0% 2*7.0% 2*8.0% 30*6P
PFE10AB  0.0
C
PFE11PG  INNER TOCT NUC FUEL  |  14.4    0.0  TP2
PFE11CH   0.0 0.0 0.0 5.6 6.0 17.0 8.0 0.0 16.0 10.0 21.0 12.0 >
          12.0 24.0 13.0 13.0 10*RP
PFE11CL  3*10
PFE11RF  3*0 0.0 10.0 12.0 14.0 16.0 15*RP
PFE11AP  30*11.0%
PFE11LP  30*2.0%
PFE11OH  30*0.0%
PFE11NO  30*N
PFE11EI  30*55%
PFE11CP  30*0
PFE11IR  30*10%
PFE11IO  30*IS
PFE11IS  0.0
PFE11ND  30*0
PFE11BM  30*1
PFE11TM  30*1
PFE11BD  30*SL
PFE11BL  30*1
PFE11TD  30*SL
PFE11TL  30*1
PFE11AB  0
PFE11AT  0
PFE11PT  30*0%
C
PFE12PG  SMILE RETROFIT  |   0.0    0.0  REG
PFE12CL   3*0 13.0 14.0 14.0 15.0 8.0 10*5P
PFE12CA  30*100%
PFE12AP  13.0%  30*0P
PFE12OH  30*5.0%
PFE12NO  30*N
PFE12EI  30*95%
PFE12CP  30*0
PFE12IR  30*10%
PFE12IO  30*10
PFE12IS   3*0 13.0 14.0 14.0 15.0 9.0 10*5P
PFE12ND  0.0.0  15*FULL
PFE12BM  30*12
PFE12TM  30*12
PFE12BD  30*SL
PFE12BL  3*0  33 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 >
         14 13 12 11 10 0 . . 07 06 05 04 03 02 01
```

```
PFE12TD  30*TCFR
PFE12TL  30*10
PFE12PT  5*05
PFE12AD  30*0.0
C ***********************************************************************        00040000
RPLT10 D 1974:2000  FE10 MILS DEC1 CURR TOTAL NO
RPLT11 P 1974:2000  FE11 MILS DEC1 CURR TOTAL NO
RPLT12 A 1974:2000  FE12 MILS DEC1 CURR TOTAL NO
C * -------*END*---------- FILE DP51ANML -------*END*--------------- *         00040000
C ********************************************************************        00040000
C * ---------------------- FILE DP51OUSL -------------------------------        00040000
C *                                                                  *         00040000
C *  DATA IS HISTORICAL BALANCES FOR SECURITIES AND PLANT            *         00040000
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C
C HIST BALANCES.
C
HBFG      1425.2  104120072  586.3 -273  128.6  85.5 1682.9 30.0 >
            6.00 0.461
HVDLEF        1962  7.2  7.2  1983  0.0  0.0
HITCCBA  0 0 0
HITCCF        1977 0 4.2 1978 0.34 1979 0.41 1980 0 31.25 >
              1981 0 36 1982 0 50.7  1983 0 45.1
C ------------------------------------------------------------------
C HISTORICAL ISSUES OF FIRST MORTGAGE BONDS.
C
HLTD01     15     15    3.250%   12 1954   12 1984
HLTD02     15     15    3.375%   10 1955   11 1985
HLTD03     20     20    4.750%   12 1958   12 1988
HLTD04     20     20    4.125%   05 1958   05 1988
HLTD05     25     25    5.000%   08 1961   08 1991
HLTD06     40     40    4.400%   04 1963   04 1993
HLTD07     25     25    4.625%   06 1964   06 1994
HLTD08     25     25    4.550%   06 1965   06 1995
HLTD09     40     40    5.250%   02 1966   12 1996
HLTD10     35     35    5.500%   03 1967   04 1997
HLTD11     35     35    8.200%   09 1969   09 1999
HLTD12     25     25    9.125%   09 1970   09 2000
HLTD13     40     40    7.250%   03 1971   04 2001
HLTD14     50     50    7.500%   12 1971   12 2001
HLTD15     50     50    7.625%   02 1972   02 2002
HLTD16     60     60    8.125%   12 1973   12 2003
C
C HISTORICAL ISSUES OF G & R BONDS.
C
HLTD17     90     90    9.875%   09 1975   09 1984
HLTD18     70     70    9.625%   05 1976   05 2006
HLTD19     50     50    8.625%   12 1976   12 2006
HLTD20     35     35    8.625%   05 1977   05 2007
HLTD21     75     75    9.200%   04 1978   04 2008
HLTD22    100     98    9.75%    03 1979   03 1999  >
                               2 2.3 2.4 6 7 4 10 4.4 7 20 10
HLTD23     50     50   14.250%   08 1980   08 2010
HLTD24    100    100   15.750%   03 1981   03 1991    0 0 0.5 20
HLTD25     50     50   16.750%   07 1981   07 1991
HLTD26     50     50   17.375%   07 1981   07 2011
HLTD27     50     50   18.000%   12 1981   12 2011
HLTD28     50     50   17.000%   12 1981   12 1991
HLTD29    100    100   17.125%   06 1982   06 2012
HLTD30    100    100   15.250%   10 1982   11 2012
```

```
C
C HISTORICAL ISSUES - OTHER LONG-TERM DEBT.
C
HLTD31  30.375 30.375 7.500%   12 1976   12 2006 NC
HLTD32  19.1   19.1   7.[illegible]%  10 197[illegible]   12 201[illegible] NC
HLTD33  17.2   17.2   [illegible].250%  10 19[illegible]   10 2012 NC
C
C 19[illegible]3 ISSUES OF LONG-TERM DEBT.
C
HLTD34  30.0   30     11.500%   01 1983   01 198[illegible] NC
HLTD35  75.0   75     1[illegible].[illegible]%   04 19[illegible]   04 [illegible]
HLTD36  105.0  105    13.500%   05 1983   05 2013
HLTD37  25.0   25     11.500%   06 1983   06 1986 NC
HLTD38  10.0   10     13.[illegible]20%   08 1983   08 198[illegible] NC
HLTD39  50.0   50     11.000%   08 1983   02 198[illegible] NC
HLTD40  75.0   75     11.000%   08 1983   08 1985 NC
HLTD41  40.0   40     1[illegible].[illegible]%   [illegible] 198[illegible]   [illegible] 198[illegible] NC
HLTD42  75.0   75     11.625%   09 1983   02 198[illegible] NC
HLTD43  125.0  125    11.000%   10 1983   02 198[illegible] NC
HLTD44  75.0   75     11.[illegible]%   10 1983   02 198[illegible] NC
C
C
C HISTORICAL ISSUES - PREFERRED STOCK.
C
HPST01     10     10     5.000%   05 1952   05 2020
HPST02     07     07     4.250%   03 1954   03 2020
HPST03     20     20     4.350%   04 1964   04 2020
HPST04     05     05     4.350%   04 1954   04 2020
HPST05     2[illegible]     2[illegible]     [illegible].125%   10 1960   10 2020
HPST06     05.07  05.07  5.750%   10 1967   10 2020
HPST07     25     25     8.120%   12 1970   12 2020
HPST08     30     30     8.300%   07 1971   07 2020
HPST09     35     29.75  7.400%   07 1973   07 2020 27+1.05 1.4
HPST10     35     35     8.400%   04 1974   04 2020 0 29+1.4
HPST11     50     4[illegible]     [illegible]%   11 1975   11 2020 21+2 7+0
HPST12     35     35     9.720%   12 1976   12 2020
HPST13     48     28.8   7.500%   10 1977   12 1984  28.8
HPST14     60     52.50  8.500%   12 1977   12 2020  1[illegible]+3.75
HPST15     75     75     9.800%   03 1979   09 2020  29+2[illegible]
HPST16     75     75     13.240%   09 1980   09 2020  2+0  25+3
HPST17     65     6[illegible]     1[illegible]%   10 1981   10 2020  [illegible]+0 2[illegible]+[illegible].25
HPST18     75     75     14.000%   10 1982   10 2020  4+0 25+3
HPST19  65.0      65     14.000%   04 1983   04 2020
HPST20  100.0     100    14.000%   0[illegible] 1983   0[illegible] 2020
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C ***********************  OMEGA  **********************************     00040000

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****** INPUT MESSAGES AND DIAGNOSTICS FOLLOW: ******

****** END OF INPUT MESSAGES AND DIAGNOSTICS ******

****** RUN MESSAGES AND DIAGNOSTICS FOLLOW: ******

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BEGINNING PROCESSING FOR YEAR = 16   AT TIME = 08:33:00
BEGINNING PROCESSING FOR YEAR = 17   AT TIME = 08:33:00
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****** END OF RUN MESSAGES AND DIAGNOSTICS ******

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FINANCIAL INFORMATION											
ELECTRIC INCOME:											
REVENUES	1473.51	2060.31	2434.20	2487.33	[illegible]	2738.40	2890.58	3016.23	3023.97	3215.61	3324.97
FUEL EXPENSE	662.00	676.00	503.00	411.00	633.00	616.00	732.00	741.00	739.00	881.00	988.00
O & M EXPENSE	163.07	223.20	299.60	354.60	371.50	384.50	419.24	444.22	459.78	499.72	530.51
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:											
SALES GWH	13715	13566	13753	13954	13990	14083	14470	14675	15059	15512	15974
AVERAGE RATE	11.06	15.19	17.73	19.12	18.98	19.49	20.12	20.59	20.08	20.73	20.81
ANNUAL RATE INCREASE	0.00	557.53	344.49	144.10	[illegible]	68.43	95.83	64.31	71.18	100.60	13.50
RATE INCREASE PERCENT	0.30	37.99	16.96	7.96	-0.92	2.58	3.50	2.22	-2.36	3.33	0.42
CORPORATE STATISTICS:											
LILCO CONSTRUCTION INCL AFC	682.33	403.47	312.93	196.41	292.48	[illegible]	[illegible]	199.41	250.34	390.13	696.13
TRUST EXPENDITURES	[illegible]	285.05	[illegible]	3.84	12.45	15.34	-6.71	-15.55	[illegible]	[illegible]	27.68
TOTAL FUNDS REQUIRED	575.74	590.39	407.99	224.73	706.24	245.24	288.27	342.95	332.35	406.46	690.64
EXTERNAL FUNDS	444.92	248.55	-187.21	-327.65	217.52	238.23	-176.96	-151.46	-169.85	-100.47	288.59
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	187.92	358.97	[illegible]	[illegible]	[illegible]	-239.10	-416.06	-587.52	-737.37	-837.84	-547.25
TOTAL CAP. & LIABILITIES	6317.06	6836.53	7068.69	6993.97	6,954.59	6870.92	6834.45	6696.93	6610.96	6646.32	7015.89
SEC HIST DEBT X RMP/AFC	1.34	2.28	2.92	4.10	4.03	4.30	4.35	4.72	5.10	5.17	4.86
S & P COVERAGE X RMP	2.62	5.00	5.60	5.22	4.35	4.74	4.82	5.43	5.63	5.62	5.32
EARNING PER SHARES	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.83	3.96	4.11	4.25
RETURN ON EQUITY	16.00	16.00	15.59	15.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
DIVIDEND PER SHARE	0.50	2.64	2.66	2.67	2.58	2.68	2.77	2.87	2.97	3.08	3.19

CASE 1 - SHOR I/S 7/85 SYNC 12/84

FINANCIAL INFORMATION

	1995	1996	1997	1998	1999	2000	TOTAL
ELECTRIC INCOME:							
REVENUES	[illegible]	[illegible]	3845.2[illegible]	[illegible]	4[illegible]6.28	4955.76	55[illegible]
FUEL EXPENSE	110[illegible].00	1243.00	1[illegible].00	1[illegible].00	1[illegible].00	1[illegible]9.00	1[illegible]234
O & M EXPENSE	547.92	596.45	632.88	722.50	784.23	869.38	8303.12
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:							
SALES GWH	16443	16509	17382	17865	18350	18839	264039
AVERAGE RATE	20.79	20.93	20.96	24.52	24.56	26.31	20.11
ANNUAL RATE INCREASE	-4.07	23.21	[illegible]	[illegible]	[illegible]	329.42	254[illegible]
RATE INCREASE PERCENT	-0.12	0.62	0.16	17.47	0.15	7.31	97.42
CORPORATE STATISTICS:							
LILCO CONSTRUCTION INCL AFC	617.21	1076.22	1321.22	1259.56	1618.33	1829.91	11842.3
TRUST EXPENDITURES	[illegible]	25.64	27.50	27.25	35.87	16.74	465.30
TOTAL FUNDS REQUIRED	710.45	689.20	1069.41	1098.99	1330.12	1576.48	11485.6
EXTERNAL FUNDS	360.67	605.19	914.83	676.10	[illegible]91.46	1152.24	4548.22
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	[illegible]	-10.35	-15.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL CAP. & LIABILITIES	7465.97	8161.07	9154.69	9955.79	11096.3	12439.9	12439.8
SEC HIST DEBT X RMP/AFC	4.39	3.49	2.37	3.16	2.29	2.21	3.60
S & P COVERAGE X RMP	4.94	3.64	2.36	3.31	2.33	2.25	4.30
EARNING PER SHARES	4.40	4.56	4.72	4.[illegible]	5.06	5.25	4.10
RETURN ON EQUITY	14.00	14.00	14.00	14.00	14.00	14.00	14.30
DIVIDEND PER SHARE	3.30	3.42	3.54	3.67	3.80	3.93	2.96

CASE 1 - SHOR I/S 7/85 SYNC 12/84

INCOME STATEMENT ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1473.0	2060.3	2436.2	2667.9	2652.8	2738.9	2890.6	3016.2	3024.0	3215.6	3325.0
GAS RETAIL REVENUE	356.8	394.1	418.5	437.8	459.3	495.8	512.8	542.1	572.3	604.3	636.8
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	1829.2	2454.4	2850.7	3105.6	3112.2	3224.7	3403.3	3558.3	3596.3	3819.9	3961.8
OPERATING EXPENSES:											
OPERATION - FUEL	976.0	922.3	841.6	885.1	923.6	924.0	1058.5	1087.1	1109.8	1269.8	1400.2
OPERATION - OTHER	211.0	273.2	354.6	414.6	435.5	451.5	490.3	519.8	539.6	584.3	620.2
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	70.8	146.3	217.5	272.6	290.8	299.2	304.6	318.8	324.1	332.0	339.2
FIT EXPENSE	84.1	280.8	428.8	436.3	378.4	442.7	438.2	463.8	456.9	448.4	408.4
OTHER TAXES	243.5	298.3	358.0	395.2	418.5	449.0	477.5	528.4	557.4	591.2	623.2
TOTAL OPER EXPENSES	1484.9	1920.8	2200.6	2404.1	2446.7	2566.4	2769.0	2916.6	2983.8	3225.8	3391.2
OPERATING INCOME:	344.3	533.6	650.1	700.9	665.4	658.4	634.4	641.8	612.4	594.1	570.6
OTHER INCOME:											
AFDC	322.5	180.1	29.3	16.3	13.1	18.2	29.7	9.4	14.6	28.8	72.1
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	21.9	30.2	60.4	24.1	29.4	43.4	63.7	79.8	95.4	108.6	101.1
TOTAL OTHER INCOME	344.5	210.3	89.7	40.4	42.4	61.6	93.4	89.2	110.0	137.4	173.2
INCOME BEFORE INTEREST:	688.8	743.9	739.8	741.3	707.9	719.9	727.8	731.0	722.4	731.5	743.8
INTEREST CHARGES:											
INTEREST ON LTD	249.9	239.7	245.5	266.0	247.2	248.0	244.2	235.2	214.0	209.8	208.3
INTEREST ON STD	0.0	31.3	19.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	249.9	271.1	265.1	266.0	247.2	248.0	244.2	235.2	214.0	209.8	208.3
NET INCOME:	438.9	472.9	474.7	475.3	460.7	471.9	483.6	495.8	508.4	521.7	535.5
PREFERRED STOCK DIVIDENDS	88.3	85.8	84.7	83.2	81.2	78.9	76.5	74.2	71.9	69.6	67.3
EARNINGS AVAIL FOR COMMON STOCK:	350.6	387.1	390.1	392.1	379.5	393.0	407.1	421.5	436.5	452.1	468.2
COMMON STOCK DIVIDENDS	54.1	277.3	282.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1

06/27/84
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LONG ISLAND LIGHTING COMPANY

CASE 1 - SHOR I/S 7/85 SYNC 12/94

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
RETAINED EARNINGS:	296.5	96.8	97.5	98.0	[illegible]	98.3	101.8	105.4	[illegible]	113.0	117.0

CASE 1 - SHOR 1/S 7/95 SYNC 12/84

INCOME STATEMENT ($MIL)	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3418.6	3539.6	3643.3	4380.9	4506.3	4955.8	53946.0
GAS RETAIL REVENUE	672.0	708.6	747.5	790.7	835.5	883.3	10850.9
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	4090.6	4247.4	4390.8	5171.6	5341.8	5839.0	64797.0
OPERATING EXPENSES:							
OPERATION - FUEL	1544.9	1706.1	1689.9	1935.3	2139.6	2203.7	22713.3
OPERATION - OTHER	642.9	697.2	739.7	835.7	909.2	996.6	9710.4
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMF AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	343.3	351.4	349.1	423.2	432.9	493.1	5309.8
FIT EXPENSE	354.5	278.4	184.4	357.5	238.0	271.6	5954.8
OTHER TAXES	656.2	692.0	729.1	850.3	895.5	1004.8	9768.3
TOTAL OPER EXPENSES	3541.8	3725.1	3892.2	4402.0	4610.2	4975.7	53456.8
OPERATING INCOME:	548.8	522.3	498.6	769.6	731.6	863.3	10540.2
OTHER INCOME:							
AFDC	136.7	227.3	342.2	169.4	313.5	311.3	2234.4
RMF RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	71.1	45.1	39.6	42.5	43.7	48.4	948.5
TOTAL OTHER INCOME	207.8	272.4	381.8	212.0	357.2	359.7	3182.9
INCOME BEFORE INTEREST:	756.6	794.7	880.4	981.6	1088.8	1223.0	13723.1
INTEREST CHARGES:							
INTEREST ON LTD	206.8	227.4	284.6	351.0	421.7	513.5	4612.7
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	50.9
TOTAL INTEREST	206.8	227.4	284.6	351.0	421.7	513.5	4663.6
NET INCOME:	545.8	567.2	595.9	630.6	667.2	702.6	9059.5
PREFERRED STOCK DIVIDENDS	64.9	65.1	75.8	92.0	109.4	131.9	1400.7
EARNING AVAIL FOR COMMON STOCK:	480.9	502.1	520.0	538.7	557.8	571.6	7658.8
COMMON STOCK DIVIDENDS	363.7	376.6	390.0	403.9	418.3	433.2	5535.3

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
RETAINED EARNINGS:	121.7	125.5	130.0	134.6	139.4	144.4	2123.5

CASE 1 - SHOP 1/S 7/85 SYNC 12/84

INCOME STATEMENT ($MIL) ELECTRIC	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1473.0	2060.3	2438.2	2667.9	2652.8	2736.9	2890.6	3016.2	3024.0	3215.6	3325.0
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	1473.0	2060.3	2438.2	2667.9	2652.8	2736.9	2890.6	3016.2	3024.0	3215.6	3325.0
OPERATING EXPENSES:											
OPERATION - FUEL	662.0	676.0	503.0	611.0	633.0	616.0	732.0	741.0	739.0	881.0	988.0
OPERATION - OTHER	163.0	223.2	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	61.3	136.9	207.6	262.4	281.8	287.6	292.4	305.1	310.5	317.8	324.2
FIT EXPENSE	60.2	263.6	418.6	420.3	361.4	427.0	422.0	446.7	439.2	430.3	391.0
OTHER TAXES	202.6	296.6	319.5	348.7	369.1	390.6	421.0	486.5	494.0	524.1	552.2
TOTAL OPER EXPENSES	1157.2	1556.3	1817.3	1997.0	2016.5	2110.6	2286.5	2405.5	2442.6	2652.9	2785.9
OPERATING INCOME:	315.8	504.1	620.9	671.0	636.3	628.3	604.0	610.7	581.4	562.7	539.1
OTHER INCOME:											
AFDC	321.7	179.4	28.6	15.6	12.3	17.4	28.9	8.5	13.7	27.9	71.1
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	21.5	30.1	60.1	23.6	28.6	42.0	61.3	76.4	91.1	103.4	96.5
TOTAL OTHER INCOME	343.2	209.5	88.7	39.2	40.9	59.4	90.2	84.9	104.8	131.3	167.6
INCOME BEFORE INTEREST:	659.1	713.6	709.7	710.1	677.3	687.7	694.2	695.7	686.2	694.0	706.6
INTEREST CHARGES:											
INTEREST ON LTD	239.1	229.9	235.5	254.8	236.5	236.9	232.9	223.9	203.3	199.1	197.9
INTEREST ON STD	0.0	30.1	18.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	239.1	260.0	254.3	254.8	236.5	236.9	232.9	223.9	203.3	199.1	197.9
NET INCOME:	420.0	453.6	455.4	455.4	440.8	450.8	461.3	471.8	482.9	494.9	508.7
PREFERRED STOCK DIVIDENDS	84.5	82.3	81.2	79.7	77.7	75.3	73.0	70.6	68.3	66.0	63.9
EARNING AVAIL FOR COMMON STOCK:	335.5	371.3	374.2	375.7	363.1	375.4	388.2	401.2	414.6	428.9	444.8
COMMON STOCK DIVIDENDS	61.8	278.5	280.6	281.7	272.3	281.6	291.2	300.9	311.0	321.7	333.6
RETAINED EARNINGS:	273.7	92.8	93.5	93.9	90.8	93.9	97.1	100.3	103.7	107.2	111.2

CASE 1 - SHOR I/S 7/85 SYNC 12/84

INCOME STATEMENT ($MIL) ELECTRIC	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3418.6	3538.6	3643.3	4380.9	4506.3	4955.[illegible]	53946.0
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	3418.6	3538.6	3643.3	4380.9	4506.3	4955.[illegible]	53946.0
OPERATING EXPENSES:							
OPERATION - FUEL	1108.0	1243.0	1399.0	1415.0	1588.0	1619.0	16234.0
OPERATION - OTHER	547.2	596.4	632.9	722.5	7[illegible].2	869.4	8303.1
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	327.4	334.6	331.4	404.5	413.2	472.3	5070.9
FIT EXPENSE	330.0	263.3	170.0	344.[illegible]	225.7	265.9	5690.0
OTHER TAXES	581.1	612.6	648.0	781.5	801.2	[illegible]	[illegible]
TOTAL OPER EXPENSES	2902.3	3049.7	3179.1	3647.[illegible]	3812.3	4131.5	43951.1
OPERATING INCOME:	516.3	488.9	464.2	733.0	694.0	824.3	9994.9
OTHER INCOME:							
AFDC	135.6	226.2	341.1	168.3	312.3	310.4	2218.8
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	68.1	43.4	38.2	41.1	42.3	46.9	914.7
TOTAL OTHER INCOME	203.7	269.6	379.3	209.6	354.6	357.0	3133.5
INCOME BEFORE INTEREST:	720.0	758.4	843.5	942.5	1048.6	1181.3	13128.4
INTEREST CHARGES:							
INTEREST ON LTD	196.8	217.0	272.6	337.0	406.1	496.0	4415.3
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	48.8
TOTAL INTEREST	196.8	217.0	272.6	337.0	406.1	496.0	4464.1
NET INCOME:	523.2	541.4	570.9	605.5	642.5	685.4	8664.3
PREFERRED STOCK DIVIDENDS	61.8	62.1	72.6	[illegible]	105.4	127.4	1340.3
EARNING AVAIL FOR COMMON STOCK:	461.4	479.3	498.2	517.1	537.2	557.9	7324.0
COMMON STOCK DIVIDENDS	346.1	359.4	373.7	[illegible]	402.9	418.4	5293.2
RETAINED EARNINGS:	115.4	119.[illegible]	124.[illegible]	12[illegible].3	134.3	139.[illegible]	[illegible]30.[illegible]

CASE 1 - SHOR I/S 7/85 SYNC 12/84

INCOME STATEMENT ($MIL) GAS	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
GAS RETAIL REVENUE	356.2	394.1	412.5	437.0	459.3	485.8	512.8	542.1	572.3	604.3	636.8
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	356.2	394.1	412.5	437.0	459.3	485.8	512.8	542.1	572.3	604.3	636.8
OPERATING EXPENSES:											
OPERATION - FUEL	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.4	366.8	386.8	412.2
OPERATION - OTHER	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	9.0	9.5	10.0	10.5	11.0	11.6	12.2	12.8	13.5	14.3	15.0
FIT EXPENSE	15.9	17.0	16.3	16.0	15.3	15.7	16.2	17.0	17.7	18.1	17.4
OTHER TAXES	40.8	41.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	59.9	63.4	67.1	[illegible]
TOTAL OPER EXPENSES	327.7	364.5	383.3	407.1	430.2	455.7	482.4	511.1	541.5	572.9	605.3
OPERATING INCOME:	28.5	29.6	29.2	29.9	29.1	30.1	30.3	31.1	31.0	31.4	31.5
OTHER INCOME:											
AFDC	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	0.5	0.1	0.3	0.5	0.7	1.4	2.4	3.4	4.3	5.2	4.6
TOTAL OTHER INCOME	1.2	0.8	1.0	1.2	1.5	2.2	3.2	4.2	5.2	6.1	5.6
INCOME BEFORE INTEREST:	29.7	30.4	30.1	31.2	30.6	32.3	33.6	35.3	36.3	37.5	37.2
INTEREST CHARGES:											
INTEREST ON LTD	10.8	9.6	10.0	11.2	10.7	11.1	11.3	11.4	10.7	10.8	10.4
INTEREST ON STD	0.0	1.5	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	10.8	11.1	10.8	11.2	10.7	11.1	11.3	11.4	10.7	10.8	10.4
NET INCOME:	18.9	19.3	19.3	20.0	19.9	21.1	22.3	23.9	25.5	26.8	26.8
PREFERRED STOCK DIVIDENDS	3.8	3.5	3.4	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.4
EARNING AVAIL FOR COMMON STOCK:	15.1	15.8	15.9	16.5	16.4	17.6	18.8	20.3	21.9	23.2	23.4
COMMON STOCK DIVIDENDS	2.3	[illegible]	[illegible]	12.4	12.3	13.2	14.1	15.3	16.4	17.4	17.5
RETAINED EARNINGS:	12.8	3.9	4.9	4.1	4.1	4.4	4.7	5.1	5.5	5.8	5.8

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CASE 1 - SHOP I/S 7/85 SYNC 12/84

INCOME STATEMENT ($MIL) GAS	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
GAS RETAIL REVENUE	672.0	708.6	747.5	790.7	835.5	883.3	10050.9
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	672.0	708.6	747.5	790.7	835.5	883.3	10050.9
OPERATING EXPENSES:							
OPERATION - FUEL	436.9	462.1	490.2	520.4	551.6	584.7	6479.4
OPERATION - OTHER	95.0	100.7	106.8	113.2	120.0	127.2	1407.3
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	15.9	16.8	17.7	18.7	19.7	20.8	238.9
FIT EXPENSE	16.5	15.8	13.6	12.9	12.3	11.7	264.8
OTHER TAXES	75.1	79.5	84.1	89.1	94.4	102.9	1115.2
TOTAL OPER EXPENSES	639.5	675.2	713.1	754.2	797.9	844.2	9505.5
OPERATING INCOME:	32.5	33.4	34.5	36.6	37.6	39.0	545.4
OTHER INCOME:							
AFDC	1.0	1.1	1.1	1.1	1.2	1.2	15.6
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	3.0	1.7	1.4	1.4	1.4	1.4	33.8
TOTAL OTHER INCOME	4.0	2.8	2.5	2.5	2.6	2.7	49.4
INCOME BEFORE INTEREST:	36.6	36.2	36.9	39.1	40.2	41.7	594.7
INTEREST CHARGES:							
INTEREST ON LTD	10.0	10.4	11.9	14.0	15.6	17.5	197.4
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	2.1
TOTAL INTEREST	10.0	10.4	11.9	14.0	15.6	17.5	199.5
NET INCOME:	26.6	25.8	25.0	25.1	24.6	24.2	395.2
PREFERRED STOCK DIVIDENDS	3.1	3.0	3.2	3.7	4.0	4.5	60.4
EARNING AVAIL FOR COMMON STOCK:	23.4	22.9	21.8	21.4	20.6	19.7	334.8
COMMON STOCK DIVIDENDS	17.6	17.2	16.4	16.1	15.4	14.8	242.1
RETAINED EARNINGS:	5.8	5.7	5.5	5.4	5.1	4.9	92.7

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CASE 1 - SHOR I/S 7/85 SYNC 12/84

SOURCE & USE OF FUNDS (MIL$)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FUNDS REQUIRED:											
CONSTRUCTION EXPEND	662.5	403.9	172.9	196.5	242.5	235.9	277.8	199.4	250.3	390.1	686.1
TRUST EXPEND	90.7	263.1	197.8	3.6	13.0	-18.3	6.7	-16.0	-8.2	-18.7	27.7
LESS AFC	322.5	190.1	29.3	16.3	13.1	15.2	29.7	9.4	14.6	28.8	72.1
LTD REFUNDING	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	88.0	44.0	29.0
PREF REFUNDING	38.8	10.6	13.8	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9
TOTAL FUNDS REQUIRED	575.7	590.4	408.0	224.7	706.2	245.2	288.3	343.0	332.3	406.5	690.6
FUNDS PROVIDED:											
INTERNAL FUNDS:											
NET INCOME	438.9	472.9	474.7	475.3	460.7	471.9	493.6	495.8	508.4	521.7	535.5
LESS DIVIDENDS	142.4	376.1	377.2	377.3	369.8	378.6	381.8	390.4	399.3	[illegible]	418.4
LESS AFC	322.5	190.1	29.3	16.3	13.1	18.2	29.7	9.4	14.6	28.8	72.1
DEPRECIATION	70.3	145.3	217.5	272.9	298.8	299.2	334.6	318.0	324.1	332.0	339.2
RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	84.1	280.6	165.0	90.1	105.2	97.0	78.3	76.4	74.9	71.0	-25.4
DEFERRED ITC NET	-2.8	-2.8	223.5	105.7	7.0	5.1	7.3	1.1	4.6	15.7	38.2
TOTAL FROM OPERATIONS	125.5	340.8	874.2	550.4	486.7	441.5	462.2	491.4	498.2	502.9	397.1
LESS WORKING CAPITAL	5.3	1.0	79.0	2.0	2.0	2.0	3.0	-3.0	-4.0	-4.0	-5.0
	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
TOTAL INTERNAL FUNDS	130.8	341.8	595.2	552.4	488.7	483.5	465.2	494.4	502.2	506.9	402.1
EXTERNAL FUNDS:											
LONG TERM DEBT	0.0	0.0	270.0	172.0	248.0	0.0	0.0	0.0	0.0	0.0	0.0
TRUST	1.0	0.0	-100.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PREFERRED STOCK	0.0	0.0	0.0	0.0	-30.0	0.0	0.0	0.0	0.0	0.0	0.0
COMMON STOCK	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SHORT TERM DEBT	380.9	248.5	-357.2	0.3	-0.5	-239.2	177.0	-151.5	169.9	-100.5	288.6
TOTAL EXTERNAL FUNDS	444.[illegible]	24[illegible].5	1[illegible]7.2	327.7	217.5	2[illegible].2	177.0	-151.5	169.9	-100.5	288.6

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CASE 1 - SHOR I/S 7/85 SYNC 12/94

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
TOTAL FUNDS PROVIDED	575.7	590.4	408.0	224.7	706.2	245.2	270.3	345.0	332.5	406.5	690.6

CASE 1 - SHOR I/S 7/65 SYNC 12/84

SOURCE & USE OF FUNDS (&MIL)

	1995	1996	1997	1998	1999	2000	TOTAL
FUNDS REQUIRED:							
CONSTRUCTION EXPEND	817.2	1078.2	1321.2	1259.6	1618.3	1829.9	11642.3
TRUST EXPEND	-19.0	-25.6	28.5	-27.3	-35.9	16.7	465.3
LESS AFC	136.7	227.3	342.2	189.4	318.5	311.3	2234.4
LTD REFUNDING	29.0	44.0	42.0	20.0	45.0	25.0	1286.0
PREF REFUNDING	19.9	19.9	19.9	16.1	16.1	16.1	326.9
TOTAL FUNDS REQUIRED	710.4	889.2	1069.4	1099.0	1330.1	1576.5	11485.6
FUNDS PROVIDED:							
INTERNAL FUNDS:							
NET INCOME	549.8	567.2	595.9	630.6	667.2	703.6	9059.5
LESS DIVIDENDS	428.6	441.7	465.8	495.9	527.7	565.2	6935.9
LESS AFC	136.7	227.3	342.2	189.4	318.5	311.3	2234.4
DEPRECIATION	343.3	351.4	349.1	423.2	432.9	493.1	5309.8
RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	-25.5	-27.9	-54.8	46.3	-18.6	-17.2	906.9
DEFERRED ITC NET	42.5	56.2	65.5	72.6	89.4	105.2	834.3
TOTAL FROM OPERATIONS	344.8	278.0	147.6	414.9	329.7	414.2	6940.2
LESS WORKING CAPITAL	5.0	4.0	7.0	[illegible]	[illegible]	10.0	2.7
	=======	=======	=======	=======	=======	=======	=======
TOTAL INTERNAL FUNDS	349.8	284.0	154.6	422.9	338.7	424.2	6937.4
EXTERNAL FUNDS:							
LONG TERM DEBT	0.0	324.0	716.0	530.0	793.0	923.0	4953.0
TRUST	0.0	-3.0	1.3	11.1	-12.5	-13.3	637.6
PREFERRED STOCK	0.0	43.0	192.0	144.0	209.0	237.0	797.0
COMMON STOCK	0.0	0.0	0.0	0.0	0.0	0.0	63.0
SHORT TERM DEBT	360.7	169.2	3.5	13.2	2.0	0.5	272.0
TOTAL EXTERNAL FUNDS	360.7	693.2	[illegible]	676.1	[illegible]	1152.2	4548.2

CASE 1 - SHOR 1/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
TOTAL FUNDS PROVIDED	710.4	[illegible]	1069.4	[illegible]	1330.1	1376.5	[illegible]

CASE 1 - SHOR I/S 7/85 SYNC 12/84

BALANCE SHEET ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ASSETS:										
GROSS UTILITY PLANT IN SERVICE	[illegible]	[illegible]	[illegible]	7842.3	[illegible]	8164.8	8332.1	8709.4	8899.3	9086.3
LESS ACCUM DEPRECIATION	780.5	902.6	1095.9	1330.9	1571.6	1818.7	2071.1	2337.0	2609.0	2888.9
NET UTIL PLANT IN SERVICE	1517.6	5554.0	5490.3	6511.4	[illegible]	6346.1	6261.0	6372.4	6290.3	6197.5
CONSTRUCT WORK IN PROGRESS	4879.8	1307.3	1580.3	319.9	241.3	291.8	377.6	155.8	200.0	366.4
RMP ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-80.0	-81.0	-2.0	-4.0	-6.0	-8.0	-11.0	-14.0	-18.0	-22.0
DEFERRED DEBITS	0.0	55.0	49.6	16[illegible]	279.7	240.6	206.5	172.4	138.3	104.2
TOTAL ASSETS	6317.0	6838.1	7068.3	6893.8	6934.3	6870.6	6834.1	6690.6	6610.6	6646.0
CAPITALIZATION & LIABILITIES:										
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	882.8	979.6	1077.1	1175.1	1270.0	1368.3	1470.0	1575.4	1684.5	1797.6
TOTAL COMMON EQUITY	2371.0	2467.8	2565.3	2663.3	2758.2	2856.5	2958.2	3063.6	3172.7	3285.8
PREFERRED STOCK	752.1	751.4	737.8	728.4	671.0	651.1	631.3	611.4	591.5	571.6
LONG TERM DEBT	2180.7	2087.7	2304.7	2452.7	2256.7	2230.7	2203.7	2054.7	1969.7	1925.7
TRUST LIABILITY	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CAPITALIZATION (W/O STD)	5913.8	5906.9	6107.8	5836.9	5685.9	5738.3	5793.1	5729.6	5733.9	5783.0
SHORT TERM DEBT	107.9	356.5	-0.7	-0.4	0.3	-239.1	-416.1	-567.5	-737.4	-837.8
TOTAL CAPITALIZATION (WITH STD)	6021.7	6263.3	6107.0	5836.5	5685.0	5499.2	5377.1	5162.1	4996.5	4945.2
RMP DEFERRED TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	212.7	435.4	65[illegible].4	743.5	853.6	950.7	1029.0	1105.3	1190.2	1251.2
DEFERRED ITC - NET	12.6	7[illegible]	303.3	45[illegible]	415.[illegible]	421.1	428.4	42[illegible].5	434.2	450.0

CASE 1 - SHOR 1/3 7/85 SYNC 12/89

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
TOTAL CAPITALIZATION & LIAB.	6317.1	6836.5	7063.7	6994.0	6954.8	6870.9	6834.4	6698.9	6611.0	6646.3

CASE 1 - SHOR I/S 7/85 SYNC 12/84

BALANCE SHEET ($MIL)

	1994	1995	1996	1997	1998	1999	2000
ASSETS:							
GROSS UTILITY PLANT IN SERVICE	9315.5	9523.5	9778.3	10018.7	12633.5	12933.3	14617.4
LESS ACCUM DEPRECIATION	3176.0	3473.4	3773.5	4090.4	4490.3	4905.1	5375.0
NET UTIL PLANT IN SERVICE	6139.5	6050.1	6004.7	5928.4	8143.3	8028.2	9242.4
CONSTRUCT WORK IN PROGRESS	833.0	1405.3	2179.8	3271.0	1865.2	3129.8	3268.6
RMP ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-27.0	-32.0	-38.0	-45.0	-53.0	-62.0	-72.0
DEFERRED DEBITS	70.1	42.8	14.2	0.0	0.0	0.0	0.0
TOTAL ASSETS	7015.7	7463.3	8180.7	9154.5	9955.4	11096.0	12439.5
CAPITALIZATION & LIABILITIES:							
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	1914.6	2035.8	2161.4	2291.4	2426.0	2565.5	2709.9
TOTAL COMMON EQUITY	3402.8	3524.0	3649.6	3779.6	3914.2	4053.6	4198.0
PREFERRED STOCK	551.7	531.8	556.4	729.8	856.4	1044.0	1210.8
LONG TERM DEBT	1376.7	1867.7	2217.7	2893.7	3403.7	4151.7	5054.7
TRUST LIABILITY	0.0	0.0	-3.0	-1.7	-12.6	-25.3	-38.6
TOTAL CAPITALIZATION (W/O STD)	5331.2	5923.5	6421.1	7400.5	8162.0	9229.8	10414.7
SHORT TERM DEBT	543.3	-188.6	-19.3	-15.8	2.7	-0.7	-0.2
TOTAL CAPITALIZATION (WITH STD)	5301.9	5734.9	6401.8	7384.7	8159.3	9229.1	10484.5
RMP DEFERRED TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	1225.8	1208.3	1172.4	1117.6	1071.3	1052.7	1035.5
DEFERRED ITC - NET	488.2	530.6	586.9	652.4	725.2	814.6	919.8

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1994	1995	1996	1997	1998	1999	2000
TOTAL CAPITALIZATION & LIAB.	7015.9	7465.9	8161.1	9154.7	9955.8	11696.[illegible]	12439.5

CASE 1 - SHOR 1/S 7/85 SYNC 12/84

SELECTED FINANCIAL STATISTICS		1984	1985	1986	1987	1988	1989	1990	1991	[illegible]	1993
COVERAGE RATIOS:											
G AND R INDENTURE COV		2.62	5.00	5.60	5.22	4.35	4.74	4.82	5.43	5.63	5.62
SEC HISTORICAL DEBT		2.59	3.04	3.31	4.21	4.14	4.42	4.52	4.81	5.22	5.34
CERT. PREFERRED RATIO		1.88	1.88	1.78	2.04	2.09	2.17	2.23	2.42	2.51	2.59
CASH COV/COMMON DIV		3.32	2.17	3.30	2.87	2.71	2.63	2.51	2.55	2.52	2.48
G & R EXCLUDING RMF		2.62	5.00	5.60	5.22	4.35	4.74	4.82	5.43	5.63	5.62
SEC HIST DEBT X RMF/AFC		1.36	2.28	2.92	4.10	4.03	4.30	4.35	4.72	5.10	5.17
CERTIFICATE PREF X RMF		1.88	1.88	1.78	2.04	2.09	2.17	2.23	2.42	2.51	2.59
COMMON STOCK:											
DIVIDEND PER SHARE	- $	0.50	2.64	2.66	2.67	2.58	2.68	2.77	2.87	2.97	3.08
DIVIDEND PAYOUT RATIO	- %	15.43	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	4.81	14.71	12.67	11.04	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	10.50	17.93	20.97	24.19	25.05	25.94	26.86	27.82	28.81	29.84
BOOK VALUE PER SHARE	- $	21.83	22.41	23.30	24.19	25.05	25.94	26.86	27.82	28.81	29.84
MARKET TO BOOK RATIO	- %	48.77	80.00	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	107.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.83	3.96	4.11
COST OF MONEY:											
RETURN ON AVG COM EQTY	- %	16.00	16.00	15.50	15.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	0.00	0.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	13.50	11.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	16.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	11.96	12.10	12.10	12.95	12.31	12.67	12.78	12.96	12.96	13.12
OVERALL - NET OF TAX	- %	10.01	10.10	10.16	10.74	10.34	10.81	11.06	11.44	11.71	11.97
CAPITALIZATION:											
WITHOUT STD											
TOTAL COMMON EQUITY	- %	40.09	41.78	42.00	45.63	48.51	49.78	51.06	53.47	55.33	56.82
TOTAL PREFERRED	- %	12.90	12.72	12.08	12.35	11.80	11.35	10.90	10.67	10.32	9.88
TOTAL LONG TERM DEBT	- %	47.02	45.50	45.92	42.02	39.69	38.87	38.04	35.86	34.35	33.30
WITH STD											
TOTAL COMMON EQUITY	- %	39.37	39.40	42.01	45.63	48.52	51.94	55.02	59.35	63.50	66.44
TOTAL PREFERRED	- %	12.66	12.00	12.08	12.35	11.80	11.34	11.74	11.84	11.84	11.56
TOTAL DEBT	- %	47.97	48.60	45.91	42.02	39.69	36.22	33.24	28.81	24.66	22.00

CASE 1 - SHOR I/S 7/85 SYNC 12/84

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
OTHER:											
AFDC TO BAL FOR COMMON	- %	114.39	71.72	38.39	7.73	7.39	8.35	10.56	5.09	5.81	8.42
NET INTERNAL CASH GEN	- %	36.93	152.37	469.50	305.43	212.17	221.16	196.31	258.61	211.38	139.20
~~EFFECTIVE TAX RATE~~	- %	~~10.74~~	~~41.08~~	~~75.97~~	~~84.60~~	~~74.61~~	~~82.99~~	~~75.94~~	~~79.27~~	~~73.88~~	~~88.04~~
CWIP IN RATE BASE	- %	9.17	8.01	3.26	2.78	10.36	12.85	10.82	9.52	15.86	11.82
NET RMP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
~~CAPITAL IMBALANCE~~	%	~~70.02~~	~~40.83~~	~~17.08~~	~~14.03~~	~~8.34~~	~~8.93~~	~~7.48~~	~~8.14~~	~~4.40~~	~~5.41~~

CASE 1 - SHOP I/S 7/85 SYNC 12/84

SELECTED FINANCIAL STATISTICS		1994	1995	1996	1997	1998	1999	2000
COVERAGE RATIOS:								
G AND R INDENTURE COV		5.32	4.94	3.64	2.36	3.31	2.33	2.25
SEC HISTORICAL DEBT		5.24	5.07	4.49	3.57	3.66	3.03	2.82
CERT PREFERRED RATIO		2.66	2.74	2.90	2.13	2.03	1.86	1.72
CASH COV/COMMON DIV		2.13	1.95	1.74	1.38	2.03	1.79	1.96
G & R EXCLUDING RMP		5.32	4.94	3.64	2.36	3.31	2.33	2.25
SEC HIST DEBT X RMP/AFC		4.86	4.39	3.49	2.37	3.16	2.29	2.21
CERTIFICATE PREF X RMP		2.66	2.74	2.50	2.13	2.03	1.86	1.72
COMMON STOCK:								
DIVIDEND PER SHARE	- $	3.19	3.30	3.42	3.54	3.67	3.80	3.93
DIVIDEND PAYOUT RATIO	- %	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	10.32	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	30.90	32.00	33.14	34.32	35.54	36.81	38.12
BOOK VALUE PER SHARE	- $	30.90	32.00	33.14	34.32	35.54	36.81	38.12
MARKET TO BOOK RATIO	- %	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	4.25	4.40	4.56	4.72	4.89	5.06	5.25
COST OF MONEY:								
RETURN ON AVG COM EQTY	- %	14.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	13.03	12.91	12.80	12.62	12.54	12.44	12.33
OVERALL - NET OF TAX	- %	11.72	11.41	11.09	10.82	10.40	10.13	9.85
CAPITALIZATION:								
WITHOUT STD								
TOTAL COMMON EQUITY	- %	58.16	59.49	58.84	61.07	47.96	43.92	40.04
TOTAL PREFERRED	- %	9.41	8.98	6.67	5.85	10.50	11.37	12.12
TOTAL LONG TERM DEBT	- %	32.42	31.53	34.49	33.08	41.54	44.71	47.84
WITH STD								
TOTAL COMMON EQUITY	- %	64.18	61.45	57.01	51.13	47.97	43.92	40.04
TOTAL PREFERRED	- %	10.41	9.27	8.70	9.87	10.50	11.37	12.12
TOTAL DEBT	- %	25.41	29.28	34.29	39.00	41.53	44.70	47.84

CASE 1 - SHOR I/S 7/85 SYNC 12/84

		1994	1995	1996	1997	1998	1999	2000
OTHER:								
IFEC TO BAL FOR COMMON	%	17.47	30.29	46.81	67.38	33.10	57.39	55.11
NET INTERNAL CASH GEN	- %	64.66	50.66	32.67	15.07	34.06	25.26	27.28
EFFECTIVE TAX RATE	- %	57.64	46.00	33.18	18.86	[illegible]	23.23	25.76
CWIP IN RATE BASE	- %	6.58	3.84	2.46	1.69	1.18	1.74	1.16
NET RUP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL IMBALANCE	%	4.38	15.55	22.83	30.59	26.27	23.17	26.65

CASE 1 - SHOR I/S 7/85 SYNC 12/84

RATE INCREASE REPORT (*FILE*)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ENERGY SALES:										
ELECTRIC (GWH)	13315	13966	13753	13954	13990	14083	14370	14875	15059	15512
% CHANGE	0.00	4.89	-1.53	1.46	0.26	0.66	2.04	3.51	1.24	3.01
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:										
ELECTRIC (/KWH)	11.06	15.19	17.73	19.12	18.96	19.45	20.12	20.55	20.08	20.73
GAS ($/DTHM)	6.99	7.73	8.09	8.56	9.01	9.53	10.05	10.63	11.22	11.85
AVERAGE RATE: FUEL										
ELECTRIC(/KWH)	4.97	4.98	4.24	4.38	4.52	4.37	5.09	5.05	4.91	5.68
GAS ($/DTHM)	4.20	4.83	5.07	5.37	5.70	6.04	6.40	6.79	7.19	7.62
AVERAGE RATE (NET OF FUEL):										
ELECTRIC (/KWH)	6.09	10.20	13.49	14.74	14.44	15.07	15.02	15.50	15.17	15.05
GAS ($/DTHM)	2.79	2.90	3.02	3.19	3.31	3.49	3.65	3.84	4.03	4.22
REVENUE (NO RATE INC OR FUEL):										
ELECTRIC	810.88	826.30	1403.39	1882.51	2062.24	2033.27	2166.16	2204.37	2334.76	2353.70
GAS	235.11	142.19	147.81	153.71	162.91	168.78	177.85	186.30	196.06	205.46
TOTAL	1045.99	968.49	1551.21	2036.22	2225.15	2202.05	2344.01	2390.67	2530.82	2559.16
TOTAL FUEL:										
ELECTRIC	662.00	676.00	583.00	611.00	633.00	616.00	732.00	741.00	739.00	881.00
GAS	214.00	246.30	258.60	274.11	290.56	308.00	326.47	346.06	366.83	388.84
TOTAL	876.00	922.30	841.60	885.11	923.56	924.00	1058.47	1087.06	1105.82	1269.83
REVENUE (NO RATE INCREASE):										
ELECTRIC	1472.88	1502.30	1986.39	2493.31	2695.24	2649.26	2898.16	2945.37	3073.76	3234.70
GAS	449.11	328.49	406.41	428.02	453.47	476.78	504.33	532.37	562.89	594.30
TOTAL	1921.99	1830.79	2392.81	2921.33	3148.71	3126.04	3402.49	3477.74	3636.65	3829.00
ACTUAL RETAIL REVENUE:										
ELECTRIC	1473.01	2060.31	2438.20	2667.93	2652.84	2738.90	2890.56	3016.23	3023.97	3215.61
GAS	356.19	394.11	412.51	[illegible]	459.35	485.84	512.78	542.12	572.29	604.30
TOTAL	1829.20	2454.43	2850.71	[illegible]	3112.19	3224.74	3403.34	3558.35	3596.26	3819.91

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ANNUAL RATE INCREASE:										
ELECTRIC	0.13	[illegible]	451.[illegible]	174.62	42.40	[illegible].64	-7.60	70.[illegible]	-49.79	19.09
GAS	-92.92	5.62	6.03	9.01	5.67	9.07	8.45	9.76	9.40	10.00
TOTAL	-92.79	563.64	457.90	183.63	-36.53	98.70	0.85	80.61	-40.39	-9.09
CUM RATE INCREASE:										
ELECTRIC	0.13	55[illegible].19	1007.[illegible]	1184.37	1142.17	1231.80	1224.20	1295.06	1245.26	1226.17
GAS	-92.92	-87.30	-81.20	-72.19	-66.32	-57.26	-48.81	-39.05	-29.65	-19.65
TOTAL	-92.79	470.85	928.75	1112.37	1075.84	1174.54	1175.39	1256.01	1215.61	1206.52
ANNUAL (%) RATE INC:										
ELECTRIC	[illegible]	37.14	22.74	7.00	1.57	3.38	-0.26	2.41	-1.62	-0.59
GAS	-20.69	1.45	1.50	2.10	1.29	1.90	1.68	1.83	1.67	1.68
TOTAL	4.83	29.01	19.14	6.29	1.16	3.16	0.03	2.32	-1.11	-0.24
ANNUAL % CHANGE IN RATE:										
ELECTRIC: FUEL	0.00	0.73	14.[illegible]	3.[illegible]	3.33	3.33	18.48	0.87	-2.81	13.73
NET OF FUEL	0.00	67.53	32.19	9.28	-2.06	4.41	-0.35	3.21	-2.13	-0.81
TOTAL	0.00	37.20	16.33	7.85	-0.82	2.56	3.43	2.18	-2.30	3.23
GAS: FUEL	0.00	15.09	4.59	6.00	6.00	6.00	6.00	5.00	6.00	6.00
NET OF FUEL	0.00	5.96	4.12	5.85	3.80	5.57	4.75	5.24	4.20	4.97
TOTAL	0.00	10.65	4.67	5.[illegible]4	5.11	5.77	5.54	5.72	5.56	5.59
ANNUAL RATE INCREASE (OFF TOTAL RATES)										
ELECTRIC	0.00	559.53	349.49	194.10	-21.98	68.43	95.85	64.31	-71.18	100.68
GAS	0.00	37.9[illegible]	18.39	24.52	22.3[illegible]	26.50	26.93	29.35	30.17	32.01
TOTAL	0.00	597.46	367.88	218.62	0.34	94.93	122.78	93.66	-41.02	132.69
ANNUAL RATE INCREASE (%)										
ELECTRIC	0.00	37.99	16.06	7.96	-0.82	2.58	3.50	2.22	-2.36	3.33
GAS	0.00	10.6[illegible]	4.67	5.[illegible]4	5.11	5.77	5.54	5.72	5.56	5.59
TOTAL	0.00	32.66	14.39	7.67	0.01	3.05	3.01	2.75	-1.15	3.69

CASE 1 - SHOR I/S 7/85 SYNC 12/84

RATE INCREASE REPORT ($MILES)

	1994	1995	1996	1997	1998	1999	2000
ENERGY SALES:							
ELECTRIC (GWH)	15974	16443	16909	17382	17865	18350	18859
% CHANGE	[illegible]	2.94	[illegible]	[illegible]	2.78	2.71	2.66
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:							
ELECTRIC (/KWH)	20.81	20.79	20.93	20.95	23.52	23.56	26.31
GAS ($/DTHM)	12.49	13.15	13.90	14.66	15.50	16.38	17.32
AVERAGE RATE: FUEL							
ELECTRIC(/KWH)	6.19	6.74	7.35	8.05	[illegible]	[illegible]	[illegible]
GAS ($/DTHM)	8.09	8.57	9.08	9.63	10.20	10.82	11.46
AVERAGE RATE (NET OF FUEL):							
ELECTRIC (/KWH)	14.63	14.05	13.58	12.91	16.60	15.90	17.71
GAS ($/DTHM)	4.40	4.61	4.81	5.03	5.30	5.57	5.85
REVENUE (NO RATE INC OR FUEL):							
ELECTRIC	2404.15	2405.58	2375.06	[illegible]	[illegible]	[illegible]	2996.04
GAS	215.48	224.64	235.55	245.54	[illegible]	270.36	283.93
TOTAL	2619.60	2630.22	2611.13	2605.53	2563.29	3316.77	3279.98
TOTAL FUEL:							
ELECTRIC	988.00	1108.00	1245.00	1399.00	1419.00	1588.00	1619.00
GAS	412.17	436.90	463.11	[illegible]	[illegible]	551.57	584.67
TOTAL	1400.16	1544.89	1706.11	1889.89	1935.35	2139.57	2203.66
REVENUE (NO RATE INCREASE):							
ELECTRIC	3392.15	3513.58	3619.06	3758.99	3721.64	4634.41	4615.04
GAS	627.63	661.53	[illegible]	736.44	[illegible]	[illegible]	868.60
TOTAL	4019.77	4175.12	4317.25	4495.43	4498.64	5456.34	5483.64
ACTUAL RETAIL REVENUE:							
ELECTRIC	3324.97	3413.58	3538.77	3643.28	4380.89	4506.28	4955.78
GAS	[illegible]	[illegible]	[illegible]	747.54	790.71	835.51	883.25
TOTAL	[illegible]	[illegible]	4247.42	[illegible]	5171.60	5341.78	5839.03

CASE 1 - SHOR I/S 7/85 SYNC 12/84

		1994	1995	1996	1997	1998	1999	2000
ANNUAL RATE INCREASE:								
ELECTRIC		-67.17	-95.01	-80.28	-115.71	659.24	-128.15	340.74
GAS		9.18	10.44	10.46	11.10	13.72	13.57	14.65
TOTAL		-58.00	-84.57	-69.82	-104.61	672.97	-114.58	355.39
CUM RATE INCREASE:								
ELECTRIC		1155.00	1063.99	583.71	868.00	1527.24	1399.11	1739.85
GAS		-10.47	-0.03	10.43	21.53	35.26	48.83	63.48
TOTAL		1144.53	1063.96	594.14	889.53	1562.49	1447.94	1803.33
ANNUAL (%) RATE INC:								
ELECTRIC		1.48	-2.70	-2.22	-3.08	17.71	-2.76	7.38
GAS		1.46	1.58	1.50	1.51	1.77	1.65	1.69
TOTAL		1.44	-2.03	-1.62	-2.33	14.96	-2.10	6.48
ANNUAL % CHANGE IN RATE:								
ELECTRIC:	FUEL	[illegible]	[illegible]	[illegible]	[illegible]	1.59	[illegible]	0.67
	NET OF FUEL	-2.79	-3.95	-3.38	-4.90	28.58	-4.21	11.37
	TOTAL	0.41	-0.12	0.06	-0.18	18.99	0.14	7.12
GAS:	FUEL	6.00	6.00	6.00	6.00	6.00	6.00	6.00
	NET OF FUEL	4.26	4.65	4.45	4.52	5.35	5.02	5.16
	TOTAL	5.38	5.52	5.46	5.49	5.78	5.66	5.71
ANNUAL RATE INCREASE (OFF TOTAL RATES)								
ELECTRIC		13.58	-4.02	23.31	5.52	636.37	8.45	329.42
GAS		32.51	35.17	36.67	38.89	43.17	[illegible]	47.74
TOTAL		46.09	31.15	59.99	44.41	679.54	51.25	377.16
ANNUAL RATE INCREASE (%)								
ELECTRIC		0.42	-0.12	0.63	0.16	17.47	0.15	7.31
GAS		5.38	5.52	5.46	5.44	5.78	5.66	5.71
TOTAL		1.21	0.79	1.47	1.05	15.48	0.90	7.06

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FEDERAL INCOME TAXES (MIL)											
FIT CHARGED TO OPERATING EXPENSE:											
FED INC TAX PAID	0.0	0.0	33.7	228.0	249.4	325.0	336.3	369.2	359.6	343.2	375.5
DEF INC TAX - NET	84.1	280.6	165.0	90.1	105.2	97.0	78.3	76.4	74.9	71.0	-25.4
DEF ITC	0.0	0.0	230.2	118.1	21.9	20.7	23.6	18.1	22.4	34.3	58.3
FIT EXPENSE	84.1	280.6	428.8	436.3	378.4	442.7	438.2	463.6	456.9	448.4	408.4
FIT INCLUDED IN OTHER INCOME:											
AMORT. OF DEF ITC	2.0	2.6	8.7	12.5	14.8	15.4	16.3	17.0	17.6	18.6	20.1
CALCULATION OF FIT PAID:											
OPERATING REVENUE	1829.2	2454.4	2850.7	3105.0	3112.2	3224.7	3403.3	3558.3	3596.3	3819.9	3961.8
- OPER & MAINT EXP	1087.0	1195.5	1196.2	1299.7	1359.1	1375.5	1548.7	1606.6	1645.4	1654.1	2020.3
- NET ELEC & GAS FUR.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	243.5	298.3	353.0	395.2	418.5	449.0	477.5	528.4	557.4	591.2	623.2
- TAX DEPRECIATION	284.4	416.8	362.4	382.1	487.9	408.1	375.4	390.5	408.1	410.8	212.4
- TOTAL INTEREST EXPENSED	249.9	271.1	267.1	276.0	247.2	247.0	244.2	235.2	214.0	209.8	208.3
- CAPITALIZED TRUST INTEREST	78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
- CAPITALIZED OVERHEADS	25.3	43.5	12.2	9.0	11.5	10.9	12.4	9.5	11.8	18.1	30.7
- ADD. TAX DEDUCTIONS	0.0	-1.0	-1.0	-2.0	-2.0	-2.0	-3.0	-3.0	-4.0	-4.0	-5.0
+ NET TEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	19.1	27.4	53.7	11.6	14.5	27.9	47.5	62.8	77.7	90.0	81.0
TAXABLE INCOME BEFORE NOL	-160.0	160.5	588.7	752.6	509.6	751.5	782.3	841.9	830.5	820.6	943.1
+ NOL CARRIED FOWARD	160.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	160.5	15.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	0.0	0.0	573.6	752.6	509.6	751.5	782.3	841.9	830.5	820.6	943.1
x FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	0.0	0.0	263.5	346.2	271.2	345.7	399.8	387.3	382.0	377.5	433.8

CASE 1 - SHOP I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC	0.0	0.0	230.2	118.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	0.0	0.0	33.7	228.0	249.4	325.0	336.3	369.2	359.6	343.2	375.5

BOTTOM UP CALC OF FIT PAID:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
NET INCOME	[illegible]	[illegible]	474.7	475.3	460.7	[illegible]	483.6	495.8	508.4	521.7	535.5
AFDC	322.5	180.1	29.3	16.3	13.1	18.2	29.7	9.4	14.6	28.8	72.1
ITC	0.0	0.0	230.2	118.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
- TAX OVER BOOK DEP	214.1	270.0	144.8	109.2	[illegible]	[illegible]	70.8	72.8	84.1	78.8	-126.8
- CAPITALIZED TRUST INTEREST	78.2	57.6	[illegible]	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
- CAPITALIZED OVERHEADS	25.3	43.5	12.2	[illegible]	11.5	10.9	10.4	9.5	11.8	18.1	30.7
- ADD. TAX DEDUCTIONS	40.0	-1.0	-1.0	2.0	2.0	-2.0	3.0	-3.0	-4.0	-4.0	-5.0
- RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET TEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	157.7	[illegible]	150.0	[illegible]	103.2	97.0	78.3	76.4	74.9	71.0	-25.4
+ DEFERRED ITC - NET	[illegible]	-2.0	223.0	[illegible]	7.0	[illegible]	7.3	1.1	4.8	15.7	38.2
INCOME BEFORE NOL NOT OFFSET	[illegible]	86.7	317.4	406.4	318.4	405.2	422.4	434.6	448.5	443.1	[illegible]
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	-86.4	86.7	[illegible]	406.4	318.4	405.2	422.4	434.6	448.5	443.1	509.3
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	-160.0	160.5	[illegible]	752.6	[illegible]	751.5	782.3	841.9	830.5	820.6	943.1
+ NOL CARRIED FOWARD	160.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	160.5	15.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME AFTER NOLS	[illegible]	0.0	573.6	752.6	589.6	751.5	782.3	841.9	830.5	820.6	943.1
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	0.0	0.0	263.9	346.2	271.2	345.7	359.8	387.3	382.0	377.5	433.8
ITC	0.0	0.0	230.2	118.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	0.0	0.0	33.7	228.0	249.4	325.0	336.3	369.2	359.6	343.2	375.5

CASE 1 - SHOP 1/S 7/85 SYNC 12/84

FEDERAL INCOME TAXES (FIT)

	1995	1996	1997	1998	1999	2000	TOTAL
FIT CHARGED TO OPERATING EXPENSE:							
FED INC TAX PAID	315.4	225.5	146.3	300.0	132.6	150.5	3890.1
DEF INC TAX - NET	25.5	27.9	-54.8	-46.3	-18.6	17.2	906.9
DEF ITC	64.7	80.0	93.0	103.8	124.0	144.3	1157.8
FIT EXPENSE	354.5	278.4	184.4	357.3	238.0	277.6	5954.8
FIT INCLUDED IN OTHER INCOME:							
AMORT OF DEF ITC	22.2	24.8	27.5	[illegible]	34.6	34.0	323.5
CALCULATION OF FIT PAID:							
OPERATING REVENUE	4090.5	4247.4	4390.9	5171.6	5341.0	5839.0	63997.0
- OPER & MAINT EXP	2197.8	2403.3	2629.6	2771.0	3043.[illegible]	3200.2	32423.7
- NET ELEC & GAS PUR.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	656.2	692.[illegible]	729.1	850.5	895.5	1004.0	9768.3
- TAX DEPRECIATION	223.4	235.0	189.4	275.2	369.4	416.1	5847.0
- TOTAL INTEREST EXPENSED	[illegible]	227.4	284.6	[illegible]	431.7	515.5	4663.6
- CAPITALIZED TRUST INTEREST	10.2	7.3	9.2	8.6	6.6	7.0	445.8
- CAPITALIZED OVERHEADS	34.0	42.5	49.0	59.5	65.2	75.[illegible]	516.1
- ADD TAX DEDUCTIONS	-5.0	-4.0	-7.9	-8.0	-9.0	-10.0	-32.0
+ NET TERM INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	49.0	20.5	12.1	11.0	9.9	9.3	625.0
TAXABLE INCOME BEFORE NOL	[illegible]	665.9	520.1	[illegible]	557.6	640.[illegible]	10999.3
+ NOL CARRIED FORWARD	0.0	0.0	0.0	0.0	0.0	0.0	160.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	179.6
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	[illegible]	665.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CASE 1 - [illegible] SYNC 12/86

	1995	1996	1997	1998	1999	2000	TOTAL
- ITC	64.7	[illegible]	93.0	[illegible]	124.0	144.3	1157.8
FED INC TAX PAID	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	150.5	[illegible]

BOTTOM UP CALC OF FIT PAID:

NET INCOME	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AFDC	136.7	227.3	342.2	169.4	313.5	317.3	2234.4
- ITC	64.7	89.8	93.0	103.6	124.0	144.3	1157.8
- TAX OVER BOOK DEP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
+ CAPITALIZED TRUST INTEREST	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
- CAPITALIZED OVERHEADS	34.0	42.5	49.0	[illegible]	[illegible]	[illegible]	[illegible]
- [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.0	[illegible]
- [illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET DEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
+ DEFERRED ITC - NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
INCOME BEFORE NOL AND OFFSET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
+ NOL CARRIED FORWARD	0.0	0.0	0.0	0.0	0.0	0.0	160.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	175.6
TAXABLE INCOME AFTER NOLS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10973.6
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	[illegible]	306.3	[illegible]	403.5	256.5	[illegible]	[illegible]
- ITC	64.7	[illegible]	93.0	103.6	124.0	144.3	1157.8
FED INC TAX PAID	315.4	225.5	146.3	[illegible]	142.6	150.5	[illegible]

CASE 1 - SHOR I/S 7/85 SYNC 12/84

ITC REPORT FAMILY		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC CARRY FORWARD AVAIL	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BEFORE UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	4.2	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	4.2	34.0	41.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	34.0	41.0	31.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	41.0	31.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	31.2	35.0	50.7	11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	35.0	50.7	45.1	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	50.7	45.1	30.6	36.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	45.1	30.6	36.1	23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	241.2	271.9	308.0	101.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		36.6	36.1	23.2	17.6	21.9	20.7	23.6	18.1	22.4	34.3	58.3
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		271.9	308.0	331.2	118.1	21.9	20.7	23.6	18.1	22.4	34.3	58.3
ITC BEFORE CARRY-BACK		0.0	0.0	230.2	118.1	21.9	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY-BACK AVAIL.	3	0.0	0.0	0.0	0.0	0.0	0.0	176.1	208.8	273.1	282.3	311.1
	2	0.0	0.0	0.0	0.0	0.0	176.1	208.8	273.1	282.3	311.1	302.3
	1	0.0	0.0	0.0	0.0	176.1	208.8	273.1	282.3	311.1	302.3	286.5
	TOTAL	0.0	0.0	0.0	0.0	176.1	384.9	658.0	764.2	866.6	875.8	900.0
ITC CARRY-BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		0.0	0.0	230.2	118.1	21.9	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY FORWARD AVAIL	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFTER UTILIZATION	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	4.2	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	34.0	41.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	41.0	31.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	31.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	35.[illegible]	50.7	11.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	50.7	45.1	30.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	45.1	30.6	36.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	[illegible]	35.[illegible]	23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	271.[illegible]	308.0	[illegible]	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR 1/5 7/85 SYNC 12/94

ITC REPORT ($MIL)

		1995	1996	1997	1998	1999	2000	TOTAL
ITC CARRY FORWARD AVAIL BEFORE UTILIZATION	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		64.7	80.8	93.0	103.6	124.0	144.3	915.5
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		64.7	80.8	93.0	103.6	124.0	144.3	0.0
ITC BEFORE CARRY-BACK		64.7	80.8	93.0	103.6	124.0	144.3	1157.8
ITC CARRY BACK AVAIL.	3	302.3	286.5	310.4	258.4	179.5	110.4	0.0
	2	286.5	310.4	258.4	179.5	110.4	239.5	0.0
	1	310.4	258.4	179.5	110.4	239.5	94.1	0.0
	TOTAL	899.3	855.3	748.3	546.2	529.3	443.9	0.0
ITC CARRY BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		64.7	80.8	93.0	103.6	124.0	144.3	1157.8
ITC CARRY FORWARD AVAIL AFTER UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
PLANT REPORT ($MIL) TOTAL PLANT											
ANNUAL CASH EXPENDITURE	352.5	359.2	218.6	169.8	227.4	184.7	228.1	162.0	216.7	333.3	632.0
ANNUAL AFDC	322.5	100.1	29.3	16.3	13.1	18.2	29.7	9.4	14.6	28.8	72.1
ANNUAL CAP TRUST INTEREST	78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
ANNUAL ADDITION TO CWIP	753.2	556.9	370.7	200.1	255.4	217.9	271.1	183.4	242.1	371.4	713.8
CASH PORTION OF CWIP	3172.1	755.2	832.2	153.1	117.1	141.1	191.1	4.1	21.1	157.2	552.1
AFDC PORTION OF CWIP	1378.2	125.3	148.6	65.2	8.4	20.2	42.7	5.9	12.3	33.4	95.4
CAP TRUST INTEREST PORTION	329.2	426.8	549.5	100.9	115.9	130.5	143.8	155.9	166.6	175.8	185.6
TOTAL CWIP	4879.5	1307.3	1530.3	319.2	241.3	291.8	377.8	165.9	200.0	366.4	833.0
IN SERVICE AMOUNT - CASH	62.1	2005.7	141.6	849.0	263.4	160.7	178.1	349.0	199.7	197.3	237.1
- AFDC	5.3	1432.9	6.0	99.1	70.5	6.3	7.2	46.2	8.2	7.8	10.1
- CAP TRUST INT	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	67.4	3438.6	147.6	1410.7	333.9	167.0	185.3	395.2	207.9	205.1	247.1
- TAX	59.0	2425.6	134.5	794.8	250.2	152.7	169.2	331.6	189.7	187.4	225.2
CAPITALIZED OVERHEAD	25.3	43.8	12.2	9.0	11.5	10.9	12.4	9.5	11.6	18.1	30.7
CUMULATIVE CAPITALIZED OVERHEAD	213.8	16.4	21.5	6.2	4.5	7.3	10.8	2.9	4.7	12.9	31.7
CWIP IN RATE BASE AMOUNT	400.0	400.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	9.2	0.0	3.3	2.8	10.4	12.8	10.8	9.5	15.2	11.8	6.7
ITC GENERATED	30.6	36.1	23.2	17.1	21.8	20.7	23.6	13.1	22.4	34.3	58.3
BOOK DEPRECIATION - CASH	65.3	114.3	162.1	192.6	206.1	212.3	217.4	229.8	235.2	242.8	249.8
- AFDC	5.0	32.0	55.4	64.8	71.3	71.5	71.7	73.3	73.5	73.8	74.1
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	70.3	146.3	217.5	272.8	292.8	299.2	304.6	319.0	324.1	332.0	339.2
TAX DEPRECIATON	284.4	416.4	362.4	382.1	487.9	405.1	375.4	390.5	408.1	410.6	212.4
GROSS PLANT VALUE	2298.1	6519.6	6646.2	8041.0	8356.[illegible]	8506.0	8673.3	9050.5	9240.4	9427.5	9656.6
ACCUM DEPRECIATION	780.5	908.8	1106.3	1363.2	1637.0	1919.2	2205.8	2505.7	2811.8	3125.8	3447.1
NET PLANT VALUE	1517.6	5609.[illegible]	5539.9	6677.[illegible]	6718.[illegible]	6586.8	6467.5	6544.8	6428.6	6301.6	6209.5
DEF. TIM. DIF. DEFERRED - NET	113.5	152.1	107.3	96.6	111.4	103.4	85.3	83.9	83.1	79.8	-16.7
DEFERRED OVERHEAD - NET	0.0	[illegible]	-5.7	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0	-6.0
DEFERRED INTEREST - NET	36.0	44.5	56.5	-0.6	-0.2	0.4	-1.0	-1.6	-2.2	-2.8	-2.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX NET	157.7	206.8	156.0	[illegible]	105.2	97.0	78.3	76.4	74.9	71.0	-25.4
PROPERTY TAX	[illegible]	[illegible]	[illegible]	271.0	[illegible]	320.0	341.4	376.0	413.6	438.4	464.7
LILCO TRUST INVSTM BAL	160.4	423.5	721.2	130.2	143.2	124.8	118.1	102.2	93.[illegible]	75.2	102.9
NET TRUST BALANCE	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) TOTAL PLANT	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	651.3	617.5	999.3	1054.0	1262.3	1528.3	9427.3
ANNUAL AFDC	136.7	227.3	342.2	169.4	313.5	311.3	2234.4
ANNUAL CAP TRUST INTEREST	10.2	7.8	8.2	8.8	6.6	7.0	445.8
ANNUAL ADDITION TO CWIP	798.2	1052.6	1349.7	1232.5	1582.5	1846.7	12107.8
CASH PORTION OF CWIP	985.9	1536.5	2286.8	1426.7	2383.2	2561.0	2561.0
AFDC PORTION OF CWIP	223.6	439.7	772.4	217.8	519.4	473.5	473.5
CAP TRUST INTEREST PORTION	195.8	203.6	211.8	220.6	227.2	234.2	234.2
TOTAL CWIP	1405.3	2179.8	3271.0	1865.2	3129.8	3268.6	3268.6
IN SERVICE AMOUNT - CASH	217.5	266.9	249.0	1914.1	305.9	1350.6	9747.7
- AFDC	8.5	11.1	9.5	724.0	11.9	357.2	2821.9
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	226.0	278.1	258.5	2638.1	317.8	1707.8	13032.3
- TAX	206.7	253.6	236.6	1818.4	290.6	1283.1	9008.8
CAPITALIZED OVERHEAD	34.0	42.5	49.0	54.5	65.2	79.9	516.1
CUMULATIVE CAPITALIZED OVERHEAD	54.9	84.1	120.8	79.4	129.3	137.7	137.7
CWIP IN RATE BASE AMOUNT	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	3.8	2.5	1.7	1.2	1.8	1.2	1.2
ITC GENERATED	64.7	80.8	93.0	103.6	124.0	144.3	916.5
BOOK DEPRECIATION - CASH	256.5	264.3	270.7	326.9	336.2	384.4	3966.2
- AFDC	71.4	71.7	63.0	80.9	81.2	93.3	1127.7
- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	343.3	351.4	349.1	423.2	432.9	493.1	5309.8
TAX DEPRECIATON	223.4	235.0	189.4	278.2	369.4	416.1	5847.0
GROSS PLANT VALUE	9902.6	10057.3	10161.2	12633.6	12933.3	14617.9	14617.6
ACCUM. DEPRECIATION	3710.3	4038.4	4232.9	4490.3	4905.1	5375.0	5375.0
NET PLANT VALUE	6092.3	6019.0	5928.4	8143.3	8028.2	9242.9	9242.9
DEP. TIM. DIF. DEFERRED - NET	-17.1	-18.4	-45.6	-37.6	-8.8	-7.7	864.6
DEFERRED OVERHEAD - NET	6.0	6.0	5.9	5.7	5.7	5.7	70.6
DEFERRED INTEREST - NET	2.4	3.5	3.3	3.0	4.0	3.2	105.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-29.5	-27.9	-54.8	-46.8	-18.6	-17.2	899.7
PROPERTY TAX	4[illegible]2.6	522.1	5[illegible].5	645.7	681.[illegible]	711.2	71[illegible]4.0
LILCO TRUST INVSTM BAL	83.9	61.3	88.5	72.3	48.9	78.9	78.9
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6

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CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) TOTAL ELECTRIC PLANT	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	337.5	374.2	203.6	153.8	219.4	166.7	209.1	141.9	195.4	310.7	608.0
ANNUAL AFDC	321.0	179.4	20.7	15.6	12.3	17.4	28.9	8.5	13.7	27.9	71.1
ANNUAL CAP TRUST INTEREST	78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
ANNUAL ADDITION TO CWIP	737.5	651.2	355.8	183.4	237.7	198.7	251.3	162.5	219.8	347.8	688.8
CASH PORTION OF CWIP	3168.6	751.7	828.7	149.6	113.6	137.6	187.6	9.6	17.6	153.7	548.6
AFDC PORTION OF CWIP	1377.9	125.1	148.4	55.6	8.1	20.0	42.5	5.6	12.1	33.1	95.1
CAP TRUST INTEREST PORTION	329.2	426.8	549.5	100.9	115.9	130.5	143.8	155.9	166.6	175.8	185.6
TOTAL CWIP	4875.7	1303.6	1526.6	316.1	237.8	288.1	373.9	162.1	196.3	362.6	829.3
IN SERVICE AMOUNT - CASH	47.1	2790.7	126.6	833.0	246.4	142.7	159.1	328.9	178.3	174.7	213.1
- AFDC	4.8	1432.2	5.4	88.4	69.8	5.6	6.4	45.4	7.3	6.8	9.1
- CAP TRUST INT	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	51.9	4222.9	132.0	1384.0	316.2	148.3	165.5	374.2	185.6	181.5	222.2
- TAX	44.7	2411.3	120.3	779.6	234.1	135.6	151.1	312.4	169.4	165.9	202.4
CAPITALIZED OVERHEAD	24.6	92.8	11.8	8.2	10.6	10.0	11.5	8.5	10.7	16.9	29.5
CUMULATIVE CAPITALIZED OVERHEAD	213.4	18.2	21.4	8.0	4.3	7.2	10.7	2.7	4.5	12.7	31.6
CWIP IN RATE BASE AMOUNT	399.8	349.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT	9.2	8.0	3.2	2.7	10.4	13.0	10.9	9.6	16.3	12.0	6.7
ITC GENERATED	29.2	34.7	21.8	15.6	20.2	19.0	21.8	16.1	20.4	32.2	56.1
BOOK DEPRECIATION - CASH	56.9	105.5	162.8	182.8	195.8	201.4	206.0	217.2	222.4	229.4	235.6
- AFDC	4.4	31.4	94.8	64.1	70.6	70.8	71.0	72.5	72.7	73.0	73.2
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	61.3	136.9	207.6	262.4	281.9	287.6	292.4	305.1	310.5	317.8	324.2
TAX DEPRECIATON	269.8	402.2	348.5	368.4	474.3	391.3	361.3	376.1	393.0	394.9	195.5
GROSS PLANT VALUE	1912.3	6118.7	6234.2	7611.7	7911.4	8043.1	8192.1	8549.9	8719.0	8884.0	9089.7
ACCUM. DEPRECIATION	667.1	787.5	978.5	1224.4	1489.7	1760.8	2036.6	2325.3	2619.3	2920.6	3228.3
NET PLANT VALUE	1245.3	5331.3	5255.7	6387.3	6421.7	6282.3	6155.5	6224.6	6099.7	5963.4	5861.4
DEP. TIM. DIF. DEFERRED - NET	109.2	143.5	104.4	94.4	109.7	102.2	84.5	83.4	82.9	79.9	-16.5
DEFERRED OVERHEAD - NET	8.6	10.3	5.3	-0.4	-5.6	-5.6	-5.6	-5.6	-5.6	-5.6	-5.6
DEFERRED INTEREST - NET	36.0	44.9	56.5	-0.6	-0.2	0.4	-1.0	1.6	-2.2	-2.8	-2.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 1 + SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX + NET	183.7	203.7	155.6	88.3	103.9	96.2	77.9	76.8	75.1	71.4	-24.7
PROPERTY TAX	[illegible]	[illegible]	217.0	247.0	263.0	[illegible]	305.3	347.8	373.1	395.5	415.2
LILCO TRUST INVSTM BAL	160.4	423.5	721.2	130.2	143.2	124.8	118.1	102.2	93.9	75.2	102.9
NET TRUST BALANCE	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 1 - SHOR 1/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) TOTAL ELECTRIC PLANT	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	625.9	790.6	970.8	1023.8	1230.3	1494.3	9046.9
ANNUAL AFDC	135.6	226.2	341.1	168.3	312.3	310.1	2218.8
ANNUAL CAP TRUST INTEREST	10.2	7.8	9.2	8.8	6.6	7.0	445.8
ANNUAL ADDITION TO CWIP	771.9	1024.6	1320.0	1200.9	1549.2	1811.4	11711.5
CASH PORTION OF CWIP	982.4	1533.0	2283.3	1423.2	2379.7	2557.5	2557.5
AFDC PORTION OF CWIP	223.3	439.5	772.7	217.7	519.2	473.3	473.3
CAP TRUST INTEREST PORTION	195.8	203.6	211.8	220.6	227.2	234.2	234.2
TOTAL CWIP	1401.5	2176.1	3267.2	1861.4	3126.1	3264.9	3264.9
IN SERVICE AMOUNT - CASH	192.1	240.0	220.5	1883.8	273.8	1316.6	9367.3
- AFDC	7.4	10.0	8.4	722.6	10.8	356.0	2806.5
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	199.5	250.0	228.9	2606.7	284.5	1672.8	12636.4
- TAX	182.5	228.0	209.4	1789.6	260.1	1250.8	8647.4
CAPITALIZED OVERHEAD	32.8	41.2	47.5	53.0	63.6	74.8	897.1
CUMULATIVE CAPITALIZED OVERHEAD	54.7	83.9	120.4	79.2	129.2	137.6	137.6
CWIP IN RATE BASE AMOUNT	44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT	3.9	2.4	1.7	1.2	1.8	1.1	1.1
ITC GENERATED	62.2	78.3	90.3	100.7	120.9	141.0	880.4
BOOK DEPRECIATION - CASH	241.5	248.5	254.0	309.2	317.5	364.8	3741.0
- AFDC	70.5	70.8	62.0	79.9	80.2	92.3	1114.0
- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.7
- TOTAL	327.4	334.6	331.4	404.5	413.2	472.3	5070.9
TAX DEPRECIATON	205.4	215.7	168.7	256.9	346.3	391.9	5559.6
GROSS PLANT VALUE	9210.4	9438.9	9514.6	11957.0	12225.0	13875.8	13875.7
ACCUM DEPRECIATION	3477.1	3790.0	3968.3	4208.5	4605.2	5055.6	5055.6
NET PLANT VALUE	5733.5	5648.9	5546.4	7748.5	7619.9	8820.2	8820.2
DEP. TIM. DIF. DEFERRED - NET	-16.7	-17.8	-44.9	-36.7	-7.9	-6.6	851.8
DEFERRED OVERHEAD - NET	-5.5	-5.5	-5.4	-5.2	-5.2	-5.2	-63.0
DEFERRED INTEREST - NET	-2.4	-3.5	3.3	-3.0	-4.0	-3.7	105.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR 1/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-24.6	-26.8	-53.6	-45.0	-17.2	-15.7	894.5
PROPERTY TAX	444.4	471.0	4[illegible]9.3	536.2	621.0	706.6	6475.5
LILCO TRUST INVSTM BAL	83.9	61.3	86.5	72.3	48.9	78.9	78.9
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6

CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	278.0	123.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL AFDC	292.0	155.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	570.0	278.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH PORTION OF CWIP	2552.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	1241.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	3794.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.1	2675.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- AFDC	0.0	1397.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.1	4072.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.1	2327.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	22.2	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUMULATIVE CAPITALIZED OVERHEAD	204.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	355.0	355.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	10.6	9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	23.6	10.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	44.6	89.2	89.2	89.2	89.2	89.2	89.2	89.2	89.2	89.2
- AFDC	0.0	23.3	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	67.9	135.8	135.6	135.8	135.8	135.8	135.8	135.8	135.8	135.8
TAX DEPRECIATON	186.0	326.2	278.8	233.3	232.8	232.8	209.7	209.5	209.5	209.5	-0.5
GROSS PLANT VALUE	0.1	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8
ACCUM DEPRECIATION	0.0	67.9	203.6	339.4	475.2	610.9	746.7	882.4	1018.2	1154.0	1289.7
NET PLANT VALUE	0.1	4004.9	3869.1	3733.4	3597.6	3461.9	3326.1	3190.3	3054.6	2918.8	2783.1
DEF TIM. DIF. DEFERRED - NET	85.6	132.2	92.6	71.6	71.4	71.4	60.8	60.7	60.7	60.7	-35.9
DEFERRED OVERHEAD - NET	10.2	[illegible]	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6
DEFERRED INTEREST - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOP I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	95.8	144 2	89.0	68.0	67.8	67.8	57.2	57.1	57.1	57.1	-39.5
PROPERTY TAX	0.0	30.0	67.[illegible]	75.0	81.0	[illegible]	97.0	107.0	118.0	125.1	132.6
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	401.0
ANNUAL AFDC	0.0	0.0	0.0	0.0	0.0	0.0	447.6
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	0.0	0.0	0.0	0.0	0.0	0.0	[illegible]
CASH PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	2675.4
- AFDC	0.0	0.0	0.0	0.0	0.0	0.0	1397.4
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	4072.8
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	2327.5
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	52.8
CUMULATIVE CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	39.1
BOOK DEPRECIATION - CASH	89.2	89.2	89.2	89.2	89.2	89.2	1382.3
- AFDC	46.6	46.6	46.6	46.6	46.6	46.6	722.0
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	135.8	135.8	135.8	135.8	135.8	135.8	2104.3
TAX DEPRECIATON	0.0	0.0	0.0	0.0	0.0	0.0	2327.5
GROSS PLANT VALUE	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8	4072.8
ACCUM DEPRECIATION	1425.5	1561.2	1697.0	1832.8	1968.5	2104.3	2104.3
NET PLANT VALUE	2547.3	2511.5	2375.8	2240.0	2104.3	1763.5	1968.5
DEP. TIM. DIF. DEFERRED - NET	-35.7	-35.7	-35.7	-35.7	-35.7	-35.7	517.5
DEFERRED OVERHEAD - NET	-3.6	-3.6	-3.6	-3.6	-3.6	3.6	31.6
DEFERRED INTEREST NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOP I/S 7/85 SYNC 12/84

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX. NET	-39.3	-39.3	-39.3	-39.3	-39.3	-39.3	485.8
PROPERTY TAX	140.9	147.0	157.[illegible]	167.4	177.4	1[illegible]3.1	1[illegible]00.0
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) RESOURCES TRUST	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPENING CWIP BALANCE	99.0	111.5	120.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1
CASH EXPENDITURES	1.0	9.0	9.0	23.0	46.0	0.0	26.0	37.0	35.0	35.0	74.0
CAP - TRUST INTEREST	11.5	12.7	12.4	11.9	12.9	12.3	10.7	10.0	9.0	7.9	8.5
ASSET PAYMENT (REFUNDING)	0.0	13.0	35.0	31.0	44.0	38.0	40.0	57.0	53.0	55.0	58.0
ENDING CWIP BALANCE	111.5	120.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6
CREDIT LIMIT	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	11.5	24.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6
INCREASE IN LILCO INVSTM	11.5	8.7	86.4	3.9	14.9	-25.7	-3.3	-10.0	-9.0	-12.2	24.5
NET TRUST BALANCE	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	1.5	5.9	10.2	11.1	10.6	9.2	8.6	7.7	6.7	7.3
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP - TIM - DIF - DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	5.3	5.8	5.7	5.5	5.9	5.7	4.9	4.6	4.1	3.6	3.9
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	5.3	5.8	5.7	5.5	5.9	5.7	4.9	4.6	4.1	3.6	3.9
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) RESOURCES TRUST	1995	1996	1997	1998	1999	2000	TOTAL
OPENING CWIP BALANCE	89.6	77.7	61.3	88.5	72.3	48.9	99.0
CASH EXPENDITURES	40.0	40.0	86.0	46.0	44.0	100.0	651.0
CAP TRUST INTEREST	9.1	7.6	8.2	[illegible]	6.6	7.0	166.9
ASSET PAYMENT (REFUNDING)	61.0	64.0	67.0	71.0	74.0	77.0	838.0
ENDING CWIP BALANCE	[illegible]	61.3	88.5	72.3	48.9	[illegible]	[illegible]
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	200.0
LILCO TRUST INVSTM BAL	77.7	61.3	88.5	72.3	48.9	78.9	78.9
INCREASE IN LILCO INVSTM	-11.9	-16.4	27.2	-16.2	-23.4	30.0	78.9
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	7.8	6.5	7.0	7.5	5.7	6.0	119.7
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP TIM DIF DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST NET	4.2	3.5	3.8	4.0	3.0	3.2	76.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	4.2	3.5	3.8	4.0	3.0	3.2	76.8
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYRC 12/84

PLANT REPORT ($MIL) NINE MILE PT2 TRUST	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPENING CWIP BALANCE	556.3	632.8	685.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH EXPENDITURES	11.5	169.5	101.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP. TRUST INTEREST	65.0	83.0	108.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	632.8	685.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	142.0	395.4	604.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	76.5	252.5	209.5	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	9.8	25.2	46.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	632.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	618.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	8.5	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	8.5	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	1.1	18.1	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1
- INTEREST	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	0.0	0.0	0.0	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
TAX DEPRECIATION	0.0	0.0	0.0	49.5	65.6	74.2	61.8	61.8	61.8	55.7	55.7
GROSS PLANT	0.0	0.0	0.0	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	0.0	0.0	0.0	36.5	73.0	109.5	145.9	182.4	218.9	255.4	291.9
NET PLANT	0.0	0.0	0.0	1056.1	1021.6	985.2	948.7	912.2	875.7	839.2	802.7
DEP. TIM. DIF. DEFERRED	0.0	0.0	0.0	13.3	30.3	24.7	19.0	19.0	19.0	16.1	16.1
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	27.9	38.2	49.8	-7.1	7.1	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	27.9	38.2	49.8	6.2	23.3	17.6	11.9	11.9	11.9	9.0	9.0
PROPERTY TAX	0.0	0.0	0.0	7.0	7.0	8.0	8.0	8.5	9.0	9.5	10.1

CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) NINE MILE PT2-TRUST	1995	1996	1997	1998	1999	2000	TOTAL
OPENING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	556.3
CASH EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	282.0
CAF - TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	256.3
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	1470.0
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	0.0	0.0	0.0	0.0	0.0	0.0	1028.3
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.0	0.0	0.0	0.0	0.0	0.0	81.9
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	632.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	1094.6
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	618.5
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	13.5
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	26.8
BOOK DEPRECIATION - CASH	21.1	21.1	21.1	21.1	21.1	21.1	294.9
- INTEREST	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	36.5	36.5	36.5	36.5	36.5	36.5	510.8
TAX DEPRECIATION	55.7	55.7	0.0	0.0	0.0	0.0	618.5
GROSS PLANT	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	328.4	364.9	401.4	437.9	474.3	510.8	510.8
NET PLANT	766.2	729.8	693.3	656.8	620.3	583.8	583.8
DEP - TIMING DIFF - DEFERRED	16.1	16.1	-9.5	-9.5	-9.5	-9.5	151.7
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	18.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	9.0	9.0	-16.6	-16.6	-16.6	-16.6	170.3
PROPERTY TAX	10.7	11.3	12.0	12.[illegible]	13.5	14.3	141.6

CASE 1 - SHOR I/S 7/85 SYNC 12/84

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
PLANT REPORT ($MIL)											
NMP2 TOCT NUC FUEL											
OPENING CWIP BALANCE	14.4	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1
CASH EXPENDITURES	0.0	0.0	0.0	5.6	6.0	17.0	8.0	6.0	16.0	10.0	21.0
CAP. TRUST INTEREST	1.7	1.9	2.1	2.2	2.1	2.4	2.6	2.1	1.8	1.5	1.3
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	8.0	10.0	12.0	14.0	16.0	17.0	18.0	19.1
ENDING CWIP BALANCE	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
CREDIT LIMIT	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
INCREASE IN LILCO INVSTM	1.7	1.9	2.1	9.8	-1.9	7.4	-3.4	-5.9	0.8	-6.5	3.2
NET TRUST BALANCE	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	0.7	0.8	1.4	1.8	2.0	2.2	1.8	1.5	1.3	1.1
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP. TIM. DIF. DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.8	0.9	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	0.8	0.9	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 12/84

PLANT REPORT ($MIL) NMP2 TOCT NUC FUEL	1995	1996	1997	1998	1999	2000	TOTAL
OPENING CWIP BALANCE	13.3	6.2	-3.0	-1.7	-12.8	-25.3	14.4
CASH EXPENDITURES	12.0	12.0	24.0	13.0	13.0	13.8	179.4
CAP - TRUST INTEREST	1.1	0.2	0.0	0.0	0.0	0.0	22.6
ASSET PAYMENT (REFUNDING)	20.2	21.4	22.7	24.1	25.5	27.0	254.9
ENDING CWIP BALANCE	6.2	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	30.0
LILCO TRUST INVSTM BAL	6.2	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	-7.1	-6.2	0.0	0.0	0.0	0.0	44.4
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
LILCO TRUST INVSTM INCOME	0.9	0.3	0.0	0.0	0.0	0.0	16.2
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP - TIM - DIF - DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

```
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   P3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   P3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
*A   END   JOB 4689 TS06612A 0001 0001 REMOTE3   DINKEL.LOPW0701    ROOM 320    8.41.02 AM 27 JUN 84   R3.PR1    SYS S133   END   A*
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*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
*A START JOB 5221 TS06612A 0001 0002 REMOTE3 DINKEL.LOPW0701 ROOM 320 11.51.16 AM 27 JUN 84 P3.PR1 SYS S133 START A*
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C.O. 7/1/85 SYNCH. 1/1/85

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11 40 52 JOB 5221  IEF677I WARNING MESSAGE(S) FOR JOB TS06612A ISSUED
11 40 52 JOB 5221  $HASP373 TS06612A STARTED - INIT  3 - CLASS A - SYS S133
11.42.45 JOB 5221  LILSMF  TS06612A END  114245  DATE 84179 STATUS=0000
11.42.45 JOB 5221  $HASP395 TS06612A ENDED

 -- JES2 JOB STATISTICS --

 27 JUN 84 JOB EXECUTION DATE

        12 CARDS READ

     2,253 SYSOUT PRINT RECORDS

         0 SYSOUT PUNCH RECORDS

      1.58 MINUTES EXECUTION TIME
```

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1     //[illegible]12[illegible] JOB (1[illegible]52[illegible]6[illegible]21),'[illegible] [illegible]',          1          JOB 5241
      //  MSGLEVEL=(0,0),NOTIFY=[illegible]12,TIME=(1,00),MSGCLASS=A,CLASS=[illegible]           00020120
```

```
STMT NO. MESSAGE

  127     IEFC661 DDNAME REFERRED TO ON DDNAME KEYWORD IN PRIOR STEP WAS NOT RESOLVED
IEF142I TS06612A SEF SEF   STEP WAS EXECUTED   COND CODE 0002
IEF373I STEP /SEF      / START 84179.1140
IEF374I STEP /SEF      / STOP  84179.1141 CPU    0MIN 07.88SEC SRB    0MIN 00.42SEC VIRT  6000K SYS   332K
*****************************************************************************************************
*  TS06612A  SEF        END 114120  DATE 84179  RELEASE 038   CPU=HH.MM.SS.T.H=00.00.07.8.8  SYS CC =0002   *
*                                                                                                     *
*  CORE ALLOCATED=6656K  CORE USED=6000K  PER CENT USED=087  I/O COUNT BY DEVICE FOLLOWS....  28E.......10  *
*                                                                                                     *
*  5A5......54  5A8-.........  A75.........8  A75.........10  A75.........6  A75.........6  5A0.........  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  176..........  835.........1  A61.........21            *
*****************************************************************************************************
IEF142I TS06612A SAS SEF   STEP WAS EXECUTED   COND CODE 0000
IEF373I STEP /SAS      / START 84179.1141
IEF374I STEP /SAS      / STOP  84179.1142 CPU    0MIN 09.47SEC SRB    0MIN 01.01SEC VIRT  1024K SYS   320K
*****************************************************************************************************
*  TS06612A  SAS        END 114245  DATE 84179  RELEASE 038   CPU=HH.MM.SS.T.H=00.00.09.9.7  SYS CC =0000   *
*                                                                                                     *
*  CORE ALLOCATED=6896K  CORE USED=1024K  PER CENT USED=014  I/O COUNT BY DEVICE FOLLOWS....  835.........  *
*                                                                                                     *
*  166.......241  8A6.......144  235..........  A66..........  549..........  838.......326  ***-DUMMY....  *
*                                                                                                     *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  776..........  A61.........22            *
*****************************************************************************************************
IEF375I  JOB /TS06612A/ START 84179.1140
IEF376I  JOB /TS06612A/ STOP  84179.1142 CPU    0MIN 17.55SEC SRB    0MIN 01.43SEC
LILSEE  TS06612A END  114245  DATE 84179 STATUS=0000  TOTAL JOB CPU=HH.MM.SS.T H=00.00.17.8.5
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*****************************************************
*                                                   *
*         STRATEGIC FINANCIAL PLANNING MODEL        *
*                                                   *
*                       (SFP)                       *
*                                                   *
* PROGRAM SOFTWARE PRODUCT VERSION A 3.2 (07/01/83) *
*                                                   *
*                   PURCHASED FROM                  *
*                                                   *
*     NEW YORK STATE ELECTRIC AND GAS CORPORATION   *
*                                                   *
*     THIS IS A PROPRIETARY PRODUCT AND IS ONLY TO  *
*                                                   *
*       BE USED BY PERSONS AUTHORIZED BY NYSEG.     *
*                                                   *
*****************************************************
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***** INPUT FILE LISTING FOLLOWS *****

C ******************************************************************     00040000
C *                    FILE LOPWA701                               *     00040000
C *                                                                *     00040000
C * THIS FILE CONTAINS THE BEGRUN CARD, REPORT CARDS,              *     00040000
C * BENEFIT OF EARLY LOW POWER TESTING                             *     00040000
C * SHOREHAM IN SERVICE 7/85 NO SPEC. LIMS.                        *     00040000
C * LILCO OPERATES NMP2 (104MW) IS 1/87                            *     00040000
C * LILCO BUILDS 1/91 345KV TIE: JULY RATE INCREASES : 11.57       *     00040000
C * ASSOCIATED FILES: D051.COM, D051.NML, D051.NSL                 *     00040000
C ******************************************************************     00040000
BEGRUN  NEW  NO  1984:2000   MILS >
             [CASE 1 = SHOR I/S 7/85 SYNC 1/85]
C
C REPORT REQUESTS FOLLOW
C
RSTA01 P 1984:2000   COMB MILS DEC2 CURR TOTAL NO
RINC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RINC02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
RINC04 A 1984:2000   GAS MILS DEC1 CURR TOTAL NO
RSUP01 P 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RBAL01 A 1984:2000   COMB MILS DEC1 CURR
RSTA02 A 1984:2000   COMB MILS DEC2 CURR
RRAT01 A 1984:2000   COMB MILS DEC2 CURR
RFIT01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RITC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RPLT01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RPLT02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
C ******************************************************************     00040000
C * FOLLOWING IS  ALL SHOREHAM-RELATED INPUT BOTH                  *     00040000
C ******************************************************************     00040000
C
C ADDITIONAL FIT DEDUCTIONS - SHOREHAM DECOMMISSIONING, OVERHEADS
FADT001   0 2*-1.0 3*-2.0 2*-3.0 2*-4.0 2*-5.0 -6.0 -7.0 >
          -8.0 -9.0 -10.0
FADT002     40.0 30.0
C
C ADDITIONAL FINANCING REQT - SHM DECOMMISSIONING
FADF001   0 2*-1.0 3*-2.0 2*-3.0 2*-4.0 2*-5 -6 -7 -8 -9 -10 .
C
C ELECTRIC EXPENSES:  PROD FUEL INCL PURCH POWER WHILE 104MW
C
C THE FOLLOWING IS THE SYSTEM FUEL W/O SPECIAL LIMITATIONS
SFUL001   662 676 583 611 633 616 732 741 739 881 998 1109 >
          1243 1377 1415 1598 1619
C
C OTHER PRODUCTION OPERATION EXP. - SHOREHM O&M AND DECOMMISS.
C
SOPE001   0 27.4 57.3 71.0 74.2 68.7 83.4 88.4 91.8 79.1 >
          105.3 97.4 11[illegible].3 125.4 116.8 140.9 149.3 13[illegible].2 167.6 177.9
SOPE002     0 2*1.0 3*2.0 2*3.0 2*4.0 2*5.0 6.0 7.0 8.0 9.0 10.0
SOPE003     0.4 [illegible] 10.2 10.7 11.4 30.6E
C             FAR ROCK ADJUST.
SOPE004     0  0  0.6 -1.0 -3.1  30.6E
C
RECO100  [SHOREHAM NUCLEAR]  2274.4  940.[illegible]  [illegible] ELECTRIC
RECO10[illegible]  [illegible] 122
RECO1[illegible]  [illegible]
```

```
PFE01AP  30+  55%
PFE01AA  30+0
PFE01SH  35  30.0%
PFE01SL  30 Y
PFE01ET  30+.5%
PFE01C   35.1 35.1
PFE01IP  30+10%
PFE01IO  30+PP
PFE01IS  0.0 2675.6
PFE01RM  0  7
PFE01TM  0  T
PFE01RD  0 71
PFE01BL  0 30
PFE01TO  0 TEFR
PFE01TL  0 10
PFE01CD  0 FULL
C FEIAT  1.6 100  47  46 0.0  23 0 0 0  210
PFE01LL  1.0 0.0
PFE01RT  0%  50% 67% 73% 81% 89% 97% 107% 119%  29+6P
C
PFE02RG  (R)SOURCES TRUST     |  84.3   44.7  TR1
PFE02CF   1 2 0 23 46 0 26 37 35 35 74 40 48 56 46 44 100
PFE02CL  2 100   30+6
PFE02NF  0 13 55 31 44 30 48 52 53 55 58 61 64 67 71 74 77 80
PFE02SA    30+11.6%
PFE02LP    30+9.0%
PFE02DH  30+0.0%
PFE02NO  30+N
PFE02ET  30+.5%
PFE02IP  30+10%
PFE02IO  30+IS
PFE02IS  30+0.000
PFE02ND  30+0
PFE02RM  30+1
PFE02TM  30+1
PFE02RD  30+SL
PFE02BL  30+25.0
PFE02TO  30+TEFR
PFE02TL  30+15
C
PFE03RG  (S)HOREHAM RETROFIT  |   0.0    0.0  PFC
PFE03CL   0  22.7 44.6 46.2 46.4 21.7 26.1 27.1 25.9 31.1 32.9   >
           30.0 37.0 39.2 36.7 44.1 46.7
PFE03EA  30+100%
PFE03AR  13.0%  30+GR
PFE03OH  30+5.0%
PFE03NO  30+N
PFE03ET  30+.5%
PFE03CR  30+0
PFE03IP  30+10%
PFE03IO  30+IS
PFE03IS   0  22.7 44.6 46.2 46.4 21.7 26.1 27.1 25.9 31.1 32.9   >
          30  37.0 39.2 36.7 44.1 46.7
PFE03ND  0  20+FULL
PFE03RM  30+12
PFE03TM  30+12
PFE03RD  30+SL
PFE03BL  0    30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 >
             14 13 12 11 10 09 08 07 06 05 04 03 02 01
PFE03TO  30+TEFR
```

```
PF 0431  30*10
PFE03PT  5*3%
PFE03AD  30*0.0
C
C  COAL UNITS TRANSMISSION FOR SHO T/S AND NEW TIE CAPITAL COSTS
PFE04BG  1980 T/S, COAL TRANS & TIE 0.0 0.0 PEG
PFE04CE  0 1 2 3 45 56 62 2 4 23 59 77 100 52
PFE04EA  30*100%
PFE04AR  13.0% 30*EP
PFE04CM  30*5.0%
PFE04SA  30*0
PFE04LT  30*35
PFE04CR  30*0
PFE04IR  30*10%
PFE04IC  30*EP
PFE04IS  7.0 174 6.0 317
PFE04LD  7.0 FLOW 6.0 FLOW
PFE04RT  30*1
PFE04TM  30*1
PFE04BD  30*SL
PFE04BL  30*30.0
PFE04TE  30*TEP
PFE04TL  30*15
PFE04PT  7.0.0% 20.0% 21.0% 25*EP
C
C  RELATED REPORT REQUESTS FOLLOW.
RELT03 A 1984:2000   FE01 MILS DEC1 CURR TOTAL NO
RELT04 D 1984:2000   FE02 MILS DEC1 CURR TOTAL NO
C LT05 A 1984:2000   FE03 MILS DEC1 CURR TOTAL NO
C LT06 A 1984:2000   FE04 MILS DEC1 CURR TOTAL NO
C ************************************************************     00040000
C  RMP DATA MP  IDENTIFIERS.
C  ---- RMP DATA FOR 10% RATE INCREASES ----------------------------
C BSE01 0 0 01 1982 0 23
C RRE01 0 30*15.5%
C CRE01 0 240 410 425 151 34 -37 -144
C  ---- RMP DATA FOR 11% RATE INCREASES ----------------------------
C BSE01 0 0 01 1991 0 24
C RRE01 0 30*15.5%
C CRE01 0 220 379 351 76 -87 -157
C  ---- RMP DATA FOR 11.5% RATE INCREASES --------------------------
C BSE01 0 0 01 1990 0 25
C RRE01 0 30*15.5%
C CRE01 0 210 348 314 26 -145
C  ---- RMP DATA FOR 12% RATE INCREASES ----------------------------
C BSE01 0 0 01 1990 0 25
C RRE01 0 30*15.5%
C CRE01 0 195 324 275 -26 -205
C  ---- RMP DATA FOR 12.25% RATE INCREASES -------------------------
C BSE01 0 0 01 1989 0 26
C RRE01 0 30*15.5%
C CRE01 0 194 312 256 -51
C  ---- RMP DATA FOR 12.5% RATE INCREASES --------------------------
C BSE01 0 0 01 1989 0 26
C RRE01 0 30*15.5%
C CRE01 0 180 299 237 -73
C  ---- RMP DATA FOR 10.5% RATE INCREASES --------------------------
C BSE01 0 0 01 1991 0 24
C RRE01 0 30*15.5%
C CRE01 0 230 390 390 120 -22 -67
```

```
C
C FUTURE ISSUES    LONG TERM DEBT
FLTD01   0.0          16.000%   07 1984   01 2014
FLTD02   0.0          13.000%   07 1985   01 2015
C TD03 334.0          11.000%   07 1986   01 2016
C
C FUTURE ISSUES - COMMON STOCK
FCSISS   63.0  0.0001 30*C
C SISS   30*C
C
C FUTURE ISSUES - PREFERRED STOCK
FPST01   0.0001       16.000%   07 1984   09 2020
FPST02   0.0001       13.000%   07 1985   09 2020
C ST03   0.0001       11.000%   07 1986   09 2020
C ST04   0.0001       11.000%   07 1987   09 2020
C ST05   0.0001       11.000%   07 1988   09 2020
C ST06   0.0001       11.000%   07 1989   09 2020
C
C        ELECTRIC REVENUES
FREVE    1609 1775 1956 2192 2424 2652 2873 3025 >
         3044 3253 3370 3475 3617 3741 4489 4635 5036
C        GAS FULL RETURN REVENUES
FREVG    356 377 416 433 453 486 513 543 574 606 639 >
         675 712 751 795 840 887
C
FMAXSTD  -425.0$ 39*0$
FSTDPCT  10.00%  13.50%  11.00% 30*10.00%
FPDRDPS  0.50500$   75.0%     28*75.0%
FCERAT   30*37.25%
FDBTRAT  51% 30*50%
C
C   RATES OF RETURN FUTURE ISSUES-- LOWER COST OF MONEY
FROE     16.0% 16.0% 15.5% 15.0% 27*14.0%
C OE     16.0% 30*C
C OE     16.0% 14.25% 14.30% 13.95% 13.05% 13.14% 13.18% 13.31% 13.34% >
         13.44% 13.45% 13.46% 13.44% 13.41% 13.66% 13.70% 13.72%
FPSTPCT  16.0% 13.0% 27*11.0%
FLTDPCT  16% 13.0% 27*11.0%
C
C        TOTAL ELECTRIC SALES
GSLS.01  13315 13566 13753 13754 13990 14083 14370 14675 15059 >
         15512 15974 16443 16909 17302 17865 18350 18839 30*1.5%
C * ******END******** FILE D0518CIN *****END**************   00040000
C *******************************************************    00040000
C *******************************************************
C * ****************** FILE D0518COM ********************* *
C *                                                        *
C *      5/10/1984                                         *
C *                                                        *
C *  THIS FILE CONTAINS COMMON ASSUMPTIONS FOR D0518C__ CASES.  *
C *  THIS INCLUDES FINANCING REQUIREMENTS, WRITE-OFF ACCOUNTS   *
C *  AND DEPRECIATION ACCOUNTS OF CANCELLED AND FUTURE PROJECTS *
C *  RESPECTIVELY FOR BOTH LILCO'S (ELECTRIC AND GAS OPERATIONS). *
C *  ALL FILE NUMBERS ARE FROM 20 TO 39.                    *
C *                                                        *
C ********************************************************
C
C OTHER INCOME INPUTS
C
FADCI20   30*0
```

```
C
C ADDITIONAL INTEREST INPUTS    OTHER
C
FADIL20  0.0  0.0  0.0   27*0.0
C
C ADDITIONAL OPERATING (NON-FIT) TAXES
C
FADOT20  30*0.0
C
C ADDITIONAL FIT DEDUCTIONS   TAXABLE INCOME ADJUSTMENT
C
FADID20     0.0
C
C MISCELLANEOUS FINANCIAL PARAMETERS
C
FLTDLIF  30*30
FCSPRC   15 5 38*0
FCSMBR   75% 0% 0% 27*100%
FCSYLD   15% 15% 14% 27*12%
FORT     5.00% 4.25%   28*4.0%
FCSBRD   30*1
FLTDRND  30*1
FPSTRND  30*1
FITCUS   30*EVEN
FITCLIM  30*85%
FITCDEF  30*100%
FCOV     30*0
FCOVLEV  30*2.00:2.10
FCOVADJ  30*0.
FADJLEV  30*0%
FFIT     30*46%
FESC     1 29*12.5P
FDITCL   30*30
FWCRAT   30*0.0%
C ............... GAS  DATA  .................................
C  GAS SALES : MILLIONS OF CUBIC FEET PER YEAR
GSLS620  30*51000
C GAS PURCHASE EXPENSE EXCLUDING INTERDEPARTMENTAL EXP.
GFULG20   214.0 246.3 258.6  27*6P
C GAS OPERATION AND MAINTENANCE
GOPRG20  49  50  55  60  64  67  30*6P
C
C OTHER PRODUCTION OPERATION EXPENSES :
C EXISTING ELECTRIC O&M,P&D, UNCOLLECTIBLE,
C
GOPRL20  163 190 230 260 275 292 23*6P
C ------------------------- WRITE-OFF ACCOUNTS ----------------------
C
PWE20DG  |NEW HAVEN WROF 01/85|   31.1  23.4  REG
PWE20CE  30*0.0
PWE20EA  30*100%
PWE20AR, 13.7*  30*6P
PWE20SH  30*5.0%
PWE20NO  30*0
PWE20CT  30*25%
PWE20CR  30*0
PWE20IR  30*1.%
PWE20TC  30*15
PWE20BK  0 30 7
PWE20TI  0 0 0
```

```
PWE20HD  R  FLOW
PWE20RM  30*1
PWE20TM  30*1
PWE20RL  30*1
C EE1FF   3 1? ? 7 6 5 4 3 2 2
C
PWE21BC  |JAMESPORT WRCF 01/97|   44.7  49.0  REG
PWE21CE   30*0.0
PWE21EA  30*100%
PWE21A?  13.7%  30*GR
PWE21ER  30*5.0%
PWE21EC  30*N
PWE21CT  30*95%
PWE21CP  30*0
PWE21IP  30*10%
PWE21IC  30*IS
PWE21IA  7.0  44
PWE21TA  3.0  15.0
PWE21HD  3.0  FLOW
PWE21RM  30*1
PWE21TM  30*1
PWE21RL  30*10
C
PWE22BG  |FCKUM WHITECEE 01/80|   80.0  34.0  REG
PWE22CE   30*0.0
PWE22EA  30*40%
PWE22AR  4*0%
PWE22ER  30*5.0%
PWE22EC  30*N
PWE22CT  30*55%
PWE22CP  30*0
PWE22IP  30*10%
PWE22IC  30*IS
PWE22RA  4.0  20.0
PWE22TA  4.0  20.0
PWE22HD  4.0  FLOW
PWE22RM  30*1
PWE22TM  30*1
PWE22RL  30*10
C      1976 CALL FOR REMAINDER OF $100M CREDIT LIMIT.              *
EADFR20   20.0 0.0 50.0
C
C *                  DEPRECIATION ACCOUNTS                    *
C ************************************************************
C
REG20EG  |OTH FUTURE GAS PLANT|   3.5    0.0  REG
REG20CE  15 15 15 16 17 18 19  30*6P
REG20EA  30*100%
REG20AF  13.7%    30*GR
REG20ER  30*5.0%
REG20EC  30*N
REG20CT  30*95%
REG20CP  30*1S
REG20IP  30*10%
REG20IC  30*IS
REG20IT  15 15 15 16 17 18 19  30*6P
REG20RM  30*6
REG20TM  30*6
REG20RP  30*1
REG20RL  30*30.0
```

```
PFE20TB  30*1 FE
PFE20TL  30*15
PFE20RD  30*FLOW
PFE20PT  30*0.0%
PFE20AD  30*0.0
C
PFE20RG  |OTHER ELEC INCL GT  |    29.30   4.5 REG
PFE20CE   47  62  77   95  101 107 113    30*6P
PFE20EA  30*100%
PFE20AA   0.0       0.0    0.0   27*0.0
PFE20AR    13.75%    30*6P
PFE20CH  30*5.0%
PFE20BB  30*0
PFE20CI  30*25%
PFE20CR  30*44%
PFE20IR  30*10%
PFE20IC  30*15
PFE20IS   47  62  77   95  101 107 113    30*6P
PFE20BN  30*6
PFE20TM  30*6
PFE20BD  30*SL
PFE20PL  30*30 PP
PFE20TD  30*TEER
PFE20TL  30*15
PFE20RD  30*FLOW
PFE20PT  30*0%
PFE20AD  30*0.0
C
PFE21RG  |CAP'L 45 YR RET*MT|      0.0    0.0 REG
PFE21CE   0.0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21EA  30*100%
PFE21AA   0.0       0.0    0.0   27*0.0
PFE21AR    13.75%    30*6P
PFE21CH  30*5.0%
PFE21BB  30*0
PFE21CI  30*25%
PFE21CR  30*0%
PFE21IR  30*10%
PFE21IC  30*15
PFE21IS   0 0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21BN  30*12
PFE21TM  30*12
PFE21BD  30*SL
PFE21BL   0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21TD   0 0 TEER 0 TEER 0 TEER 0 TEER 0 TEER 0 TEER 0 0 TEER
PFE21TL   0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21RD   0 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 0 FLOW
PFE21PT  30*0%
PFE21AD  30*0.0
C
C  THIS PROJECT IS THE SUM OF ALL INDIVIDUAL COAL UNIT PROJECTS.
C      400MW TYPE 1-1996 +400MW TYPE 2 2000
C      400MW TYPE 1-2002 +200MW TYPE 1 2004
C
PFE23RG  |COMMON COAL UNITS   |    0.0     0.0  REG
PFE23CE   4*0 1 1 5 13 32 141 318 396 464 578 831 999 1222 1131>
           -53.67%
PFE23EA  30*100%
PFE23AR   13.0%  30*6P
PFE23CH  30*5.0%
```

```
PFE23H  30*0
PFE23CT 30*0
PFE23CP 30*9
PFE23IP 30-10
PFE23TP 30*PF
PFE23IS 14*0 1330.0 0.0 1054.0 0.3 1633.0 0.0 3702.0
PFE23VD 14*0 FULL  0  FULL  0  FULL  0 FULL
PFE23RP 33*1
PFE23TM 30*1
PFE23RP 30*0
PFE23HL 30-30.0
PFE23TU 30*TCFE
PFE23TL 30*15
PFE23PT 14*0 57$ 60$ 112$ 10*6P
PFE23AD 30*0.0
C       COMMON COAL UNITS O&M  UNITS 1 & 2  ......................
GORRE21 14*0.0 6 72 114 10*6P
C
PFE01BG |EXIST ELEC PLANT| 1743.0 133.0  622.30  946.0 579.0 50.
PFE01DP SL 31.0  DDB  09   FULL
PFE01BR 30*16.5$
PFE01FP 30*16.5$
PFE01PF 129$ 139$ 150$ 162$ 175$ 199$  28*6P
PFE01AT 30*0
PFE01AD 0.0
C ..............................................................
PEG01BG |EXIST GAS PLANT|  347.4  24.3  105.0   181.0  71.  18.
PEG01DP SL 42.7  DDB   15   FULL
PEG01BR 30*1.50$
PEG01IR 30*1.50$
PEG01AT 30*0
PEG01PT 23$ 25$ 27$ 29$ 31$ 34$  28*6P
PEG01AD 0.0
C ..............................................................
C REPORT REQUESTS FOLLOW.
C ..............................................................
C LT20 C 1984:2000  WE20 MILS DEC1 CURR TOTAL NO
C LT21 C 1984:2000  WE21 MILS DEC1 CURR TOTAL NO
C LT22 C 1984:2000  WE22 MILS DEC1 CURR TOTAL NO
C LT23 A 1984:2000  FG20 MILS DEC1 CURR TOTAL NO
C LT24 A 1984:2000  FE20 MILS DEC1 CURR TOTAL NO
C LT25 A 1984:2000  FE21 MILS DEC1 CURR TOTAL NO
C LT26 A 1984:2000  FE22 MILS DEC1 CURR TOTAL NO
C LT27 A 1984:2000  FE23 MILS DEC1 CURR TOTAL NO
C * .....END*........ FILE D051NCOM .......END.................*
C ************************************************************
C ************************************************************     00040000
C * ................ FILE D051CNML ...........................*     00040000
C *                                                          *     00040000
C * THIS FILE CONTAINS ALL THE DATA FOR THE COMPLETION OF 9 MILE *  00040000
C * CONSISTENT WITH 5/14/84 CASES                            *     00040000
C *                                                          *     00040000
C ************************************************************     00040000
C ......... NINE MILE O&M FOR 1984 ...........................
GORR11      3*0 11 12 13 14 23*6P
C ..............................................................
PFE10BG |NINE MILE PT2-TRUST | 350.0  206.3  162
PFE10CL 11.5 164.5 131.0
PFE10CL 30*0
PFE10SE 30*0
```

```
PFE10AR   30*11.0%
PFE10LP   30*3.0%
PFE10DH   3.0% 2*5.0%
PFE10NO   30*0
PFE10ET   30*95%
PFE10IP   30*10%
PFE10TO   30*PP
PFE10IP   3*0 632.0
PFE10IU   3*0 FULL
PFE10PM   30*1
PFE10TM   30*1
PFE10BO   30*SL
PFE10BL   30*3%
PFE10TD   30*TCFR
PFE10TL   30*10
PFE10PT   3*0% 2*7.0% 2*1.0% 30*6P
PFE10AP   0.0
C
PFE11BG   |HMP2 TCCT NUC FUEL  |  14.4    0.0   TR2
PFE11CF    0.0 0.0 0.0 5.6 6.0 17.0 8.0 8.0 16.0 10.0 21.0 12.0 >
           12.0 24.0 13.0 13.0 10*6P
PFE11CL   3*10
PFE11RF   3*0 9.0 10.0 12.0 14.0 16.0 15*6P
PFE11AR   30*11.0%
PFE11LR   30*9.0%
PFE11DH   30*0.0%
PFE11NO   30*N
PFE11ET   30*95%
PFE11CR   30*0
PFE11IP   30*10%
PFE11IO   30*IS
PFE11IS   0.0
PFE11RD   30*0
PFE11PM   30*1
PFE11TM   30*1
PFE11BO   30*SL
PFE11BL   30*1
PFE11TD   30*SL
PFE11TL   30*1
PFE11AR   0
PFE11AT   0
PFE11PT   30*0%
C
PFE12BG   |MILE RETROFIT  |   0.0      0.0   REB
PFE12CL    3*0 13.0 14.0 14.0 15.0 8.0 10*6P
PFE12ES   30*110%
PFE12AP   13.0%  30*6P
PFE12DH   30*5.0%
PFE12NO   30*N
PFE12ET   30*95%
PFE12CR   30*0
PFE12IP   30*11%
PFE12IO   30*IS
PFE12IS    3*0 13.0 14.0 14.0 15.0 3.0 10*6P
PFE12RD   0 0.0  15*FULL
PFE12PM   30*12
PFE12TM   30*12
PFE12BO   30*SL
PFE12BL   3*0  30 29 23 27 26 25 24 23 22 21 20 19 18 17 16 15 >
               14 13 12 11 10 09 08 07 06 05 04 03 02 01
```

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PF12[illegible]  [illegible]
PF12TL   58.19
PF12PT   5.0*
PFL12AD  3000.0
C ****************************************************************          00040000
RPLT10 D 13.4:2000  FE10 MILS DEC1 CURR TOTAL NO
RPLT11 D 1984:2000  FE11 MILS DEC1 CURR TOTAL NO
C LT12 A 1984:2000  FE12 MILS DEC1 CURR TOTAL NO
C *  [illegible]  FILE DG510NML  *****END*                                 *   00040000
C ****************************************************************          00040000
C *                       FILE  051 MCL                                   *   00040000
C *                                                                       *   00040000
C *  DATA IS HISTORICAL BALANCES FOR SECURITIES AND PLANT.                *   00040000
C ****************************************************************          00040000
C
C HIST BALANCES:
C
H3CG      1425.2  104120072  5.6.3  .273  124.6  65.5 1982.3 30.0 >
          6.07 0.461
HNDLCF       1982  7.2  7.2  1983  0.0  0.0
HITCCBA  0.0.0
HITCCF       1977 0 4.2 1978 0 34 1979 0 41 1980 0 31.25 >
             1981 0 35 1982 0 50.7  1983 0 45.1
C
C HISTORICAL ISSUES OF FIRST MORTGAGE BONDS.
C
HLTD01     15     15     3.250%   10 1954    12 1984
HLTD02     15     15     3.375%   10 1955    11 1985
HLTD03     20     20     4.750%   12 1956    12 1986
HLTD04     20     20     4.[illegible]%   05 1958    05 1988
HLTD05     25     25     5.000%   08 1961    08 1991
HLTD06     40     40     4.400%   04 1963    04 1993
HLTD07     25     25     4.625%   06 1964    06 1994
HLTD08     25     25     4.550%   06 1965    06 1995
HLTD09     40     40     5.250%   02 1966    12 1996
HLTD10     35     35     5.500%   03 1967    04 1997
HLTD11     35     35     6.200%   09 1969    09 1999
HLTD12     25     25     7.125%   09 1970    09 2000
HLTD13     40     40     7.250%   03 1971    04 2001
HLTD14     50     50     7.500%   12 1971    12 2001
HLTD15     50     50     7.625%   08 1972    09 2002
HLTD16     60     60     6.125%   12 1973    12 2003
C
C HISTORICAL ISSUES OF G & R BONDS.
C
HLTD17     90     90     9.475%   09 1975    09 1984
HLTD18     70     70     9.625%   05 1976    06 2006
HLTD19     50     50     [illegible].625%   12 1976    12 2006
HLTD20     85     85     8.625%   05 1977    05 2007
HLTD21     75     75     9.200%   04 1978    04 2008
HLTD22    100     96     3.75%    03 1979    03 1989  5
                                     2 2.3 2.4 6 7 4 10 4.4 7 20 10
HLTD23     50     50    14.250%   02 1980    02 2010
HLTD24    100    100    15.750%   03 1981    03 1991    0 0 0 5.20
HLTD25     50     50    16.750%   07 1981    07 1991
HLTD26     50     50    17.375%   07 1981    07 2011
HLTD27     50     50    1[illegible].000%   12 1981    12 2011
HLTD28     50     50    17.000%   12 1981    12 1991
HLTD29    100    100    17.125%   06 1982    06 2012
HLTD30    100    100    15.250%   10 1982    10 2012
```

```
C
C HISTORICAL ISSUES - OTHER LONG-TERM DEBT.
C
HLTD31   30.375 30.375 7.500%   12 1976   12 2006 NC
HLTD32   10.1   10.1   7.000%   10 1974   12 2012 NC
HLTD33   17.2   17.2    .256%   10 1982   10 2012 NC
C
C 1983 ISSUES OF  LONG-TERM DEBT.
C
HLTD34   30.0   30     11.500%   01 1983   01 1986 NC
HLTD35   75.0   75     12.625%   04 1983   04 1992
HLTD36  105.0  105     13.500%   05 1983   05 2013
HLTD37   25.0   25     11.500%   06 1983   06 1988 NC
HLTD38   10.0   10     13.920%   08 1983   08 1988 NC
HLTD39   50.0   50     11.000%   03 1983   02 1988 NC
HLTD40   75.0   75     11.000%   08 1983   08 1985 NC
HLTD41   40.0   40     14.125%   09 1983   09 1986 NC
HLTD42   75.0   75     11.625%   03 1983   02 1988 NC
HLTD43  125.0  125     11.000%   10 1983   02 1989 NC
HLTD44   75.0   75     11.620%   10 1983   02 1988 NC
C
C
C HISTORICAL ISSUES - PREFERRED STOCK
C
HPST01     10     10    5.000%   05 1952   05 2020
HPST02     07     07    4.250%   03 1954   03 2020
HPST03     20     20    4.350%   04 1954   04 2020
HPST04     05     05    4.350%   04 1954   04 2020
HPST05     20     20    5.125%   10 1960   10 2020
HPST06     05.07  05.07 5.750%   10 1967   10 2020
HPST07     25     25    8.120%   12 1970   12 2020
HPST08     30     30    8.300%   07 1971   07 2020
HPST09     35     23.75 7.400%   07 1973   07 2020 27*1.05 *.4
HPST10     35     35    8.400%   04 1974   04 2020 0 25*1.4
HPST11     50     42    9.800%   11 1975   11 2020 21*2 7*0
HPST12     35     35    7.720%   12 1976   12 2020
HPST13     48     28.8  7.500%   10 1977   12 1984  28*8
HPST14     60     52.50 8.500%   12 1977   12 2020  14*3.75
HPST15     75     75    9.800%   09 1979   09 2020  20*2.438
HPST16     75     75   13.240%   09 1980   09 2020  2*0   25*3
HPST17     65     65   17.000%   10 1981   10 2020  3*0 20*3.25
HPST18     75     75   14.000%   10 1982   10 2020  4*0 25*3
HPST19     65.0   65   14.080%   04 1983   04 2020
HPST20    100.0  100   14.000%   08 1983   09 2020
C *********END******** FILE DOS1RHSL ***********END***********************      00040000
C ********************** OMEGA ***************************************           00040000

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****** END OF INPUT MESSAGES AND DIAGNOSTICS ******

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****** RUN MESSAGES AND DIAGNOSTICS FOLLOW ******

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FINANCIAL INFORMATION

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ELECTRIC INCOME:											
REVENUES	1472.64	2057.65	2434.34	2672.97	2665.51	2751.56	2902.76	3027.74	3035.49	3227.20	3332.09
FUEL EXPENSE	662.00	676.00	583.00	611.00	633.00	616.00	732.00	741.00	739.00	881.00	988.00
O & M EXPENSE	163.00	223.20	293.60	354.60	371.50	344.50	419.24	444.22	459.78	499.72	530.51
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:											
SALES GWH	13315	13584	13783	13954	13990	14083	14370	14675	15059	15512	15974
AVERAGE RATE	11.06	15.17	17.70	19.16	19.05	19.54	20.20	20.63	20.16	20.80	20.86
ANNUAL RATE INCREASE	0.00	557.25	346.32	203.06	-14.36	68.32	95.13	63.37	-71.47	100.40	9.77
RATE INCREASE PERCENT	0.00	37.84	16.93	8.34	-0.54	2.56	3.46	2.18	-2.36	3.31	0.27
CORPORATE STATISTICS:											
LILCO CONSTRUCTION INCL AFC	663.57	402.80	172.94	196.47	242.45	235.62	277.71	199.38	250.30	390.03	685.88
TRUST EXPENDITURES	90.71	263.05	197.75	3.64	12.95	-18.34	-6.71	-15.95	-8.24	-19.73	27.68
TOTAL FUNDS REQUIRED	576.74	589.39	407.99	224.73	706.24	245.24	288.27	342.96	332.35	406.46	690.64
EXTERNAL FUNDS	443.70	272.07	-176.13	-246.10	-217.48	-238.27	-187.63	-151.47	-189.89	-100.55	191.74
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	106.70	379.78	-0.35	-0.45	-0.97	239.24	-426.97	-578.34	-748.24	-848.79	-657.05
TOTAL CAP. & LIABILITIES	6318.11	6636.61	7068.78	6994.05	6954.63	6870.91	6834.35	6696.80	6610.79	6646.06	7015.38
SEC HIST DEBT X RMP/AFC	1.36	2.27	2.89	4.00	3.90	4.18	4.22	4.58	4.93	4.99	4.69
G & R COVERAGE X RMP	2.62	4.96	5.48	4.96	4.22	4.59	4.67	5.24	5.42	5.41	5.10
EARNINGS PER SHARES	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.83	3.96	4.11	4.25
RETURN ON EQUITY	16.00	16.00	15.50	15.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
DIVIDEND PER SHARE	0.50	2.44	2.46	2.47	2.59	2.62	2.77	2.87	2.97	3.08	3.19

	1995	1996	1997	1998	1999	2000	TOTAL
FINANCIAL INFORMATION							
ELECTRIC INCOME:							
REVENUES	3420.12	3534.56	3642.20	4379.68	4505.14	4954.64	54020.2
FUEL EXPENSE	1108.00	1243.00	1399.00	1415.00	1588.00	1619.00	16234
O & M EXPENSE	547.82	596.49	632.88	722.50	764.23	869.38	8303.12
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:							
SALES GWH	16443	16909	17382	17865	18390	18839	264039
AVERAGE RATE	20.90	20.93	20.95	24.52	24.55	26.30	20.14
ANNUAL RATE INCREASE	-9.81	21.51	4.65	636.27	6.56	329.45	2347.43
RATE INCREASE PERCENT	-0.29	0.63	0.13	17.47	0.15	7.31	97.32
CORPORATE STATISTICS:							
LILCO CONSTRUCTION INCL AFC	817.39	1078.50	1321.14	1259.54	1618.30	1829.88	11642
TRUST EXPENDITURES	-18.98	-25.64	28.50	-27.26	-35.87	16.74	465.30
TOTAL FUNDS REQUIRED	710.45	889.20	1069.41	1096.92	1330.12	1676.40	11405.6
EXTERNAL FUNDS	380.84	605.47	914.79	676.09	[illegible]	1182.22	4555.75
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	-296.21	-18.69	-15.24	2.10	-0.16	0.69	-0.69
TOTAL CAP. & LIABILITIES	7465.53	8161.01	9154.57	9355.66	11096.2	12432.7	12439.6
SEC HIST DEBT X RMP/AFC	4.24	3.42	2.36	3.15	2.27	2.20	3.81
G & R COVERAGE X RMP	4.71	3.63	2.35	3.30	2.32	2.24	4.19
EARNING PER SHARES	4.40	4.56	4.72	4.88	5.06	5.25	4.10
RETURN ON EQUITY	14.00	14.00	14.00	14.00	14.00	14.00	14.38
DIVIDEND PER SHARE	3.30	3.42	3.54	3.67	3.80	3.93	2.96

CASE 1 ... 1985

INCOME STATEMENT ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1472.6	2057.6	2434.3	2673.0	2665.5	2751.6	2902.8	3027.7	3035.5	3227.2	3332.1
GAS RETAIL REVENUE	356.2	394.0	412.3	437.3	459.9	486.4	513.4	542.7	572.9	604.9	637.2
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	1828.8	2451.7	2846.7	3110.2	3125.4	3238.0	3416.1	3570.4	3608.4	3832.1	3969.3
OPERATING EXPENSES:											
OPERATION - FUEL	676.0	902.3	841.6	885.1	923.6	924.0	1058.5	1067.1	1105.8	1269.8	1409.2
OPERATION - OTHER	211.0	273.0	356.6	414.6	436.5	451.5	480.1	510.5	519.6	544.3	620.2
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RPP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	70.3	146.3	217.5	272.8	292.8	299.2	304.6	319.0	324.1	332.0	332.2
FIT EXPENSE	84.0	278.8	425.6	[illegible]	376.4	442.7	436.2	463.7	457.0	448.5	408.7
OTHER TAXES	243.4	298.2	357.9	395.4	419.0	449.5	478.0	528.9	557.9	591.7	623.5
TOTAL OPER EXPENSES	1484.7	1916.8	2197.2	2402.8	2447.3	2567.0	2769.6	2917.1	2984.4	3226.4	3391.7
OPERATING INCOME:	344.1	532.9	649.4	707.4	678.1	671.0	646.6	653.4	624.0	605.7	577.6
OTHER INCOME:											
AFDC	322.6	180.1	29.3	16.3	13.0	18.1	29.6	9.4	14.6	28.7	71.8
ANI RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	22.1	32.4	64.1	23.8	28.1	40.9	61.7	78.3	93.9	107.1	104.5
TOTAL OTHER INCOME	344.7	212.5	93.4	40.1	41.1	59.0	91.3	87.7	108.5	135.9	176.3
INCOME BEFORE INTEREST:	688.8	745.4	742.9	749.4	719.3	730.0	737.9	741.1	732.6	741.6	753.9
INTEREST CHARGES:											
INTEREST ON LTD	245.9	239.7	247.3	274.1	258.6	258.1	254.3	245.3	224.1	219.9	218.4
INTEREST ON STD	0.0	32.8	20.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	245.9	272.5	268.1	274.1	258.6	258.1	254.3	245.3	224.1	219.9	218.4
NET INCOME:	438.9	472.9	474.7	475.3	460.7	471.9	483.6	495.8	508.4	521.7	535.5
PREFERRED STOCK DIVIDENDS	84.3	85.8	84.7	83.2	81.2	78.9	76.5	74.2	71.9	69.6	67.3
EARNINGS AVAIL FOR COMMON STOCK:	359.6	387.1	390.1	392.1	379.5	393.0	407.0	421.5	436.5	452.1	468.2
COMMON STOCK DIVIDENDS	54.1	290.3	292.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1

[illegible]
11:41

[illegible] COMPANY

CASE 1 [illegible]

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
RETAINED EARNINGS	[illegible]	96.[illegible]	97.5	[illegible]	94.0	9[illegible].3	101.[illegible]	105.4	109.1	113.0	117.0

INCOME STATEMENT ($MIL)	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3420.1	3538.6	3642.2	4379.7	4505.1	4954.6	54020.2
GAS RETAIL REVENUE	672.1	708.7	747.5	790.7	835.5	883.2	10054.7
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	4092.2	4247.2	43[illegible].7	5170.3	5340.6	5837.8	64074.9
OPERATING EXPENSES:							
OPERATION - FUEL	1544.9	1706.1	1489.9	1[illegible]36.3	2139.6	2203.7	22713.3
OPERATION - OTHER	642.9	697.2	739.7	838.7	908.3	906.6	9710.4
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	343.2	351.4	349.1	423.2	432.9	493.1	5309.8
FIT EXPENSE	354.4	277.3	182.4	358.0	238.0	[illegible]	[illegible]
OTHER TAXES	656.3	692.0	729.1	950.5	895.5	1004.7	9771.4
TOTAL OPER EXPENSES	3541.7	3723.9	3890.1	4393.9	4608.1	4973.6	53444.2
OPERATING INCOME:	550.5	523.4	499.6	770.4	732.5	864.2	10630.7
OTHER INCOME:							
AFDC	136.8	227.6	342.1	163.4	313.4	311.3	2234.2
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	79.4	47.9	37.0	40.0	41.1	45.9	950.3
TOTAL OTHER INCOME	216.2	275.6	379.1	[illegible]	354.6	357.1	[illegible]
INCOME BEFORE INTEREST:	766.7	798.8	878.7	979.8	1087.1	1221.3	13915.2
INTEREST CHARGES:							
INTEREST ON LTD	216.9	232.8	285.2	351.6	422.3	514.1	4712.9
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	53.6
TOTAL INTEREST	216.9	232.8	285.2	351.6	422.3	514.1	4766.5
NET INCOME:	549.8	566.0	593.4	628.1	664.8	707.2	9048.7
PREFERRED STOCK DIVIDENDS	64.9	63.9	73.4	[illegible]	107.0	129.6	1389.0
EARNING AVAIL FOR COMMON STOCK:	4[illegible]	502.1	520.0	53[illegible].6	557.8	577.6	7659.5
COMMON STOCK DIVIDENDS	363.7	376.6	390.0	403.9	41[illegible].3	433.2	5535.3

	1995	1996	1997	1998	1999	2000	TOTAL
RETAINED EARNINGS:	121.2	125.5	130.6	134.6	139.4	144.4	2123.5

INCOME STATEMENT ($MIL) ELECTRIC	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1472.6	2057.6	2434.3	2673.0	2665.5	2751.6	2902.8	3027.7	3035.5	3227.2	3332.1
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	1472.6	2057.6	2434.3	2673.0	2665.5	2751.6	2902.8	3027.7	3035.5	3227.2	3332.1
OPERATING EXPENSES:											
OPERATION - FUEL	662.0	676.0	593.0	611.0	633.0	616.0	732.0	741.0	739.0	881.0	988.0
OPERATION - OTHER	163.0	223.2	209.6	[illegible]	371.6	344.6	419.2	444.2	459.8	499.7	530.5
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RNP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	61.3	136.9	207.6	262.4	281.8	287.6	292.4	305.1	310.5	317.8	324.2
FIT EXPENSE	68.1	261.8	409.5	418.9	361.1	427.0	422.1	446.7	439.2	430.4	391.2
OTHER TAXES	282.6	[illegible]	314.4	[illegible]	[illegible]	[illegible]	421.4	[illegible]	484.5	524.6	552.5
TOTAL OPER EXPENSES	1157.0	1554.3	1814.0	1995.8	2017.0	2111.2	2287.1	2406.0	2443.1	2653.5	2786.4
OPERATING INCOME:	315.6	503.3	620.3	677.2	648.5	640.4	615.7	621.8	592.4	573.7	545.7
OTHER INCOME:											
AFDC	321.8	179.4	28.7	15.6	12.3	17.4	28.8	8.5	13.7	27.8	70.8
RNP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	21.6	32.2	63.7	25.2	27.4	39.6	59.4	75.0	89.7	102.0	99.7
TOTAL OTHER INCOME	343.5	211.6	92.3	40.8	39.7	57.0	88.2	83.5	103.4	129.8	170.5
INCOME BEFORE INTEREST:	659.1	714.9	712.6	717.9	688.2	697.3	703.9	705.3	695.8	703.6	716.2
INTEREST CHARGES:											
INTEREST ON LTD	239.1	229.9	237.3	262.6	247.4	246.6	242.6	233.5	212.9	208.7	207.5
INTEREST ON STD	0.0	31.4	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	239.1	261.4	257.2	262.6	247.4	246.6	242.6	233.5	212.9	208.7	207.5
NET INCOME:	420.0	453.6	455.4	455.4	440.8	450.8	461.3	471.8	482.9	494.9	508.7
PREFERRED STOCK DIVIDENDS	84.5	82.3	81.2	79.7	77.7	75.3	73.0	70.6	68.3	66.0	63.9
EARNINGS AVAIL FOR COMMON STOCK:	335.5	371.3	374.2	375.7	363.1	375.4	388.2	401.2	414.6	428.9	444.8
COMMON STOCK DIVIDENDS	[illegible]	278.5	[illegible]	281.7	272.3	281.6	291.2	300.9	311.0	321.7	333.6
RETAINED EARNINGS:	283.7	92.8	93.5	93.9	90.8	93.9	97.1	100.3	103.7	107.2	111.2

INCOME STATEMENT ($MIL) ELECTRIC	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3420.1	3538.6	3642.2	4379.7	4505.1	4954.6	54020.2
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	3420.1	3538.6	3642.2	4379.7	4505.1	4954.6	54020.2
OPERATING EXPENSES:							
OPERATION - FUEL	1108.0	1243.0	1399.0	1415.0	1588.0	1619.0	16234.0
OPERATION - OTHER	547.8	596.4	632.9	722.5	784.2	869.4	8303.1
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	327.4	334.6	331.4	404.5	413.2	472.3	5070.8
FIT EXPENSE	337.9	262.0	168.9	342.4	223.7	264.0	5678.1
OTHER TAXES	581.2	612.6	645.0	761.4	801.2	904.8	8666.1
TOTAL OPER EXPENSES	2902.2	3048.7	3177.1	3645.9	3810.3	4129.5	43939.1
OPERATING INCOME:	517.9	489.9	465.1	733.8	694.8	825.2	10081.0
OTHER INCOME:							
AFDC	135.8	226.5	341.0	168.3	312.3	310.1	2218.6
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	76.0	46.1	35.7	38.7	39.8	44.5	916.4
TOTAL OTHER INCOME	211.8	272.5	376.7	207.0	352.1	354.6	3135.0
INCOME BEFORE INTEREST:	729.7	762.4	841.8	940.8	1046.9	1179.7	13216.1
INTEREST CHARGES:							
INTEREST ON LTD	206.4	222.2	273.3	337.6	406.7	496.6	4510.8
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	51.4
TOTAL INTEREST	206.4	222.2	273.3	337.6	406.7	496.6	4562.2
NET INCOME:	523.2	540.2	568.5	603.1	640.2	683.1	8653.9
PREFERRED STOCK DIVIDENDS	61.8	61.0	70.3	86.0	103.1	125.2	1329.9
EARNING AVAIL FOR COMMON STOCK:	461.4	479.3	498.2	517.1	537.2	557.9	7324.0
COMMON STOCK DIVIDENDS	346.1	359.4	373.7	387.8	402.9	418.4	5293.2
RETAINED EARNINGS:	115.4	119.8	124.6	129.3	134.3	139.5	2030.8

INCOME STATEMENT ($MIL) GAS	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
GAS RETAIL REVENUE	356.2	394.0	412.3	437.3	459.9	486.4	513.4	542.7	572.9	604.9	637.2
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	356.2	394.0	412.3	437.3	459.9	486.4	513.4	542.7	572.9	604.9	637.2
OPERATING EXPENSES:											
OPERATION - FUEL	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.1	366.8	388.8	412.2
OPERATION - OTHER	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RAC AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	9.0	9.5	10.0	10.5	11.0	11.6	12.2	12.8	13.5	14.3	15.0
FIT EXPENSE	15.9	16.9	16.1	16.0	15.3	15.7	16.2	17.0	17.7	18.1	17.4
OTHER TAXES	40.9	41.7	43.8	46.5	49.4	53.5	56.6	59.9	63.4	67.1	71.0
TOTAL OPER EXPENSES	327.7	364.5	383.2	407.0	430.3	455.8	482.5	511.1	541.3	572.9	605.3
OPERATING INCOME:	28.5	29.5	29.2	30.2	29.7	30.7	30.9	31.6	31.6	32.0	31.9
OTHER INCOME:											
AFDC	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	0.5	0.2	0.4	0.6	0.7	1.3	2.3	3.3	4.3	5.1	4.8
TOTAL OTHER INCOME	1.2	0.9	1.1	1.3	1.4	2.0	3.1	4.1	5.2	6.0	5.8
INCOME BEFORE INTEREST:	29.7	30.4	30.3	31.5	31.1	32.7	34.0	35.8	36.8	38.0	37.7
INTEREST CHARGES:											
INTEREST ON LTD	10.8	9.8	10.1	11.5	11.2	11.6	11.7	11.8	11.2	11.3	10.9
INTEREST ON STD	0.0	1.3	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	10.8	11.1	10.1	11.5	11.2	11.6	11.7	11.8	11.2	11.3	10.9
NET INCOME:	18.9	19.3	19.3	20.0	19.9	21.1	22.3	23.9	25.5	26.6	26.8
PREFERRED STOCK DIVIDENDS	3.6	3.5	3.4	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.4
EARNINGS AVAIL FOR COMMON STOCK:	15.1	15.8	15.9	16.5	16.4	17.6	18.8	20.3	21.9	23.2	23.4
COMMON STOCK DIVIDENDS	2.3	11.8	11.9	12.4	12.3	13.2	14.1	15.3	16.4	17.4	17.5
RETAINED EARNINGS:	12.8	3.9	4.0	4.1	4.1	4.4	4.7	5.1	5.5	5.8	5.8

INCOME STATEMENT ($MIL)	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
GAS RETAIL REVENUE	672.1	706.7	747.5	790.7	835.5	883.2	10054.7
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	672.1	706.7	747.5	790.7	835.5	883.2	10054.7
OPERATING EXPENSES:							
OPERATION - FUEL	436.7	463.1	490.9	520.4	551.6	584.7	6479.4
OPERATION - OTHER	95.0	100.7	106.8	113.2	[illegible]	[illegible]	1407.3
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMF AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	15.9	16.8	17.7	18.7	19.7	20.8	238.9
FIT EXPENSE	16.5	15.1	13.5	12.8	12.2	11.6	264.2
OTHER TAXES	75.1	79.5	84.1	89.1	[illegible]	[illegible]	1118.3
TOTAL OPER EXPENSES	639.4	675.2	713.0	754.1	797.8	844.2	9505.1
OPERATING INCOME:	32.6	33.5	34.5	36.6	37.7	39.1	549.6
OTHER INCOME:							
AFDC	1.0	1.1	1.1	1.1	1.2	1.2	15.6
RMF RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	3.4	1.9	1.3	1.3	1.3	1.4	33.9
TOTAL OTHER INCOME	4.4	2.9	2.4	2.4	[illegible]	2.6	49.5
INCOME BEFORE INTEREST:	37.1	36.4	36.8	39.0	40.1	41.6	599.1
INTEREST CHARGES:							
INTEREST ON LTD	10.5	10.6	12.0	14.0	15.6	17.5	202.1
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	2.2
TOTAL INTEREST	10.5	10.6	12.0	14.0	15.6	17.5	204.3
NET INCOME:	26.6	25.8	24.8	25.0	24.5	24.1	394.8
PREFERRED STOCK DIVIDENDS	3.1	2.9	3.1	3.6	4.0	4.4	60.0
EARNINGS AVAIL FOR COMMON STOCK:	23.4	22.9	21.9	21.4	20.6	19.7	334.8
COMMON STOCK DIVIDENDS	17.6	17.2	16.4	16.1	15.4	14.8	242.1
RETAINED EARNINGS:	5.9	5.7	5.5	5.4	5.1	4.9	92.7

SOURCE & USE OF FUNDS ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FUNDS REQUIRED:											
CONSTRUCTION EXPEND	663.6	402.6	172.9	196.5	242.4	235.6	277.7	199.4	250.3	390.0	686.9
TRUST EXPEND	90.7	263.1	197.8	3.6	13.0	-18.3	-6.7	-16.0	-9.2	-18.7	27.7
LESS AFC	322.6	180.1	29.3	16.3	13.0	18.1	29.6	9.4	14.6	28.7	71.8
LTD REFUNDING	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	95.0	44.0	29.0
PREF REFUNDING	38.0	10.6	13.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9
TOTAL FUNDS REQUIRED	576.7	5[illegible].4	406.0	224.7	706.2	245.2	298.3	343.0	332.3	406.5	690.6
FUNDS PROVIDED:											
INTERNAL FUNDS:											
NET INCOME	438.9	472.9	471.7	475.3	460.7	471.9	483.6	495.8	508.4	521.7	535.5
LESS DIVIDENDS	142.4	376.1	377.2	377.3	365.8	373.8	381.8	390.4	399.8	408.7	418.4
LESS AFC	[illegible]	180.1	29.3	16.3	13.0	18.1	29.6	9.4	14.6	28.7	71.8
DEPRECIATION	70.3	145.3	217.5	272.8	292.8	299.2	304.6	318.0	324.1	332.0	339.2
RMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	76.4	142.4	179.6	111.3	105.1	97.0	88.5	76.3	74.9	70.9	71.2
DEFERRED ITC NET	4.2	110.9	197.8	2.9	7.0	5.1	7.3	1.1	4.6	15.7	38.2
TOTAL FROM OPERATIONS	[illegible]	316.3	663.1	468.8	[illegible]	[illegible]	[illegible]	491.4	498.2	503.0	493.9
LESS WORKING CAPITAL	-5.3	-1.0	79.0	-2.0	-2.0	-2.0	3.0	-3.0	-4.0	-4.0	-5.0
TOTAL INTERNAL FUNDS	133.0	317.3	584.1	470.8	478.8	483.5	475.9	494.4	502.2	507.0	498.9
EXTERNAL FUNDS:											
LONG TERM DEBT	0.0	0.0	303.0	254.0	225.0	0.0	0.0	0.0	0.0	0.0	0.0
TRUST	1.0	0.0	-100.0	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PREFERRED STOCK	0.0	0.0	0.0	0.0	17.0	0.0	0.0	0.0	0.0	0.0	0.0
COMMON STOCK	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SHORT TERM DEBT	379.7	272.1	373.1	0.1	0.5	235.3	167.6	-151.5	169.9	-100.6	151.7
TOTAL EXTERNAL FUNDS	443.7	272.1	176.1	206.1	217.5	235.3	167.6	-151.5	169.9	-100.6	151.7

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
TOTAL FUNDS PROVIDED	576.7	5[illegible].4	40[illegible].0	224.7	706.2	245.2	2[illegible].3	343.0	332.3	406.5	690.6

SOURCE + USE OF FUNDS ($MIL)

	1995	1996	1997	1998	1999	2000	TOTAL
FUNDS REQUIRED:							
CONSTRUCTION EXPEND.	[illegible]17.6	107[illegible].5	1321.1	1259.5	1618.3	1629.9	11642.0
TRUST EXPEND	-19.0	-25.6	29.5	-27.3	-35.9	16.7	465.3
LESS AFC	136.8	227.6	342.1	169.4	313.4	311.3	2234.2
LTD REFUNDING	29.0	44.0	42.0	20.0	45.0	25.0	1286.0
PREF REFUNDING	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED	710.4	[illegible]87.2	1069.4	1099.0	1330.1	1676.5	11485.6
FUNDS PROVIDED:							
INTERNAL FUNDS:							
NET INCOME	549.8	566.0	593.4	628.1	664.8	707.2	9048.7
LESS DIVIDENDS	428.6	440.5	463.4	493.5	525.4	562.0	6925.2
LESS AFC	136.8	227.6	342.1	169.4	313.4	311.3	2234.2
DEPRECIATION	343.2	351.4	349.1	423.2	432.9	493.1	5309.8
RMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	-25.5	-27.9	-54.8	46.3	-16.6	-17.2	906.9
DEFERRED ITC NET	42.5	56.2	65.5	72.8	85.4	105.2	826.6
TOTAL FROM OPERATIONS	344.6	277.7	147.7	414.0	329.7	414.3	6932.6
LESS WORKING CAPITAL	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0	2.7
TOTAL INTERNAL FUNDS	349.6	283.7	154.7	422.9	338.7	424.3	6929.9
EXTERNAL FUNDS:							
LONG TERM DEBT	0.0	306.0	710.0	530.0	792.0	930.0	4060.0
TRUST	0.0	-3.0	1.3	-11.1	-12.5	-13.3	637.6
PREFERRED STOCK	0.0	23.0	152.0	144.0	210.0	236.0	798.0
COMMON STOCK	0.0	0.0	0.0	0.0	0.0	0.0	68.0
SHORT TERM DEBT	360.[illegible]	277.5	3.5	13.1	1.9	0.5	272.3
TOTAL EXTERNAL FUNDS	360.[illegible]	605.5	914.[illegible]	676.1	991.4	1152.2	4555.[illegible]

LONG ISLAND LIGHTING COMPANY

CASE 1 - SHEP 1/S 7/15 SYNC 1/85

	1995	1996	1997	1998	1999	2000	TOTAL
TOTAL FUNDS PROVIDED	[illegible]	[illegible]	1069.4	[illegible]	1339.1	1576.5	11465.6

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
BALANCE SHEET (MIL$)										
ASSETS:										
GROSS UTILITY PLANT IN SERVICE	2237.9	6456.7	6526.3	7142.4	8015.6	8164.9	8332.1	8709.3	8899.1	9086.2
LESS ACCUM DEPRECIATION	720.5	902.6	1035.9	[illegible]	1571.6	1818.7	2071.1	2337.0	2609.0	[illegible]
NET UTIL PLANT IN SERVICE	1517.4	5554.0	5490.4	6513.5	6444.3	6346.2	6261.0	6372.3	6290.2	6197.3
CONSTRUCT WORK IN PROGRESS	4680.7	1307.3	1530.3	313.9	241.3	291.8	377.5	165.5	200.0	366.3
[illegible] ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-80.0	-81.0	-2.0	-4.0	-6.0	-8.0	-11.0	-14.0	-18.0	-22.0
DEFERRED DEBITS	10.0	55.2	49.6	136.4	274.8	240.6	206.5	172.4	138.3	104.2
TOTAL ASSETS	6318.1	6836.2	7068.4	6953.7	6954.3	6870.6	6834.6	6696.5	6610.5	6645.7
CAPITALIZATION & LIABILITIES:										
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	882.8	979.6	1077.1	1175.1	1278.0	1368.3	1470.0	1575.4	1684.5	1797.6
TOTAL COMMON EQUITY	2371.0	2467.8	2565.3	2663.3	2766.2	2856.5	2958.2	3063.6	3172.7	3285.8
PREFERRED STOCK	762.1	751.4	737.8	720.9	694.0	674.1	654.3	634.4	614.5	594.6
LONG TERM DEBT	2180.7	2087.7	2337.7	2567.7	2348.7	2322.7	2295.7	2146.7	2061.7	2017.7
TRUST LIABILITY	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CAPITALIZATION (W/O STD)	5913.8	5906.9	6140.8	5951.9	5808.9	5853.3	5908.1	5844.6	5848.9	5896.0
SHORT TERM DEBT	106.7	378.8	-0.3	-0.5	-1.0	-239.2	-426.9	-578.3	-748.2	-848.8
TOTAL CAPITALIZATION (WITH STD)	6020.4	6285.7	6140.4	5951.5	5799.9	5614.0	5481.3	5266.3	5100.6	5045.2
AMT DEFERRED TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	208.0	350.4	530.0	641.3	746.5	843.8	932.4	1008.9	1083.6	1154.6
DEFERRED ITC - NET	89.7	200.5	398.3	401.3	408.2	413.4	420.7	421.9	426.5	442.3

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
TOTAL CAPITALIZATION + LIAB	631[illegible].1	6936.6	706[illegible]	6994.0	6954.6	6970.9	6834.3	6696.8	6610.9	6696.1

	1994	1995	1996	1997	1998	1999	2000
BALANCE SHEET ($MIL)							
ASSETS:							
GROSS UTILITY PLANT IN SERVICE	9315.3	9523.3	9779.1	10018.6	12633.4	12933.2	14617.7
LESS ACCUM DEPRECIATION	3176.0	3473.3	3773.5	4090.4	4490.2	4905.1	5374.9
NET UTIL PLANT IN SERVICE	6139.3	6049.9	6004.6	5928.3	8143.2	8028.1	9242.8
CONSTRUCT WORK IN PROGRESS	832.7	1405.1	2179.3	3271.0	1865.2	3129.8	3268.6
RSP ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-27.0	-32.0	-38.0	-45.0	-53.0	-62.0	-72.0
DEFERRED DEBITS	70.1	42.2	14.2	0.0	0.0	0.0	0.0
TOTAL ASSETS	7015.0	7465.2	8160.7	9154.2	9955.3	11095.8	12439.3
CAPITALIZATION & LIABILITIES:							
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	1914.6	2035.8	2161.4	2291.4	2426.0	2565.8	2708.9
TOTAL COMMON EQUITY	3402.8	3524.0	3649.6	3779.6	3914.2	4053.6	4196.0
PREFERRED STOCK	574.7	554.9	557.9	730.0	857.9	1051.8	1271.6
LONG TERM DEBT	1988.7	1959.7	2223.7	2897.7	3403.7	4156.7	5061.7
TRUST LIABILITY	0.0	0.0	-3.0	-1.7	-12.8	-25.3	-38.6
TOTAL CAPITALIZATION (W/O STD)	5966.2	6038.5	6425.1	7407.5	8169.0	9236.6	10492.7
SHORT TERM DEBT	-667.0	-296.2	-18.7	-15.2	-2.1	-0.2	-0.7
TOTAL CAPITALIZATION (WITH STD)	5309.1	5742.3	6406.4	7392.3	8166.9	9236.6	10492.0
RSP DEFERRED TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	1225.8	1200.3	1172.4	1117.6	1071.3	1052.7	1035.5
DEFERRED ITC - NET	480.5	522.6	579.2	644.7	717.5	806.9	912.1

	1994	1995	1996	1997	1998	1999	2000
TOTAL CAPITALIZATION & LIAB	7815.4	7465.5	8161.0	9154.6	9915.7	11096.2	12439.7

SELECTED FINANCIAL STATISTICS		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
COVERAGE RATIOS:											
G AND R INDENTURE COV		2.62	4.98	5.45	4.96	4.22	4.59	4.67	5.24	5.42	5.41
SEC HISTORICAL DEBT		2.58	3.02	3.28	4.11	4.01	4.30	4.38	4.66	5.04	5.15
DEBT- PREFERRED RATIO		1.86	[illegible]	1.77	1.99	2.06	2.13	2.26	[illegible]	2.46	2.53
CASH COV/COMMON DIV		3.36	2.09	3.27	2.55	2.71	2.63	2.55	2.55	2.52	2.48
G & R EXCLUDING RMP		2.62	4.78	5.45	4.96	4.22	4.59	4.67	5.24	5.42	5.41
SEC HIST DEBT X RMP/AFC		1.36	2.27	2.89	4.00	3.90	4.18	4.22	4.58	4.93	4.99
CERTIFICATE FREE X RMP		1.88	1.87	1.77	1.99	2.06	2.13	2.20	2.38	2.46	2.53
COMMON STOCK:											
DIVIDEND PER SHARE	- $	0.50	2.64	2.66	2.67	2.58	2.68	2.77	2.87	2.97	3.08
DIVIDEND PAYOUT RATIO	- %	15.43	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	4.81	14.71	12.67	11.04	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	10.50	17.93	20.97	24.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BOOK VALUE PER SHARE	- $	21.53	22.41	23.30	24.19	25.05	25.94	26.86	27.82	28.81	29.84
MARKET TO BOOK RATIO	- %	48.77	80.00	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	107.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.93	3.96	4.11
COST OF MONEY:											
RETURN ON AVG COM EQTY	- %	16.00	16.00	15.50	15.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	0.00	0.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	13.50	11.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	14.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	11.96	12.19	12.10	12.91	12.28	12.64	12.75	12.92	12.92	13.08
OVERALL - NET OF TAX	- %	10.02	10.09	10.14	10.70	10.32	10.73	10.95	11.36	11.61	11.87
CAPITALIZATION:											
WITHOUT STD											
TOTAL COMMON EQUITY	- %	40.09	41.78	41.77	44.75	47.55	48.80	50.07	52.42	54.25	55.71
TOTAL PREFERRED	- %	12.89	12.72	12.01	12.11	11.96	11.52	11.07	10.85	10.51	10.08
TOTAL LONG TERM DEBT	- %	47.02	45.50	46.21	43.14	40.49	39.64	38.86	36.73	35.25	34.21
WITH STD											
TOTAL COMMON EQUITY	- %	39.34	39.26	41.78	44.75	47.56	50.88	53.97	58.17	62.20	65.07
TOTAL PREFERRED	- %	12.66	11.95	12.02	12.11	11.97	12.01	11.94	12.05	12.05	11.78
TOTAL DEBT	- %	47.96	48.78	46.21	43.14	40.42	37.11	34.09	29.73	25.75	23.15

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
OTHER:											
AFDC TO BAL FOR COMMON	- %	114.31	71.73	36.[illegible]	7.73	7.38	6.34	10.54	5.06	5.80	8.40
NET INTERNAL CASH GEN	- %	37.47	142.04	461.78	260.17	212.19	221.18	190.61	258.62	211.39	139.22
EFFECTIVE TAX RATE	- %	10.72	40.67	74.91	84.05	75.01	83.40	76.23	79.47	74.05	68.21
CWIP IN RATE BASE	- %	2.17	0.01	3.26	2.78	10.36	12.86	10.42	9.52	15.86	11.82
NET AMP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL IMBALANCE	- %	70.03	40.82	17.86	14.05	6.54	6.93	7.40	6.14	4.40	5.41

SELECTED FINANCIAL STATISTICS		1994	1995	1996	1997	1998	1999	2000
COVERAGE RATIOS:								
G AND R INDENTURE COV		5.10	4.71	3.63	2.35	3.30	2.32	2.24
SEC HISTORICAL DEBT		5.05	4.88	4.40	3.55	3.64	3.02	2.31
CERT. PREFERRED RATIO		2.60	2.68	2.53	2.14	2.04	1.86	1.73
CASH COV/COMMON DIV		2.41	1.95	1.74	1.38	2.03	1.79	1.96
G & R EXCLUDING RMP		5.10	4.71	3.63	2.35	3.30	2.32	2.24
SEC HIST DEBT X RMP/AFC		4.69	4.24	3.42	2.36	3.15	2.27	2.20
CERTIFICATE PREF X RMP		2.60	2.68	2.53	2.14	2.04	1.86	1.73
COMMON STOCK:								
DIVIDEND PER SHARE	$	3.19	3.30	3.42	3.54	3.67	3.80	3.93
DIVIDEND PAYOUT RATIO	- %	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	10.32	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	30.90	32.00	33.14	34.32	[illegible]	36.81	38.12
BOOK VALUE PER SHARE	- $	30.90	32.00	33.14	34.32	35.54	36.81	38.12
MARKET TO BOOK RATIO	- %	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	4.25	4.40	4.56	4.72	4.89	5.06	5.25
COST OF MONEY:								
RETURN ON AVG COM EQTY	- %	14.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	13.05	12.92	12.79	12.62	12.54	12.43	12.33
OVERALL - NET OF TAX	- %	11.74	11.44	11.03	10.62	10.49	10.12	9.85
CAPITALIZATION:								
WITHOUT STD								
TOTAL COMMON EQUITY	- %	57.03	58.36	56.77	51.02	47.92	43.89	40.01
TOTAL PREFERRED	- %	9.63	9.19	8.68	9.86	10.50	11.39	12.12
TOTAL LONG TERM DEBT	- %	33.33	32.45	34.55	39.12	41.58	44.73	47.87
WITH STD								
TOTAL COMMON EQUITY	- %	64.09	61.37	56.94	51.13	47.93	43.89	40.01
TOTAL PREFERRED	- %	10.82	9.66	8.70	9.88	10.50	11.39	12.12
TOTAL DEBT	- %	25.09	28.97	34.35	39.00	41.57	44.73	47.87

		1994	1995	1996	1997	1998	1999	2000
OTHERS:								
AFDC TO BAL FOR COMMON	%	17.42	30.33	46.36	67.36	33.00	57.39	55.10
NET INTERNAL CASH GEN	%	80.43	50.64	32.64	15.08	38.06	25.27	27.28
EFFECTIVE TAX RATE	%	57.41	46.26	32.94	18.76	42.41	23.15	25.89
CWIP IN RATE BASE	%	6.68	3.04	2.46	1.60	1.18	1.79	1.16
NET RDP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL IMBALANCE	%	9.36	15.54	22.63	30.00	26.27	23.17	26.65

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
RATE INCREASE REPORT ($MILS)										
ENERGY SALES:										
ELECTRIC (GWH)	13315	13566	13753	13954	13990	14083	14370	14675	15059	15512
% CHANGE	0.00	1.88	1.38	1.46	0.26	0.66	2.04	2.12	2.62	3.01
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:										
ELECTRIC (/KWH)	11.06	15.17	17.70	19.16	19.05	19.54	20.20	20.63	20.16	20.90
GAS ($/DTHM)	6.98	7.73	8.09	8.57	9.02	9.54	10.07	10.64	11.23	11.86
AVERAGE RATE: FUEL										
ELECTRIC(/KWH)	4.97	4.98	4.24	4.38	4.52	4.37	5.09	5.05	4.91	5.68
GAS ($/DTHM)	4.20	4.83	5.07	5.37	5.70	[illegible]	6.40	6.79	7.19	7.62
AVERAGE RATE (NET OF FUEL):										
ELECTRIC (/KWH)	6.09	10.18	13.46	14.78	14.53	15.16	15.11	15.58	15.25	15.13
GAS ($/DTHM)	2.79	2.90	3.01	3.20	3.32	3.80	3.66	3.86	4.04	4.24
REVENUE (NO RATE INC OR FUEL):										
ELECTRIC	810.88	825.92	1400.70	1878.39	2067.29	2046.02	2179.08	2216.83	2346.57	2365.57
GAS	235.11	142.17	147.70	153.74	163.13	169.36	178.44	186.89	196.64	206.07
TOTAL	1045.99	968.09	1548.40	2032.14	2230.43	2215.38	2357.52	2403.72	2543.22	2571.64
TOTAL FUEL:										
ELECTRIC	662.00	676.00	583.00	611.00	633.00	616.00	732.00	741.00	739.00	881.00
GAS	214.00	246.30	258.60	274.11	290.56	308.00	326.48	346.06	366.83	388.84
TOTAL	876.00	922.30	841.60	885.11	923.56	924.00	1058.47	1087.06	1105.82	1269.83
REVENUE (NO RATE INCREASE):										
ELECTRIC	1472.88	1501.92	1983.70	2489.39	2700.29	2662.02	2911.08	2957.83	3085.57	3246.57
GAS	449.11	388.47	406.30	427.86	453.70	477.35	504.92	532.95	563.47	594.91
TOTAL	1921.99	1890.39	2390.00	2917.25	3153.99	3139.38	3415.99	3490.79	3649.05	3841.48
ACTUAL RETAIL REVENUE:										
ELECTRIC	1472.64	2057.65	2434.34	2672.97	2665.51	2751.56	2902.76	3027.74	3035.49	3227.20
GAS	356.17	394.00	412.34	437.25	459.92	486.44	513.36	542.71	572.90	604.92
TOTAL	1828.81	2451.66	2846.68	3110.23	3125.43	3237.99	3416.12	3570.45	3608.39	3832.12

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ANNUAL RATE INCREASE:										
ELECTRIC	0.24	555.73	450.64	183.58	-34.78	89.53	-8.31	69.50	-50.09	19.36
GAS	-92.94	5.53	6.04	9.39	6.22	9.09	8.45	9.76	9.43	10.01
TOTAL	-93.18	561.27	456.69	192.97	-28.56	98.62	0.13	79.66	-40.66	-9.35
CUM RATE INCREASE:										
ELECTRIC	0.24	555.49	1006.13	1189.71	1154.93	1244.46	1236.15	1306.05	1255.96	1236.66
GAS	-92.94	-87.41	-81.37	-71.37	-65.75	-56.67	-48.22	-38.46	-29.04	-19.03
TOTAL	-93.18	468.09	924.77	1117.74	1089.18	1187.79	1187.93	1267.59	1226.93	1217.57
ANNUAL (%) RATE INC:										
ELECTRIC	-0.02	37.00	22.72	7.37	-1.29	3.36	-0.29	2.36	-1.62	-0.60
GAS	-20.69	1.42	1.49	2.20	1.37	1.90	1.67	1.83	1.67	1.68
TOTAL	-4.85	29.69	19.11	6.61	-0.91	3.14	0.00	2.28	-1.11	-0.24
ANNUAL % CHANGE IN RATE:										
ELECTRIC: FUEL	0.00	0.23	-14.93	3.29	3.33	-3.33	16.46	-0.67	-2.91	15.73
NET OF FUEL	0.00	67.29	32.17	9.77	-1.68	4.36	-0.38	3.15	-2.13	-0.62
TOTAL	0.00	37.14	16.70	8.22	-0.54	2.55	3.39	2.14	-2.30	3.21
GAS: FUEL	0.00	15.09	4.99	6.00	6.00	6.00	6.00	6.00	6.00	6.00
NET OF FUEL	0.00	3.89	4.09	6.11	3.81	5.36	4.73	5.22	4.79	4.86
TOTAL	0.00	10.82	4.69	6.04	5.18	5.77	5.53	5.72	5.56	5.59
ANNUAL RATE INCREASE (OFF TOTAL RATES)										
ELECTRIC	0.00	557.25	348.32	203.06	-14.36	68.32	95.13	63.37	-71.47	100.40
GAS	0.00	37.83	18.34	24.91	22.67	26.52	26.92	29.35	30.19	32.02
TOTAL	0.00	595.09	366.66	227.97	8.31	94.84	122.05	92.71	-41.28	132.42
ANNUAL RATE INCREASE (%)										
ELECTRIC	0.00	37.84	16.93	8.34	-0.54	2.56	3.46	2.18	-2.36	3.31
GAS	0.00	10.62	4.65	6.04	5.18	5.77	5.53	5.72	5.56	5.59
TOTAL	0.00	32.54	14.96	8.01	0.27	3.03	3.77	2.71	1.18	3.67

	1994	1995	1996	1997	1998	1999	2000
RATE INCREASE REPORT ($MILS)							
ENERGY SALES:							
ELECTRIC (GWH)	15974	16443	16909	17392	17865	18350	18839
% CHANGE	2.99	2.94	2.83	2.90	2.78	2.71	2.66
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:							
ELECTRIC (/KWH)	20.86	20.30	20.33	20.95	24.52	24.55	26.30
GAS ($/DTHM)	12.49	13.18	13.90	14.66	15.50	16.38	17.32
AVERAGE RATE: FUEL							
ELECTRIC(/KWH)	6.19	6.74	7.35	8.05	7.92	8.65	8.59
GAS ($/DTHM)	8.08	8.57	9.08	9.63	10.20	10.82	11.46
AVERAGE RATE (NET OF FUEL):							
ELECTRIC (/KWH)	14.67	14.06	13.58	12.91	16.59	15.90	17.71
GAS ($/DTHM)	4.41	4.61	4.81	5.03	5.30	5.57	5.85
REVENUE (NO RATE INC OR FUEL):							
ELECTRIC	2416.08	2412.91	2377.64	2359.77	2305.53	3045.16	2994.87
GAS	216.08	224.99	235.17	245.55	256.58	270.31	283.89
TOTAL	2632.16	2637.91	2612.81	2605.32	2562.11	3315.47	3278.76
TOTAL FUEL:							
ELECTRIC	988.00	1108.00	1243.00	1399.00	1415.00	1588.00	1619.00
GAS	412.17	436.90	463.11	490.90	520.35	551.57	584.67
TOTAL	1400.16	1544.89	1706.11	1889.89	1935.35	2139.57	2203.66
REVENUE (NO RATE INCREASE):							
ELECTRIC	3404.08	3520.91	3620.64	3758.77	3720.53	4633.16	4613.87
GAS	628.25	661.89	698.29	736.45	776.94	821.89	868.56
TOTAL	4032.33	4182.80	4318.92	4495.22	4497.47	5455.04	5482.42
ACTUAL RETAIL REVENUE:							
ELECTRIC	3332.09	3429.12	3539.56	3642.20	4379.68	4505.14	4954.64
GAS	637.16	672.07	708.66	747.48	790.66	835.46	883.21
TOTAL	3969.25	4032.18	4247.22	4389.68	5170.34	5340.60	5837.85

	1994	1995	1996	1997	1998	1999	2000
ANNUAL RATE INCREASE:							
ELECTRIC	71.39	-100.[illegible]0	[illegible]2.09	-116.57	659.15	-128.02	340.77
GAS	8.31	10.19	10.3[illegible]	11.04	13.72	13.58	14.65
TOTAL	-63.09	-90.62	-71.70	-105.53	672.37	-114.44	355.42
CUM RATE INCREASE:							
ELECTRIC	1164.61	1063.81	981.73	865.16	1524.30	1396.28	1737.05
GAS	-10.11	0.06	10.44	21.48	35.20	48.78	63.43
TOTAL	1154.50	1063.87	992.17	886.64	1559.51	1445.06	1800.48
ANNUAL (%) RATE INC:							
ELECTRIC	-2.11	-2.86	-2.27	-3.10	17.72	-2.76	7.39
GAS	1.42	1.54	1.49	1.50	1.77	1.65	1.69
TOTAL	-1.56	-2.17	-1.66	-2.35	19.96	-8.10	6.48
ANNUAL % CHANGE IN RATE:							
ELECTRIC: FUEL	8.90	8.95	9.09	9.49	-1.59	9.26	-0.69
NET OF FUEL	-2.98	-4.18	-3.45	-4.98	28.59	-4.20	11.38
TOTAL	0.28	-0.29	0.61	0.13	17.00	0.15	7.12
GAS: FUEL	6.00	6.00	6.00	6.00	6.00	6.00	6.00
NET OF FUEL	4.12	4.52	4.41	4.50	5.35	5.02	5.16
TOTAL	5.33	5.48	5.44	5.48	5.78	5.67	5.71
ANNUAL RATE INCREASE (OFF TOTAL RATES)							
ELECTRIC	8.77	-9.81	21.51	4.65	636.27	6.56	329.45
GAS	32.24	34.91	36.59	38.82	43.18	44.80	47.75
TOTAL	41.01	25.10	58.11	43.48	679.45	51.36	377.19
ANNUAL RATE INCREASE (%)							
ELECTRIC	0.27	-0.29	0.63	0.13	17.47	0.15	7.31
GAS	5.33	5.48	5.44	5.48	5.78	5.67	5.71
TOTAL	1.07	0.63	1.42	1.02	15.48	0.99	7.06

FEDERAL INCOME TAXES (CNTLD)

FIT CHARGED TO OPERATING EXPENSE:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FED INC TAX PAID	-2.5	29.5	37.8	306.5	249.5	325.0	325.8	369.3	359.7	343.2	279.1
DEF INC TAX - NET	79.4	142.4	179.6	111.3	105.1	97.0	88.9	76.3	74.9	70.9	71.2
DEF ITC	7.1	115.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FIT EXPENSE	84.0	278.8	425.6	434.9	376.4	442.7	438.2	463.7	457.0	448.5	408.7

FIT INCLUDED IN OTHER INCOME:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
AMORT. OF DEF ITC	3.0	5.0	10.4	14.2	14.8	15.5	16.3	17.0	17.6	18.6	20.1

CALCULATION OF FIT PAID:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE	1828.8	2451.7	2846.7	3110.2	3125.4	3238.0	3416.1	3570.4	3608.4	3832.1	3969.3
- OPER & MAINT EXP	1087.0	1195.5	1196.2	1299.7	1359.1	1379.9	1548.7	1606.6	1645.4	1854.1	2020.3
- NET ELEC & GAS PUR.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	243.4	298.2	357.9	385.4	419.0	449.9	478.0	520.9	557.9	591.7	623.5
- TAX DEPRECIATION	98.4	276.4	409.4	428.1	487.9	405.1	398.4	390.5	408.1	410.8	422.4
- TOTAL INTEREST EXPENSED	249.9	272.5	268.1	274.1	259.6	258.1	254.3	245.3	224.1	219.9	218.4
- CAPITALIZED TRUST INTEREST	78.2	97.6	122.4	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
- CAPITALIZED OVERHEADS	25.4	43.5	12.2	9.0	11.5	10.9	12.4	9.5	11.8	18.1	30.7
- ADJ. TAX DEDUCTIONS	40.0	-1.0	-1.0	-2.0	-2.0	-2.0	-3.0	-3.0	-4.0	-4.0	-5.0
+ NET ICER INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	13.2	27.4	53.7	11.6	13.3	25.3	45.5	61.4	76.3	98.6	84.4
TAXABLE INCOME BEFORE NOL	25.6	296.4	534.9	703.5	5[illegible]3.7	751.6	759.5	842.0	830.6	920.5	733.6
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	[illegible]	296.4	534.9	703.5	5[illegible]9.7	751.6	759.5	842.0	830.6	920.6	733.6
x FIT RAT	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	4.6	136.4	246.0	323.6	271.3	345.7	349.3	387.3	382.1	377.6	337.4

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC	7.1	115.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	-2.5	20.5	37.8	306.5	249.5	325.0	325.8	369.3	359.7	343.2	279.1

BOTTOM UP CALC OF FIT PAID:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
NET INCOME	433.7	472.9	474.7	475.3	460.7	471.9	483.6	495.8	508.4	521.7	535.5
- AFDC	322.6	180.1	23.3	16.3	13.0	18.1	20.6	9.4	14.6	26.7	71.8
- ITC	7.1	115.9	208.2	17.1	21.9	20.7	23.6	18.1	22.4	34.3	58.3
- TAX OVER BOOK DEP	28.1	130.0	191.8	155.2	195.1	105.9	93.8	72.6	84.1	78.8	83.2
- CAPITALIZED TRUST INTEREST	78.2	97.6	122.8	14.8	15.0	14.7	13.3	12.0	10.7	9.2	9.7
CAPITALIZED OVERHEADS	25.4	43.5	12.2	9.0	11.5	10.9	12.4	9.5	11.6	18.1	30.7
- ADD. TAX DEDUCTIONS	40.0	-1.0	-1.0	-2.0	2.0	-2.0	-3.0	-3.0	-4.0	-4.0	-5.0
- RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET TEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	72.2	142.4	179.6	111.3	105.1	97.0	88.9	76.3	74.9	70.9	71.2
+ DEFERRED ITC - NET	6.2	110.9	197.8	9.9	7.0	8.1	7.3	1.1	4.8	15.7	38.2
INCOME BEFORE NOL NOT OFFSET	13.8	160.1	288.8	379.9	318.4	405.8	410.1	454.7	448.5	443.2	396.1
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	13.8	160.1	288.2	379.9	318.4	405.8	410.1	454.7	448.5	443.2	396.1
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	25.6	296.4	534.8	703.5	589.7	751.6	759.5	842.0	830.6	820.8	733.6
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME AFTER NOLS	10.0	296.4	534.8	703.5	589.7	751.6	759.5	842.0	830.6	820.8	733.6
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	4.6	136.4	246.0	323.6	271.3	345.7	349.3	387.3	382.1	377.6	337.4
- ITC	7.1	115.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	-2.5	20.5	37.8	306.5	249.5	325.0	325.8	369.3	359.7	343.2	279.1

FEDERAL INCOME TAXES ($MIL)	1995	1996	1997	1998	1999	2000	TOTAL
FIT CHARGED TO OPERATING EXPENSE:							
FED INC TAX PAID	315.2	224.2	144.3	297.2	130.6	148.5	3874.5
DEF INC TAX - NET	-25.5	-27.8	-54.8	-45.6	-18.6	-17.2	906.9
DEF ITC	64.7	80.8	93.0	103.6	124.0	144.3	1157.8
FIT EXPENSE	354.4	277.2	182.4	355.2	236.0	275.6	5939.2
FIT INCLUDED IN OTHER INCOME:							
AMORT OF DEF ITC	22.2	24.6	27.5	30.8	34.6	39.0	331.2
CALCULATION OF FIT PAID:							
OPERATING REVENUE	4092.2	4347.2	4389.7	5170.1	5340.6	5837.8	64074.9
- OPER & MAINT EXP	2187.8	2403.3	2629.6	2771.0	3043.0	3200.2	32423.7
- NET ELEC & GAS PUR	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	556.3	692.0	709.1	[illegible]	[illegible]	1004.7	9771.4
- TAX DEPRECIATION	223.4	235.0	182.4	278.2	369.4	416.1	5846.9
TOTAL INTEREST EXPENSED	216.9	232.8	285.2	351.6	422.3	514.1	4766.5
CAPITALIZED TRUST INTEREST	10.2	7.6	8.2	0.0	6.6	7.0	445.8
- CAPITALIZED OVERHEADS	34.0	42.5	49.0	54.5	65.2	75.9	516.2
- ADD. TAX DEDUCTIONS	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0	-32.0
+ NET IEFA INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	57.2	23.3	9.5	9.2	6.6	6.8	619.1
TAXABLE INCOME BEFORE NOL	525.8	663.1	515.6	672.4	553.3	636.5	10955.4
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	15.7
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	525.6	663.1	515.6	672.5	553.3	636.5	10939.9
x FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	373.9	305.0	237.3	401.5	254.5	292.8	5032.3

	1995	1996	1997	1998	1999	2000	TOTAL
- ITC	64.7	80.8	93.0	103.6	124.0	144.3	1157.8
FED INC TAX PAID	315.2	224.2	144.3	297.9	130.6	148.5	3874.5

BOTTOM-UP CALC OF FIT PAID:

	1995	1996	1997	1998	1999	2000	TOTAL
NET INCOME	542.8	566.0	593.4	628.1	664.8	707.2	9048.7
- AFDC	136.8	227.6	342.1	162.4	313.4	311.3	2234.2
ITC	64.7	80.8	93.0	103.6	124.0	144.3	1157.8
TAX OVER BOOK DEP	-119.9	-116.4	-159.7	-145.0	-68.4	77.0	537.1
- CAPITALIZED TRUST INTEREST	10.2	7.8	8.2	8.8	6.6	[illegible]	445.8
- CAPITALIZED OVERHEADS	34.0	42.5	49.0	54.5	65.2	75.9	516.2
- ADD TAX DEDUCTIONS	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0	-32.0
EMF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET TLFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	-25.5	-27.9	-34.0	-46.3	418.6	-17.2	899.7
+ DEFERRED ITC - NET	42.5	56.2	65.5	72.8	89.8	105.2	826.6
INCOME BEFORE NOL NOT OFFSET	446.0	358.1	276.5	471.3	298.8	343.7	5915.9
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	446.0	358.1	278.5	471.3	298.8	343.7	5915.9
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	825.8	663.1	515.8	872.8	553.3	636.5	10955.4
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	15.7
TAXABLE INCOME AFTER NOLS	825.8	663.1	515.8	872.8	553.3	636.5	[illegible]
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	379.9	305.0	237.3	401.5	254.5	292.8	5032.3
- ITC	64.7	80.8	93.0	103.6	124.0	144.3	1157.8
FED INC TAX PAID	315.2	224.2	144.3	297.9	130.6	148.5	3874.5

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC OFFSET ($MIL)												
ITC CARRY-FORWARD AVAIL	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BEFORE UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	4.2	31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	34.0	41.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	41.0	31.2	22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	31.2	35.0	50.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	36.0	50.7	48.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	50.7	45.1	30.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	45.1	30.7	36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	241.2	264.8	185.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		30.7	36.0	23.2	17 [illegible]	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		271.9	300.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC BEFORE CARRY-BACK		7.1	115.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY-BACK AVAIL.	3	0.0	0.0	0.0	0.0	0.0	0.9	257.9	208.8	273.2	273.4	311.2
	2	0.0	0.0	0.0	0.0	0.9	257.9	208.8	273.2	273.4	311.2	302.4
	1	0.0	0.0	0.0	0.9	257.9	208.8	273.2	273.4	311.2	302.4	286.6
	TOTAL	0.0	0.0	0.0	0.9	258.9	467.6	739.9	755.3	857.7	886.9	900.1
ITC CARRY BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		7.1	115.9	208.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY-FORWARD AVAIL	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFTER UTILIZATION	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	31.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	41.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	31.2	22.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	35.0	50.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	50.7	45.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	45.1	30.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	30.7	36.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	264.[illegible]	165.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

		1995	1996	1997	1998	1999	2000	TOTAL
ITC REPORT ($MIL)								
ITC CARRY-FORWARD AVAIL	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BEFORE UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		64.7	80.8	93.0	103.6	124.0	144.3	916.8
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		64.7	80.8	93.0	103.6	124.0	144.3	0.0
ITC BEFORE CARRY-BACK		64.7	80.8	93.0	103.6	124.0	144.3	1157.8
ITC CARRY BACK AVAIL.	3	302.4	286.6	228.5	258.2	178.4	108.7	0.0
	2	286.6	228.5	258.2	178.4	109.7	237.7	0.0
	1	228.5	258.2	178.4	109.7	237.7	92.4	0.0
	TOTAL	817.5	773.3	665.2	545.3	524.8	438.8	0.0
ITC CARRY BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		64.7	80.8	93.0	103.6	124.0	144.3	1157.8
ITC CARRY-FORWARD AVAIL	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFTER UTILIZATION	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR 1/5 7/5 SYNC 1/85

	1995	1996	1997	1998	1999	2000	TOTAL
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL) TOTAL PLANT	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	353.5	388.2	216.6	169.8	227.4	194.7	228.1	162.0	216.7	333.3	632.0
ANNUAL AFDC	322.6	180.1	29.3	16.3	13.0	18.1	29.6	9.4	14.6	28.7	71.8
ANNUAL CAP TRUST INTEREST	78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
ANNUAL ADDITION TO CWIP	754.3	665.9	370.7	200.1	255.4	217.5	271.0	183.4	242.1	371.3	713.6
CASH PORTION OF CWIP	3173.2	755.2	832.2	153.1	117.1	141.1	191.1	4.1	21.1	157.2	552.1
AFDC PORTION OF CWIP	1378.3	125.3	148.6	65.8	8.3	20.1	42.6	5.8	12.3	33.3	95.0
CAP TRUST INTEREST PORTION	329.2	426.8	549.5	100.9	115.9	130.5	143.8	155.9	166.6	175.8	185.6
TOTAL CWIP	4880.7	1307.3	1530.3	319.9	241.3	291.8	377.5	165.8	200.0	366.3	832.7
IN SERVICE AMOUNT - CASH	62.0	2805.8	141.6	849.0	263.4	160.7	178.1	349.0	199.7	197.3	237.1
- AFDC	5.3	1433.8	6.0	99.1	70.5	6.3	7.2	46.1	8.2	7.8	10.0
- CAP TRUST INT	0.0	0.0	0.0	462.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	67.3	4239.0	147.6	1410.7	333.9	167.0	185.3	395.1	207.9	205.1	247.1
- TAX	58.9	2425.6	134.5	794.8	250.2	152.7	169.2	331.6	189.7	187.4	225.2
CAPITALIZED OVERHEAD	25.4	43.8	12.2	8.8	11.5	10.9	12.4	9.5	11.8	18.1	30.7
CUMULATIVE CAPITALIZED OVERHEAD	213.7	16.4	21.5	6.2	4.5	7.3	10.8	2.9	4.7	12.9	31.7
CWIP IN RATE BASE AMOUNT	400.0	400.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	9.2	8.0	3.3	2.8	10.4	12.9	10.6	9.5	15.9	11.0	6.7
ITC GENERATED	30.7	36.0	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
BOOK DEPRECIATION - CASH	65.3	114.3	162.1	192.6	206.1	212.3	217.4	229.3	235.2	242.8	249.8
- AFDC	5.0	32.0	55.4	64.8	71.3	71.5	71.7	73.2	73.5	73.8	74.1
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	70.3	146.3	217.5	272.8	292.8	299.2	304.6	318.0	324.1	332.0	339.2
TAX DEPRECIATION	98.4	276.4	409.4	428.1	487.9	405.1	398.4	390.5	408.1	410.8	422.4
GROSS PLANT VALUE	2297.9	6519.7	6649.4	8041.1	8357.0	8506.0	8673.3	9050.4	9240.3	9427.3	9656.4
ACCUM DEPRECIATION	780.5	[illegible]	1109.3	1363.2	1638.0	1919.2	2205.8	2505.7	2811.8	3125.8	3447.1
NET PLANT VALUE	1517.4	[illegible]	5540.0	6677.9	6719.0	6546.8	6467.5	6544.7	6428.5	6301.5	6209.3
LIB TIM DIF DEFERRED - NET	28.8	27.7	129.9	117.8	111.4	103.4	95.9	93.9	83.1	79.6	79.9
DEFERRED OVERHEAD - NET	2.2	[illegible]	5.7	5.[illegible]	-6.0	6.0	6.0	6.0	-6.0	-6.0	-6.0
DEFERRED INTEREST - NET	36.0	44.[illegible]	36.5	0.[illegible]	-0.2	0.4	-1.0	-1.6	-2.2	-2.6	-2.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOR I/S 7/85 SYNC 1/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	72.2	142.4	179.6	111.3	105.1	97.0	68.9	76.3	74.9	70.9	71.2
PROPERTY TAX	152.0	194.0	244.0	271.0	294.0	320.0	341.4	366.0	413.6	438.4	464.7
LILCO TRUST INVSTM BAL	160.4	423.5	721.2	130.2	143.2	124.8	118.1	102.2	93.9	75.2	102.9
NET TRUST BALANCE	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL)
TOTAL PLANT

	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	651.3	317.5	999.3	1054.0	1262.3	1528.3	9427.3
ANNUAL AFDC	136.9	227.6	342.1	169.4	313.4	311.3	2234.2
ANNUAL CAP TRUST INTEREST	10.2	7.8	8.2	8.8	6.6	7.0	445.8
ANNUAL ADDITION TO CWIP	798.4	1052.9	1349.6	1232.3	1582.4	1846.6	12107.3
CASH PORTION OF CWIP	985.9	1536.5	2286.8	1426.7	2383.2	2561.0	2561.0
AFDC PORTION OF CWIP	223.4	439.5	772.4	217.9	519.4	473.4	473.4
CAP TRUST INTEREST PORTION	195.8	203.6	211.8	220.6	227.2	234.2	234.2
TOTAL CWIP	1405.1	2179.9	3271.0	1865.2	3129.8	3268.6	3268.6
IN SERVICE AMOUNT - CASH	217.5	266.9	249.0	1914.1	305.9	1350.6	9747.7
- AFDC	6.5	11.1	9.5	724.0	11.9	357.2	2821.8
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	226.0	278.1	258.5	2638.1	317.8	1707.8	13032.1
- TAX	206.7	253.6	236.8	1818.4	290.6	1283.1	9008.7
CAPITALIZED OVERHEAD	24.0	42.6	49.0	84.8	66.2	75.9	516.1
CUMULATIVE CAPITALIZED OVERHEAD	54.9	84.1	120.6	79.4	129.3	137.7	137.7
CWIP IN RATE BASE AMOUNT	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	3.2	2.5	1.7	1.2	1.8	1.2	1.2
ITC GENERATED	64.7	80.8	93.0	103.8	124.0	144.3	916.5
BOOK DEPRECIATION - CASH	256.5	264.3	270.7	326.9	336.3	384.4	3966.2
- AFDC	71.4	71.7	63.0	80.9	81.2	93.3	1127.7
- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	343.2	351.4	349.1	423.2	432.9	493.1	5309.8
TAX DEPRECIATON	223.4	235.0	199.4	278.2	369.4	416.1	5846.9
GROSS PLANT VALUE	9802.4	10057.1	10161.0	12633.4	12933.2	14617.7	14617.6
ACCUM. DEPRECIATION	3710.3	4038.4	4232.4	4490.2	4905.1	5374.9	5374.9
NET PLANT VALUE	6092.1	6018.8	5928.5	8143.2	8028.1	9242.8	9242.8
DEP. TIM. DIF. DEFERRED - NET	17.1	-18.4	45.6	-37.6	-9.5	-7.7	364.6
DEFERRED OVERHEAD - NET	-6.5	-6.0	5.9	-5.7	-5.7	5.7	-70.6
DEFERRED INTEREST - NET	-2.4	-3.5	-3.3	-3.0	-4.0	-3.9	105.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX NET	25.5	-27.3	-54.6	-46.3	-18.6	-17.2	899.7
PROPERTY TAX	432.5	522.1	553.5	643.7	681.9	771.2	7194.0
LILCO TRUST INVSTM BAL	83.9	61.3	68.5	72.3	48.9	78.9	78.9
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6

PLANT REPORT ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
TOTAL ELECTRIC PLANT											
ANNUAL CASH EXPENDITURE	338.5	373.2	203.6	153.8	210.4	166.7	209.1	141.9	195.4	310.7	608.0
ANNUAL AFDC	321.9	179.4	29.7	15.6	12.3	17.4	28.8	8.5	13.7	27.8	70.8
ANNUAL CAP TRUST INTEREST	78.2	97.6	122.4	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7
ANNUAL ADDITION TO CWIP	738.5	650.2	355.7	183.4	237.6	198.7	251.2	162.4	219.8	347.7	688.6
CASH PORTION OF CWIP	3169.7	751.7	828.7	149.6	113.6	137.6	187.6	0.6	17.6	153.7	548.6
AFDC PORTION OF CWIP	1378.0	125.1	148.4	65.6	8.1	19.9	42.3	5.6	12.0	33.0	94.8
CAP TRUST INTEREST PORTION	329.2	426.6	549.5	100.9	116.0	130.8	143.0	155.9	166.6	175.8	185.6
TOTAL CWIP	4876.9	1303.6	1526.6	316.1	237.6	288.0	373.8	162.1	196.3	362.5	829.0
IN SERVICE AMOUNT - CASH	47.0	2790.8	126.6	833.0	246.4	142.7	159.1	328.9	178.3	174.7	213.1
- AFDC	4.8	1432.3	5.4	98.4	69.8	5.6	6.4	45.2	7.3	6.8	9.0
- CAP TRUST INT	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	51.8	4223.1	132.0	1394.0	316.2	148.3	165.5	374.1	185.6	181.5	222.1
- TAX	44.6	2411.3	120.3	719.6	234.1	135.6	151.1	312.4	169.4	165.9	202.4
CAPITALIZED OVERHEAD	24.7	62.8	11.5	4.2	10.6	10.0	11.6	8.8	10.7	16.9	29.5
CUMULATIVE CAPITALIZED OVERHEAD	213.5	16.2	21.4	6.0	4.3	7.2	10.7	2.7	4.5	12.7	31.6
CWIP IN RATE BASE AMOUNT	399.0	399.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT	9.2	8.0	3.2	2.7	10.4	13.0	10.9	9.6	16.3	12.0	6.7
ITC GENERATED	29.3	34.6	21.8	15.6	20.2	19.0	21.4	16.1	20.4	32.2	56.1
BOOK DEPRECIATION - CASH	56.9	105.8	152.8	182.8	195.8	201.8	206.0	217.2	222.4	229.4	235.6
- AFDC	4.4	31.4	54.8	64.1	70.6	70.8	71.0	72.5	72.7	73.0	73.2
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	61.3	136.9	207.6	262.4	281.8	287.6	292.4	305.1	310.5	317.8	324.2
TAX DEPRECIATON	83.6	262.2	365.5	414.4	474.3	391.3	384.3	376.1	393.0	394.9	405.5
GROSS PLANT VALUE	1912.2	6118.8	6234.3	7611.8	7911.4	8043.2	8192.2	8549.8	8718.9	8883.9	9089.5
ACCUM. DEPRECIATION	667.1	787.5	978.5	1224.4	1489.7	1760.8	2036.7	2325.3	2619.3	2920.6	3228.3
NET PLANT VALUE	1245.1	5331.4	5255.8	6387.4	6421.8	6282.4	6155.5	6224.5	6099.6	5963.3	5861.2
OFP TIM DIF DEFERRED NET	23.6	84.1	126.0	115.5	109.7	102.2	95.1	83.4	82.9	79.9	80.1
DEFERRED OVERHEAD NET	6.6	10.3	5.3	-5.4	-5.6	5.6	-5.6	5.6	-5.6	-5.6	-5.6
DEFERRED INTEREST NET	36.0	44.0	56.5	-0.6	-0.2	0.4	-1.0	1.6	-2.2	-2.8	-2.6
OTHER DEFERRED TAX NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	68.2	139.3	177.2	109.5	103.9	96.2	88.5	76.3	75.1	71.4	71.9
PROPERTY TAX	[illegible]	169.0	217.0	242.0	263.0	286.0	305.3	347.8	373.1	395.5	419.2
LILCO TRUST INVSTM BAL	160.4	423.5	721.2	130.2	143.2	124.8	118.1	102.2	93.9	75.2	102.9
NET TRUST BALANCE	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL)
TOTAL ELECTRIC PLANT

	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	625.9	790.6	970.8	1023.0	1230.3	1494.3	9046.9
ANNUAL AFDC	135.3	226.5	341.0	168.3	312.3	310.1	2218.6
ANNUAL CAP TRUST INTEREST	10.2	7.8	8.2	8.8	6.6	7.0	445.6
ANNUAL ADDITION TO CWIP	771.4	1024.8	1320.0	1200.9	1549.1	1811.4	11711.3
CASH PORTION OF CWIP	982.4	1533.0	2283.3	1423.2	2379.7	2557.5	2557.5
AFDC PORTION OF CWIP	223.2	439.6	772.2	217.6	519.1	473.2	473.2
CAP TRUST INTEREST PORTION	195.8	203.6	211.8	220.6	227.2	234.2	234.2
TOTAL CWIP	1401.4	2176.1	3267.3	1861.4	3126.1	3264.9	3264.9
IN SERVICE AMOUNT - CASH	192.1	240.0	220.5	1883.8	273.8	1316.6	9367.3
- AFDC	7.4	10.1	0.4	722.9	10.8	356.0	2806.4
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
TOTAL BOOK	199.5	250.1	226.9	2606.7	284.5	1672.6	12636.3
- TAX	182.5	228.0	209.4	1789.6	260.1	1280.8	8647.3
CAPITALIZED OVERHEAD	32.0	[illegible]	47.6	83.0	[illegible]	74.0	497.2
CUMULATIVE CAPITALIZED OVERHEAD	54.7	83.9	120.4	79.2	129.2	137.6	137.6
CWIP IN RATE BASE AMOUNT	44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT	3.0	2.4	1.7	1.2	1.8	1.1	1.1
ITC GENERATED	62.2	78.8	90.8	100.7	120.9	141.0	880.4
BOOK DEPRECIATION - CASH	241.5	248.6	254.0	[illegible]	317.6	364.6	3741.0
- AFDC	70.5	70.8	62.0	79.9	80.2	92.3	1113.9
- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	327.4	334.6	331.4	404.5	413.2	472.3	5070.8
TAX DEPRECIATON	205.4	215.7	168.7	255.8	346.3	391.9	5559.5
GROSS PLANT VALUE	9210.5	9438.4	9514.5	11956.9	12224.9	13875.6	13875.5
ACCUM. DEPRECIATION	3477.1	3789.9	3968.2	4208.5	4605.1	5055.6	5055.6
NET PLANT VALUE	5733.4	5648.6	5546.3	7748.4	7619.8	8820.1	8820.1
OFF TIM DIF DEFERRED - NET	-16.7	-17.[illegible]	-44.[illegible]	-36.7	-7.9	6.6	651.7
DEFERRED OVERHEAD - NET	-5.3	-5.5	5.4	5.2	-5.2	-5.2	-63.0
DEFERRED INTEREST - NET	-2.4	3.5	-3.3	3.3	-4.0	3.9	105.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-24.6	-26.8	-53.6	-45.0	17.2	-15.7	894.5
PROPERTY TAX	444.4	471.0	4[illegible].3	596.2	621.6	706.6	6475.5
LILCO TRUST INVSTM BAL	93.9	61.3	88.5	72.3	48.9	78.9	78.9
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	279.0	122.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL AFDC	292.0	155.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	571.0	277.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH PORTION OF CWIP	2553.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	1241.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	3795.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	2675.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- AFDC	0.0	1397.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	4072.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	2327.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	22.3	30.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUMULATIVE CAPITALIZED OVERHEAD	204.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	355.0	355.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	10.6	9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	23.7	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	44.6	89.2	89.2	89.2	89.2	89.2	89.2	89.2	89.2	89.2
- AFDC	0.0	23.3	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6	46.6
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	67.9	135.8	135.8	135.8	135.8	135.8	135.8	135.8	135.8	135.8
TAX DEPRECIATION	0.0	186.2	325.0	279.1	232.7	232.7	232.7	209.5	209.5	209.5	209.5
GROSS PLANT VALUE	0.0	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9
ACCUM. DEPRECIATION	0.0	67.9	203.6	339.4	475.2	610.9	746.7	882.5	1018.2	1154.0	1289.7
NET PLANT VALUE	0.0	4005.0	3869.2	3733.5	3597.7	3461.9	3326.2	3190.4	3054.7	2918.9	2783.1
DEP. TIM. DIF. DEFERRED - NET	0.0	67.[illegible]	114.2	92.8	71.4	71.4	71.4	60.7	60.7	60.7	60.7
DEFERRED OVERHEAD - NET	10.3	12.8	7.6	-3.6	-3.6	3.6	-3.6	3.6	-3.6	-3.6	-3.6
DEFERRED INTEREST - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX NET	10.3	75.8	110.6	89.2	67.8	67.6	67.8	57.1	57.1	57.1	57.1
PROPERTY TAX	0.0	30.0	67.0	73.0	81.0	89.0	97.0	107.0	118.0	125.1	132.6
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	401.0
ANNUAL AFDC	0.0	0.0	0.0	0.0	0.0	0.0	447.7
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	0.0	0.0	0.0	0.0	0.0	0.0	848.7
CASH PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	2675.4
- AFDC	0.0	0.0	0.0	0.0	0.0	0.0	1397.5
- CAP TRUST INT	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	4072.9
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	2327.4
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	82.8
CUMULATIVE CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	34[illegible]
BOOK DEPRECIATION - CASH	89.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1382.3
- AFDC	46.6	46.6	46.6	46.6	46.6	46.6	722.0
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	135.8	135.8	135.8	135.8	135.8	135.8	2104.3
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	2327.4
GROSS PLANT VALUE	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9	4072.9
ACCUM. DEPRECIATION	1425.5	1561.3	1697.0	[illegible]	1968.5	2104.3	2104.3
NET PLANT VALUE	2647.4	2511.6	2375.8	2240.1	2104.3	1968.6	1968.5
DEF. TIM. DIF. DEFERRED - NET	-35.7	-35.7	35.7	-35.7	35.7	35.7	517.5
DEFERRED OVERHEAD - NET	-3.6	-3.6	3.6	3.6	-3.6	-3.6	-31.4
DEFERRED INTEREST - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 1 - SHOP I/S 7/85 SYNC 1/85

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-33.3	-39.3	-39.3	-37.3	39.3	-39.3	485.8
PROPERTY TAX	140.5	14[illegible]	157.[illegible]	167.4	177.4	19[illegible] 1	1900.0
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
REFUNDING TRUST											
OPENING CWIP BALANCE	99.0	111.5	120.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1
CASH EXPENDITURES	1.0	9.0	9.0	23.0	46.0	0.0	26.0	37.0	35.0	35.0	74.0
CAP TRUST INTEREST	11.5	12.7	12.4	11.9	12.9	12.3	10.7	10.0	9.0	7.8	8.5
ASSET PAYMENT (REFUNDING)	0.0	13.0	35.0	31.0	44.0	38.0	40.0	57.0	53.0	55.0	58.0
ENDING CWIP BALANCE	111.5	120.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6
CREDIT LIMIT	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTN BAL	11.5	20.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6
INCREASE IN LILCO INVSTN	11.5	8.7	86.4	3.9	14.8	-25.7	-3.3	-10.0	-9.0	-12.2	24.5
NET TRUST BALANCE	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	1.5	5.9	10.2	11.1	10.6	9.2	8.6	7.7	6.7	7.3
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP TIM DIF DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	5.3	5.9	5.7	5.5	5.9	5.7	4.9	4.6	4.1	3.6	3.9
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX NET	5.3	5.9	5.7	5.5	5.9	5.7	4.9	4.6	4.1	3.6	3.9
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1995	1996	1997	1998	1999	2000	TOTAL
PLANT REPORT ($MIL)							
RESOURCES TRUST							
OPENING CWIP BALANCE	[illegible]3.6	77.7	61.3	88.5	72.3	48.9	99.0
CASH EXPENDITURES	40.0	40.0	86.0	46.0	44.0	100.0	651.0
CAP TRUST INTEREST	9.1	7.6	8.2	9.9	6.6	7.0	166.9
ASSET PAYMENT (REFUNDING)	61.0	64.0	67.0	71.0	74.0	77.0	838.0
ENDING CWIP BALANCE	77.7	61.3	88.5	72.3	48.9	78.9	78.9
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	200.0
LILCO TRUST INVSTM BAL	77.7	61.3	88.5	72.3	48.9	78.9	78.9
INCREASE IN LILCO INVSTM	-11.9	-16.4	27.2	-16.2	-23.4	30.0	78.9
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	7.6	6.5	7.0	7.5	5.7	6.0	119.7
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP. TIM. DIF. DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	4.2	3.5	3.8	4.0	3.0	3.2	76.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	4.2	3.5	3.8	4.0	3.0	3.2	76.8
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

PLANT REPORT ($MIL) NINE MILE PT2 TRUST	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
BEGINNING CWIP BALANCE	556.3	632.8	765.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH EXPENDITURES	11.5	169.5	101.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST	65.0	83.0	108.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	632.8	765.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	142.9	395.4	604.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	76.5	252.5	209.3	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	9.8	25.2	46.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	632.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	618.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	8.5	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	8.5	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	1.1	16.1	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1
- INTEREST	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	0.0	0.0	0.0	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
TAX DEPRECIATION	0.0	0.0	0.0	49.5	86.6	74.2	61.8	61.8	61.9	55.7	55.7
GROSS PLANT	0.0	0.0	0.0	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	0.0	0.0	0.0	36.5	73.0	109.5	145.9	182.4	218.9	255.4	291.9
NET PLANT	0.0	0.0	0.0	1058.1	1021.6	985.2	948.7	912.2	875.7	839.2	802.7
DEF TIM DIF DEFERRED	0.0	0.0	0.0	13.3	30.3	24.7	19.0	19.0	19.0	16.1	16.1
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	29.9	38.2	49.8	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX NET	29.9	38.2	49.8	6.2	23.3	17.6	11.9	11.9	11.9	9.0	9.0
PROPERTY TAX	0.0	0.0	0.0	7.0	7.0	8.0	8.0	8.5	9.0	9.5	10.1

	1995	1996	1997	1998	1999	2000	TOTAL
PLANT REPORT ($MIL)							
NINE MILE [illegible] TRUST							
OPENING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	556.3
CASH EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	282.0
CAP. TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	256.3
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	1470.0
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	0.0	0.0	0.0	0.0	0.0	0.0	1028.3
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.0	0.0	0.0	0.0	0.0	0.0	81.9
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	632.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	1094.6
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	618.5
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	13.8
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	26.8
BOOK DEPRECIATION - CASH	21.1	21.1	21.1	21.1	21.1	21.1	294.9
- INTEREST	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	36.5	36.5	36.5	36.5	36.5	36.5	510.8
TAX DEPRECIATION	55.7	55.7	0.0	0.0	0.0	0.0	618.5
GROSS PLANT	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	328.4	364.9	401.4	437.9	474.3	510.8	510.8
NET PLANT	766.2	729.8	693.3	656.9	620.3	583.8	583.8
BEF TIM DIF DEFERRED	16.1	16.1	-9.5	-9.5	9.5	-9.5	151.7
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	13.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	[illegible]	[illegible]	-16.6	16.6	16.6	16.6	170.3
PROPERTY TAX	10.7	11.3	12.0	[illegible]	13.5	14.3	141.8

PLANT REPORT ($MIL) NUC2 TOOT PPC FUEL	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
BEGINNING CWIP BALANCE	14.4	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1
CASH EXPENDITURES	0.0	0.0	0.0	5.6	6.0	17.0	9.0	0.0	16.0	10.0	21.0
CAP TRUST INTEREST	1.7	1.8	2.1	2.2	2.1	2.4	2.6	2.1	1.8	1.5	1.3
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	8.0	10.0	12.0	14.0	14.0	17.0	19.0	19.1
ENDING CWIP BALANCE	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
CREDIT LIMIT	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
INCREASE IN LILCO INVSTM	1.7	1.9	2.1	9.8	-1.9	7.4	-3.4	-5.9	0.8	-6.5	3.2
NET TRUST BALANCE	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	0.7	0.9	1.4	1.3	3.0	2.2	1.8	1.5	1.3	1.1
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP TIM. DIF. DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.0	0.9	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX NET	0.2	0.5	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	1995	1996	1997	1998	1999	2000	TOTAL
PLANT REPORT ($MIL)							
NMP2 TEST SUC FUEL							
OPENING CWIP BALANCE	13.3	6.2	-3.0	-1.7	-12.8	-25.3	14.4
CASH EXPENDITURES	12.0	12.0	24.0	13.0	13.0	13.0	179.4
CAP TRUST INTEREST	1.1	0.2	0.0	0.0	0.0	0.0	22.6
ASSET PAYMENT (REFUNDING)	20.2	21.4	22.7	24.1	25.8	27.0	254.9
ENDING CWIP BALANCE	6.2	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	30.0
LILCO TRUST INVSTM BAL	6.2	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	-7.1	-6.2	0.0	0.0	0.0	0.0	[illegible]
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
LILCO TRUST INVSTM INCOME	0.3	0.3	0.0	0.0	0.0	0.0	16.2
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP. TIM. DIF. DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

```
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
*A  END  JOB 5221 TS066124 0001 0002 REMOTE3  DINKEL.LOPW0701     ROOM 320   11.55.31 AM 27 JUN 84  R3.PR1    SYS S133  END   A*
```

```
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
+A START JOB 4662 TS066124 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320  8.32.30 AM 27 JUN 84  R3.PR1   SYS S133 START  A*
```

C.O. 10/1/85 SYNCH. 3/1/85

J E S 2 J O B L O G -- S Y S T E M S 1 3 3 -- N O D E N 1

```
0?.26.10 JOB 4662  IEF477I WARNING MESSAGE(S) FOR JOB TS66124 ISSUED
0?.26.10 JOB 4662  $HASP373 TS66124 STARTED - INIT  7 - CLASS A - SYS S133
0?.30.13 JOB 4662  LILSMF   TS66124 END  063013  DATE 84177 STATUS=0000
0?.30.13 JOB 4662  $HASP395 TS66124 ENDED

------ JES2 JOB STATISTICS ------

27 JUN 84 JOB EXECUTION DATE

        12 CARDS READ

     2,?53 SYSOUT PRINT RECORDS

         0 SYSOUT PUNCH RECORDS

      2.05 MINUTES EXECUTION TIME
```

```
1      //T3566123 JOB (170,320,0,04,0,,1),'DINKEL LOP41001',                    JOB 4662
       //  MSGLEVEL=(0,0),NOTIFY=T3600012,TIME=(1,00),MSGCLASS=A,CLASS=4         00020127
```

```
STAT UP  MESSAGE

 127      IEF686I DDNAME REFERRED TO ON DDNAME KEYWORD IN PRIOR STEP WAS NOT RESOLVED
IEF142I TS06612A SEP SEP - STEP WAS EXECUTED - COND CODE 0002
IEF373I STEP /SEP      / START 84179.0823
IEF374I STEP /SEP      / STOP  84179.0823 CPU    0MIN 07.35SEC SRB    0MIN 00.44SEC VIRT  6000K SYS   316K
*****************************************************************************************************
*  TS06612A  SEP        END 0.2.43  DATE 84179  RELEASE 038   CPU=HH.MM.SS.T.H=00.00.07.9.3  SYS CC =0002  *
*                                                                                                    *
*  CORE ALLOCATED=6396K  CORE USED=6000K  PER CENT USED=097  I/O COUNT BY DEVICE FOLLOWS ... 3AP.......25 *
*                                                                                                    *
*  843.......54  843.........  A75..........1  A75.........13  A75.........6  A75.........6  5A0.........  *
*                                                                                                    *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
*                                                                                                    *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
*                                                                                                    *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
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*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  *
*                                                                                                    *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  165.........  167.........1  461.........21            *
*****************************************************************************************************
IEF142I TS06612A SAS SEP - STEP WAS EXECUTED - COND CODE 0000
IEF373I STEP /SAS      / START 84179.0823
IEF374I STEP /SAS      / STOP  84179.0830 CPU    3MIN 10.42SEC SRB    0MIN 01.97SEC VIRT  1024K SYS   300K
*****************************************************************************************************
*  TS06612A  SAS        END 0.3012  DATE 84179  RELEASE 038   CPU=HH.MM.SS.T.H=00.00.10 6.2  SYS CC =0000  *
*                                                                                                    *
*  CORE ALLOCATED=6396K  CORE USED=1024K  PER CENT USED=014  I/O COUNT BY DEVICE FOLLOWS .... 167.........  *
*                                                                                                    *
*  164.......340  846.......144  167..........  464..........  848..........  765.........02  ***-DUMMY....  *
*                                                                                                    *
*  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  ***-DUMMY....  338.........  461.........22            *
*****************************************************************************************************
```

STRATEGIC FINANCIAL PLANNING MODEL

(SFP)

PROGRAM SOFTWARE PRODUCT VERSION # 3.2 (07/01/83)

PURCHASED FROM

NEW YORK STATE ELECTRIC AND GAS CORPORATION

THIS IS A PROPRIETARY PRODUCT AND IS ONLY TO

BE USED BY PERSONS AUTHORIZED BY NYSEG.

```
***** INPUT DATA LISTING FOLLOWS *****

C ****************************************************************     00040000
C *                          FILE LIPN1001                        *     00040000
C *                                                               *     00040000
C * THIS FILE CONTAINS THE RERUN CARD, REPORT CARDS,              *     00040000
C * BENEFIT OF EARLY LOW POWER TESTING                            *     00040000
C * SHOREHAM IN SERVICE 10/85 -NO SPEC. LIMS-                     *     00040000
C * LILCO OPERATES NINE MILE PT. 2 ( 1 4MW ) IS 1/87              *     00040000
C * LILCO BUILDS 1401 345KV TIE, JULY RATE INCREASES 1 11 5%      *     00040000
C * ASSOCIATED FILES: D051-COM, D051-NML, D051-HSL                *     00040000
C ****************************************************************     00040000
RERUN   NEW  2  1984:2000   MILS >
             |CASE  2 -SHOREHAM IN SERVICE 10/85|
C ----------------------------------------------------------------
C REPORT REQUESTS FOLLOW
C ----------------------------------------------------------------
PSTA01 P 1984:2000   COMB MILS DEC2 CURR TOTAL NO
RINC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RINC02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
RINC04 A 1984:2000   GAS MILS DEC1 CURR TOTAL NO
RSAN01 R 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RBAL01 A 1984:2000   COMB MILS DEC1 CURR
PSTA02 A 1984:2000   COMB MILS DEC2 CURR
RRAT01 A 1984:2000   COMB MILS DEC2 CURR
RFIT01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RITC01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RFLF01 A 1984:2000   COMB MILS DEC1 CURR TOTAL NO
RFLF02 A 1984:2000   ELEC MILS DEC1 CURR TOTAL NO
C ****************************************************************     00040000
C * FOLLOWING IS ALL SHOREHAM-RELATED INPUT DATA                  *     00040000
C ****************************************************************     00040000
C ----------------------------------------------------------------
C ADDITIONAL FIT DEDUCTIONS - SHOREHAM  DECOMMISSIONING, OVERHEADS
FADT001  0 2* 1.0 3* 2.0 2* 3.0 2* 4.0 2* 5.0 -6.0 -7.0 >
          8.0 -9.0 -10.0
FADT002    46.0 38.0
C ----------------------------------------------------------------
C ADDITIONAL FINANCING REQT - SHM  DECOMMISSIONING
FAFF001  0 2* 1.0 3* 2.0 2* 3.0 2* 4.0 2* 5 -6 -7 -8 -9 -10
C ----------------------------------------------------------------
C ELECTRIC EXPENSES: PROD FUEL INCL PURCH POWER 9MILE 194MV
C
C THE FOLLOWING IS THE SYSTEM FUEL W/O SPECIAL LIMITATIONS
GFUEL01  662 726 583 615 636 616 734 741 739 811 969 1100 >
        1243 1349 1415 1500 1610
C ----------------------------------------------------------------
C OTHER PRODUCTION OPERATION EXP. - SHOREHAM O&M AND DECOMMISS.
C
GOPR001     0 13.7 57.0 71.9 74.2 66.7 83.4 88.4 91.8 99.3 >
        105 3 97.4 110.3 125.4 116.0 140.9 147.3 136.2 167.8 177.8
GOPR002     0 2* 1.0 3* 2.0 2* 3.0 2* 4.0 2* 5.0 -6 -7.0 -8 -9 -10.0
GOPR003     6.2 4 10 8 14.7 11.4 30.60
C           FOR BOOK ADJUST
GOPR004     0 0 5.6 -1.0 -3.1 -30.60
C ----------------------------------------------------------------
RFEC100  |SHOREHAM NUCLEAR|  2274.4  945     FIC TERRIT
RFEC10.  27. 1-1
RFEC1..  1 ..
```

```
PFE01AP  2.30% 2.67%
PFE01AA  30+0
PFE01OH  5.00% 45.0%
PFE01NO  30+Y
PFE01ET  30+65%
PFE01CP  355% 355%
PFE01IP  30+1.7
PFE01IO  30+PO
PFE01IS  0 2734.4
PFE01BM  0 10
PFE01TM  -*
PFE01RD  0 SL
PFE01RL  0 30
PFE01TD  0 TIER
PFE01TL  0 10
PFE01ND  0 FULL
PFE01AT  138.5 147.3 740  147.3  108.5
PFE01AP  0.0 0.0
PFE01PT  0% 15% 67% 73% 81% 89% 97% 107% 118%  29*6P
C
PFE02BG  |RESOURCES TRUST   |  54.8  44.7  TRI
PFE02CL   1 9 9 23 46 0 26 37 35 35 74 40 40 86 46 94 100
PFE02CL  0+100  30+0
PFE02PF  0 7 35 30 44 38 40 57 53 55 58 61 64 67 71 74 77 85
PFE02AP    30+11.0%
PFE02LP    30+9.0%
PFE02OH  30+0.0%
PFE02NO  30+N
PFE02ET  30+25%
PFE02IP  30+10%
PFE02IG  30-IS
PFE02IS  30+0.000
PFE02MD  30+0
PFE02BM  30+1
PFE02TM  30+1
PFE02RD  30+SL
PFE02RL  30+25.0
PFE02TD  30+T+PP
PFE02TL  30+15
C
PFE03BG  |HOPITHAP PETREPIT  1   0.0    0.0  PEA
PFE03CF    0  22.7 44.6 44.2 46.4 21.7 26.1 27.1 25.9 31.1 32.9   >
            30.0 37.0 35.2 36.7 44.1 46.7
PFE03EA  30+100%
PFE03AR  13.0%  30+C6
PFE03OH  30+5.0%
PFE03NO  30+N
PFE03ET  30+5%
PFE03CP  30+0
PFE03IP  30+1%
PFE03IG  30+15
PFE03IS   0  22.7 44.6 48.2 46.4 21.7 26.1 27.1 25.9 31.1 32.9   >
            30.0 37.0 39.9 36.7 44.1 46.7
PFE03ND  0  29+FULL
PFE03RM  30-12
PFE03TM  30-12
PFE03RD  30+SL
PFE03RL  0    30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 >
            14 13 12 11 10 09 08 07 06 05 04 03 02 01
PFE03TD  ...
```

```
FFE03TL  30*10
PFE03LT  3*0*
PFE03AD  30*0.0
C    -------------------------------------------------------------------
C  COAL UNITS TRANSMISSION FOR SHO 1/3 AND NEW TIE CAPITAL COSTS
PFE04RC  1986 T&S, COAL TRANS & TIE] 0.0 0.0 FFG
PFE04C   0 1 2 3 45 56 65 2 4 23 50 77 100 52
PFE04CF  33*1.0*
PFE04IF  13.0% 30*GR
PFE04DH  33*5.0%
PFE04AD  30*N
PFE04LT  30*05*
PFE04CH  30*0
PFE04IN  30*10*
PFE04IC  30*RP
PFE04IS   7*0 174 6*0 317
PFE04RD  7*0 FLOW 6*0 FLOW
PFE04EP  30*1
PFE04TR  30*1
PFE04BD  30*5L
PFE04RL  30*30.0
PFE04TD  30*TEFP
PFE04TL  30*15
PFE04FT  7*0.0% 20.0% 21.0% 25*6P
C    -------------------------------------------------------------------
C  RELATED REPORT REQUESTS FOLLOW.
RPLT03 A 1984:2000   FE01 MILS DEC1 CURR TOTAL NO
RPLT04 C 1984:2000   FE02 MILS DEC1 CURR TOTAL NO
C LT05 A 1984:2000   FE03 MILS DEC1 CURR TOTAL NO
C LT06 A 1984:2000   FE04 MILS DEC1 CURR TOTAL NO
C *****************************************************************      00040000
C  RMP DATA MP  IDENTIFIERS.
C    ----- RMP DATA FOR 10% RATE INCREASES --------------------------
C BGE01 0 0 01 1992 0 23
C RFE01 0 30*15.5*
C CRE01 0 240 410 425 141 34 -37 -144
C        RMP DATA FOR 11% RATE INCREASES -----------------------------
C BGE01 0 0 01 1991 0 24
C RFE01 0 30*15.5%
C CRE01 0 220 370 351 76 -87 -159
C    ----- RMP DATA FOR 11.5% RATE INCREASES ---
C BGE01 0 0 01 1990 0 25
C RFE01 0 30*15.5%
C CRE01 0 210 340 314 26 -145
C        RMP DATA FOR 12% RATE INCREASES ----------------------------
C BGE01 0 0 01 1990 0 25
C RFE01 0 30*15.5%
C CRE01 0 1?? 324 275 -26 -205
C        RMP DATA FOR 12.25% RATE INCREASES -------------------------
C BGE01 0 0 01 1990 0 26
C RFE01 0 30*15.5%
C CRE01 0 194 312 256 -51
C    ----- RMP DATA FOR 12.5% RATE INCREASES ------------------------
C BGE01 0 0 01 1? 0 26
C RFE01 0 30*15.5*
C CRE01 0 1?? 2?? 237 -7?
C        RMP DATA FOR 10.5% RATE INCREASES --------------------------
C BGE01 0 0 01 1991 0 24
C RFE01 0 30*15.5%
C CRE01 0 2?? 4?? 4?? 1?? ?? -?7
```

```
C
C FUTURE ISSUES   LONG-TERM DEBT
FLTD01   9.2        16.000%   07 1984   01 2014
FLTD02   6.0        13.000%   07 1985   01 2015
C TD03   6.0        11.000%   07 1986   01 2016
C
C FUTURE ISSUES   COMMON STOCK
FCSISS   63.0  9.0001 30*0
C SISS   30*0
C
C FUTURE ISSUES   PREFERRED STOCK
FPST01   0.0001     16.000%   07 1984   09 2020
FPST02   0.0001     13.000%   07 1985   09 2020
C ST03   0.0001     11.000%   07 1986   09 2020
C ST04   0.0001     11.000%   07 1987   09 2020
C ST05   0.0001     11.000%   07 1988   09 2020
C ST06   0.0001     11.000%   07 1989   09 2020
C
C        ELECTRIC REVENUES
FREVE    1409 1775 1956 2192 2424 2652 2873 3025 >
         3044 3253 3370 3475 3617 3741 4409 4635 5098
C        GAS FULL RETURN REVENUES
FREVG    356 387 416 437 480 494 513 543 574 636 653 >
         675 712 751 795 840 887
C
FMAXSTG   425.0% 30*0%
FSTDPCT  10.00%  13.50% 11.00% 30*10.00%
FFORDPS  0.50500%   75.0%    28*75.0%
FCEMAT   30*37.05%
FCNTRAT  51% 30*50%
C
C        RATES OF RETURN FUTURE ISSUES -- LOWER COST OF MONEY
FROE     16.0% 16.0% 15.5% 15.0% 27*14.0%
C OF     16.0% 30*0
C RP     16.0% 14.25% 14.30% 13.90% 13.04% 13.14% 13.18% 13.31% 13.34% >
C        13.44% 13.45% 13.46% 13.44% 13.41% 13.66% 13.70% 13.72%
FPSTPCT  16.0% 13.0% 27*11.0%
FLTDPCT  16% 13.0% 27*11.0%
C
C        TOTAL ELECTRIC SALES
GALESE01 13315 13566 13753 13994 13990 14093 14370 14675 15059 >
         15512 15974 16443 16909 17382 17865 18350 18839  30*1.5P
C        END            FILE D051SCIN      END                    00040000
C                                                                 00040000
C ******************************************************************
C               FILE D051ACOM                                      *
C
C        5/17/1984                                                 *
C                                                                  *
C *  THIS FILE CONTAINS COMMON ASSUMPTIONS FOR D051C__ CASES       *
C *  THIS INCLUDES FINANCING REQUIREMENTS, WRITE-OFF ACCOUNTS      *
C *  AND DEPRECIATION ACCOUNTS OF CANCELLED AND FUTURE PROJECTS    *
C *  RESPECTIVELY (FOR BOTH ELECTRIC AND GAS OPERATIONS)           *
C *  ALL FILE NUMBERS ARE FROM 2? TO 2?                            *
C                                                                  *
C ******************************************************************
C
C OTHER INCOME INPUTS
C
PARNTPS  3
```

```
C
C ADDITIONAL INTEREST INPUTS - OTHER
C
FADIL20  0.0  0.0  0.0   27*0.0
C
C ADDITIONAL OPERATING NON-FIT TAXES
C
FANTP20  30*0.0
C
C ADDITIONAL FIT DEDUCTIONS  TAXABLE INCOME ADJUSTMENT.
C
FADTP20    0.0
C
C MISCELLANEOUS FINANCIAL PARAMETERS
C
FLTDLIF   30*30
FCEFFC    10.5 30*0
FCSMBR    70% 80% 90% 27*100%
FCSYLD    15% 15% 14% 27*12%
FAPT      5.00% 4.25%   28*4.0%
FCSRND    30*1
FLTDRND   30*1
FPSTRNP   30*1
FITCUC    30*LVFU
FITCLIM   30*.5%
FITCDEF   30*100%
FCCV      30*0
FCCVLEV   30*2.00:2.10
FCCVADJ   30*0
FADJLEV   30*.5%
FFIT      30*46%
FESC      1.09*12.5P
FDITCL    30*30
FWCRAT    30*0.0%
C              GAS DATA
C  GAS SALES : MILLIONS OF CUBIC FEET PER YEAR
CSLS620   30*51000
C GAS PURCHASE EXPENSE EXCLUDING INTERDEPARTMENTAL EXP.
GFUL620    214.0 246.3 258.6   27*6P
C GAS OPERATION AND MAINTENANCE
GOPEG20  45 50 55 60 64 77 30*6P
C
C OTHER PRODUCTION OPERATION EXPENSES :
C EXISTING ELECTRIC COM.REL. UNCOLLECTIBLE.
C
GOPEE20  163 190 230 260 275 292 28*6P
C                    UTILITY ACCOUNTS
C
FWE2DDC  (NEW HAVEN WSOL 01/65)   31.1   23.4  EIC
FWE2HCE  30*0.0
FWE2CEA  30*100%
FWE2GAP  13.7%   30*6P
FWE2OOH  30*5.6%
FWE2EEP  30*1
FWE2OLT  30*.5%
FWE2REM  30*6
FWE2OIP  30*10%
FWE2OIO  30*10
FWE2REA  5 30*7
FWE2[illegible]  [illegible]
```

```
PWE20BB   B  FLOW
PWE20BM   30+1
PWE20TM   30+1
PWE20BL   30+10
C +P14P   3 10 9 8 7 6 5 4 3 2 P
C    ----------------------------------------------------------
PWE21BG   |JAMESPORT WROF 01/87|    44.7  49.0  REG
PWE21CL    30+0.0
PWE21EA   30+100%
PWE21AP   13.7%   30+6R
PWE21AH   30+5.0%
PWE21ED   30+N
PWE21ET   30+95%
PWE21EP   30+0
PWE21TP   30+10%
PWE21IO   30+IS
PWE21BA   3+0  44.0
PWE21IA   3+0  15.0
PWE21BP   3+0  FLOW
PWE21BM   30+1
PWE21TM   30+1
PWE21BL   30+10
C
PWE22BG   |RCKUM WRITEOFF 01/88|    80.0  34.0  REG
PWE22CL    30+0.0
PWE22EA   30+40%
PWE22AP   4+0%
PWE22OH   30+5.0%
PWE22BD   30+N
PWE22ET   30+95%
PWE22EP   30+0
PWE22TP   30+10%
PWE22IO   30+IS
PWE22BA   4+0  80.0
PWE22IA   4+0  80.0
PWE22BP   4+0  FLOW
PWE22BM   30+1
PWE22TM   30+1
PWE22BL   30+10
C + ----  1986 CALL FOR REMAINDER OF $180M CREDIT LINE ---------- +
FABEPP    -00.0 0.0 00.0
C         ----------------------------------------------------
C +  ----- ----- DEPRECIATION ACCOUNTS ------------------------ +
C ***************************************************************
C    -----------------------------------------------------------
PFG20BG   |OTH FUTURE GAS PLANT|    3.5    0.0  REG
PFG20CL   15 15 15 16 17 1  1   30+6P
PFG20EA   30+100%
PFG20AP   13.7%    30+6P
PFG20AH   30+5.0%
PFG20BD   30+N
PFG20ET   30+95%
PFG20EP   30+1%
PFG20TP   30+10%
PFG20IO   30+I
PFG20IS   15 15 15 16 17 1  1   30+6P
PFG20BM   30+6
PFG20TM   30+6
PFG20BP   30+0
PFG20BL   30+1
```

```
PFG20TD  30*TEFP
PFG20T4  30*15
PFG20AD  30*FLOW
PFG20FT  30*0.07
PFG20AF  30*0.0
C
PFE20PP  [illegible] FILE THEL GT  |   2?.20  4.0 PFG
PFE20GF   47  62  77   95  101 107 113   30*GF
PFE20C1  30*100%
PFE20AA   0.0       0.0   0.0  27*0.0
PFE20AF    13.75%   30*GP
PFE20TH  30*5.0%
PFE20SP  30*P
PFE20FT  30*A%
PFE20CF  30*A4%
PFE20IP  30*10%
PFE20IC  30*T0
PFE20IS   47  62  77   95  101 107 113   30*GF
PFE20PH  30*6
PFE20TM  30*6
PFE20AD  30*PL
PFE20BL  27*30.00
PFE20TD  30*TEFP
PFE20TL  30*15
PFE20CD  30*FLOW
PFE20FT  30*GT
PFE20AD  30*0.0
C      ------------------------------------------------------------
PFE21PG  [illegible] VR DEPART|    0.0    0.0 PPO
PFE21CE   0 0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21C1  30*100%
PFE21AA   0.0       0.0   0.0  27*0.0
PFE21AP    13.75%   30*GP
PFE21GH  30*5.0%
PFE21PR  30*H
PFE21FT  30*0%
PFE21CF  30*0%
PFE21IP  30*10%
PFE21IC  30*IS
PFE21IS   0 0 5 0 5 0 5 0 17 0 28 0 32 0 0 26
PFE21PH  30*12
PFE21TM  30*12
PFE21PD  30*0%
PFE21RL   0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21TD   0 0 TEFP 0 TEFR 0 TEFR 0 TEFR 0 TEFR 0 TEFR 0 0 TEFR
PFE21TL   0 0 10 0 10 0 10 0 10 0 10 0 10 0 0 10
PFE21CD   0 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 FLOW 0 0 FLOW
PFE21FT  30*GT
PFE21AD  30*0.0
C
C  THIS PROJECT IS THE SUM OF ALL INDIVIDUAL COAL UNIT PROJECTS
C       400MW TYPE 1 1998 ,400MW TYPE 2 2000
C       400MW TYPE 1 2002 ,400MW TYPE 1 2004
C
PFE23PG  [illegible] COAL UNITS   |    0.0     0.0 [illegible]
PFE23C  [illegible] 1222 1131?
        953 674
PFE23C1  30*100%
PFE23AA  13.0%  30*GP
PFE23[illegible]  [illegible]
```

```
PFE23BP   30*0
PFE23LI   30*0*P
PFE23CP   30*0
PFE23IP   30*10*
PFE23IO   30*FF
PFE23ID   14*0 135 .0 0.0 1054.0  0.0  1646.0  0.0 3702.0
PFE23AD   14*0 FULL   0   FULL  0  FULL   0 FULL
PFE23AF   30*1
PFE23TW   30*1
PFE23RD   30*0L
PFE23PI   30*30.0
PFE23TB   30*T 10
PFE23TI   30*1P
PFE23PT   14*0 57* 60* 112* 10*P
PFE23AD   30*3.0
C              COMMON COAL UNITS C&M  UNITS 1 & 2  ---------------------
CAPFE21   14*0.0 A  79 11* 10*P
C
PFE01PG   EXIST ELEC PLANT|  1743.0  133.0   622.30  946.0 579.0 50
PFE01DP   EL 31.0   00B   40   FULL
PFE01BP   30*16.51
PFE01TP   30*16.51
PFE01PT   129* 139* 150* 162* 175* 18**  25*0P
PFE01AT   30*0
PFE01AD   0.0
C
PFG01RG   |EXIST GAS PLANT|   347**   24.3  105.*   1014*  77*  10*
PFG01DP   GL 42.7   00B  0.15   FULL
PFG01BP   30*1.50*
PFG01TP   30*1.50*
PFG01AT   30*0
PFG01PT   23* 25* 27* 29* 31* 34*  2P* P
PFG01AD   0.0
C    -----------------------------------------------------------------
C REPORT REQUESTS FOLLOW
C    -----------------------------------------------------------------
C LT20 C 19*4:2000   WE20 MILS DEC1 CURR TOTAL NO
C LT21 C 19*4:2000   WE21 MILS DEC1 CURR TOTAL NO
C LT22 C 19*4:2000   WE22 MILS DEC1 CURR TOTAL NO
C LT23 A 19*4:2000   FG20 MILS DEC1 CURR TOTAL NO
C LT24 A 19*4:2000   FE20 MILS DEC1 CURR TOTAL NO
C LT25 A 19*4:2000   FE21 MILS DEC1 CURR TOTAL NO
C LT26 A 19*4:2000   FE22 MILS DEC1 CURR TOTAL NO
C LT27 A 19*4:2000   FE23 MILS DEC1 CURR TOTAL NO
C *      *END** ******** FILE D051BCOM *****  *END**************** *
C ******************************************************************
C ******************************************************************     00040000
C                            FILE D051 *MI  -------------------- *     00040000
C *                                                                *     00040000
C * THIS FILE CONTAINS ALL THE DATA FOR THE COMPLETION OF 5 MILE    *     00040000
C * CONSISTENT WITH 5/1 /74 CASES                                   *     00040000
C *                                                                *     00040000
C ******************************************************************     00040000
C            BIN  MILE **P FOR **A**
C*P* 11      * * 11 12 13 14 23 6F
C
PFE10RG   |NIN* MILE PT2 TRUST | 360.*   205.*  T22
PFE10CP   11.* 16*.5 101.9
PFE10**   3**
PFE10**   3**
```

```
PFE10AP  30*11.0%
PFE10EP  30*[illegible]0%
PFE10CH  0.37 2*5.0%
PFE10NC  30*N
PFE10HT  30*05%
PFE10IP  30*10%
PFE10IG  30*IP
PFE10IE  3*0 632.0
PFE10AD  3*0 FULL
PFE10PM  30*1
PFE10TA  30*1
PFE10PD  30*0L
PFE10PL  30*30
PFE10TP  30*T FR
PFE10TL  30*10
PFE10PT  3*0% 2*7.0% 2*8.0% 30*6P
PFE10AB  0.0
C
PFE11PG  INTE2 TEST NUC FUEL  |  14.4   0.0  TP2
PFE11CE   6.0 0.0 0.0 5.6 6.6 17.0 0.0 0.0 16.0 18.0 21.0 12.0 >
          12.0 24.0 13.0 13.0 10*6P
PFE11CL  3*10
PFE11PE  3*0 0.0 14.0 13.0 14.0 16.0 15*6P
PFE11AR  30*11.0%
PFE11LP  30*7.0%
PFE11CH  30*6.0%
PFE11NO  30*M
PFE11ET  30*55%
PFE11CP  30*0
PFE11IP  30*10%
PFE11IG  30*IG
PFE11IS  0.0
PFE11ND  30*0
PFE11HM  30*1
PFE11TA  30*1
PFE11PP  30*0L
PFE11PL  30*1
PFE11TD  30*0L
PFE11TL  30*1
PFE11AB  0
PFE11AT  0
PFE11FT  30*0%
C
PFE12PG  1-MILE PETROFIT  |  0.0    0.0  REG
PFE12CL   3*0 13.0 14.0 14.0 15.0 6.0 10*6P
PFE12ZA  30*100%
PFE12AE  13.0%  30*6P
PFE12CH  30*5.0%
PFE12NC  30*M
PFE12ET  30*5%
PFE12CP  30*0
PFE12IP  30*10%
PFE12IG  30*IG
PFE12IC   3*0 13.0 14.0 14.0 15.0 0.0 10*6P
PFE12ND  0.0 0  15 FULL
PFE12PA  30*12
PFE12TN  30*12
PFE12PD  30*0L
PFE12HI  3*0  30 26.0 27 0[illegible] 15 0[illegible] 0[illegible] 0[illegible] [illegible] 13 12 1[illegible] 1[illegible] >
          14 13 12 11 10 [illegible]
```

```
PFF12TD  30-TEER
PFF12TL  30-10
PFF12PT  5.01
PFF12AD  30.0.0
C ........................................................              00040000
BFLT10 0 1 4:2000  FE10 MILS DECT CURR TOTAL NO
BFLT11 0 1 4:2000  FE11 MILS DECT CURR TOTAL NO
C ELT12 4 1 4:2000  FE12 MILS DECT CURR TOTAL NO
C * ......*END*............. FILE D0S1NML .......*END*.............. *   00040000
C ********************************************************************  00040000
C *                   FILE D0S1 NML                                   *  00040000
C *                                                                   *  00040000
C *  DATA IS HISTORICAL BALANCES FOR SECURITIES AND PLANT             *  00040000
C ********************************************************************  00040000
C
C HIST BALANCES
C
HREG      1425.2  104120072  556.3  -273  125.6  85.5 1882.8 30.0 >
            6.09 0.461
HNSLCF        1982  7.2  7.2  1983  0.0  0.0
HITCCRA  0 0 0
HITCCF        1977 0 4.2 1978 0 34 1979 0 41 1980 0 31.25 >
              1981 0 35 1982 0 50.7  1983 0 45.1
C
C HISTORICAL ISSUES OF FIRST MORTGAGE BONDS.
C
HLTD01     15     15    3.250%   12 1954   12 1984
HLTD02     15     15    3.375%   10 1955   11 1985
HLTD03     20     20    4.750%   12 1956   12 1986
HLTD04     20     20    4.125%   05 1958   05 1988
HLTD05     25     25    5.000%   08 1961   08 1991
HLTD06     40     40    4.400%   04 1963   04 1993
HLTD07     25     25    4.625%   06 1964   06 1994
HLTD08     25     25    4.550%   06 1965   06 1995
HLTD09     40     40    5.250%   02 1966   12 1996
HLTD10     35     35    5.500%   03 1967   04 1997
HLTD11     35     35    8.200%   09 1969   09 1999
HLTD12     25     25    7.125%   09 1970   09 2000
HLTD13     40     40    7.250%   03 1971   04 2001
HLTD14     50     50    7.500%   12 1971   12 2001
HLTD15     50     50    7.645%   03 1972   03 2002
HLTD16     60     60    8.125%   12 1973   12 2003
C
C HISTORICAL ISSUES OF G & R BONDS.
C
HLTD17     90     90    9.375%   09 1975   09 1984
HLTD18     70     70    9.625%   09 1976   06 2006
HLTD19     50     50    8.625%   12 1976   12 2006
HLTD20     5      5     8.625%   05 1977   05 2007
HLTD21     75     75    9.200%   04 1978   04 2008
HLTD22     100    46    9.75%    03 1973   03 1993  >
                          2 2.3 2.4 6 7 4 10 4.4 7 20 10
HLTD23     50     50    14.250%  09 1979   09 2019
HLTD24     100    100   15.750%  03 1981   03 1991    3 0 0 5.00
HLTD25     50     50    16.750%  07 1981   07 1991
HLTD26     50     50    17.375%  07 1981   07 2011
HLTD27     50     50    18.000%  12 1981   12 2011
HLTD28     50     50    17.000%  12 1981   12 1991
HLTD29     100    100   17.125%  06 1982   06 2012
HLTD30     175    175   15.   %  12 19     12 19
```

```
C    ------------------------------------------------------------------------
C HISTORICAL ISSUES - OTHER LONG-TERM DEBT.
C    ------------------------------------------------------------------------
HLTD31   30.375 30.375 7.500%    12 1976    12 2006 NC
HLTD32   1?.1   1?.1   7.?00%    1? 1979    1? 2018 NC
HLTD33   17.2   17.2   ?.250%    10 19??    10 2012 NC
C    ------------------------------------------------------------------------
C 1--3 ISSUES OF  LONG-TERM DEBT.
C    ------------------------------------------------------------------------
HLTD34   30.0     30      11.500%   01 1983    01 1996 NC
HLTD35   75.0     75      12.?25%   04 19?3    04 199?
HLTD36  105.0    105      13.500%   05 1983    05 2013
HLTD37   25.0     25      11.500%   06 1983    06 198? NC
HLTD38   10.0     10      13.?20%   0? 1983    0? 198? NC
HLTD39   50.0     50      11.000%   08 1983    02 1988 NC
HLTD40   75.0     75      11.000%   08 1983    08 1985 NC
HLTD41   40.0     40      14.125%   0? 1983    0? 198? NC
HLTD42   75.0     75      11.625%   09 1983    02 198? NC
HLTD43  125.0    125      11.000%   10 1983    02 198? NC
HLTD44   75.0     75      11.620%   10 1983    02 1983 NC
C    ------------------------------------------------------------------------
C    ------------------------------------------------------------------------
C HISTORICAL ISSUES - PREFERRED STOCK.
C    ------------------------------------------------------------------------
HPST01      10      10      5.090%   05 1952    05 2020
HPST02      07      07      4.250%   03 1954    03 2020
HPST03      20      20      4.350%   04 1954    04 2020
HPST04      05      05      4.350%   04 1954    04 2020
HPST05      20      20      5.125%   10 1960    10 2020
HPST06      05.07 05.07   5.750%   10 1967    10 2020
HPST07      25      25      ?.120%   12 1970    12 2020
HPST08      30      30      ?.300%   07 1971    07 2020
HPST09      35      2?.75   7.400%   07 1973    07 2020 2?*1.05 1.4
HPST10      35      35      8.400%   04 1974    04 2020 ? 25*1.4
HPST11      50      4?      ?.??0%   11 1975    11 2020 21*2 ?*0
HPST12      35      35      9.720%   12 1976    12 2020
HPST13      4?      2?.?    7.500%   10 1977    12 1984  25.8
HPST14      60      52.50   ?.500%   12 1977    12 2020  14*3.75
HPST15      75      75      9.600%   09 1979    09 2020  29*2.438
HPST16      75      75     13.240%   0? 1980    09 2020  2*0    25*3
HPST17      65      65     17.0?0%   10 1981    10 2020  3*? 20*?.25
HPST1?      75      75     14.?00%   10 1982    10 2020  4*0 25*3
HPST1?    65.0      65     14.?00%   04 1983    04 2020
HPST20   100.0     100     14.?00%   0? 1983    0? 2020
C *     ----END------  FILE D0518HSL  ------END--------  ------ *      00040000
C ******************** OMEGA *******************************************      00040000

****** END OF INPUT DATA LISTING ******
```

****** INPUT MESSAGES AND DIAGNOSTICS FOLLOW: ******

****** END OF INPUT MESSAGES AND DIAGNOSTICS ******

```
****** RUN MESSAGES AND DIAGNOSTICS FOLLOW: ******

BEGINNING PROCESSING FOR YEAR =  1   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  2   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  3   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  4   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  5   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  6   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  7   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  8   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR =  9   AT TIME = 08:28:33
BEGINNING PROCESSING FOR YEAR = 10   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 11   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 12   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 13   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 14   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 15   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 16   AT TIME = 08:28:34
BEGINNING PROCESSING FOR YEAR = 17   AT TIME = 08:28:34

****** END OF RUN MESSAGES AND DIAGNOSTICS ******
```

CASE 2 -SHOREHAM IN SERVICE 10/85

FINANCIAL INFORMATION	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ELECTRIC INCOME:											
REVENUES	1472.84	1851.7[illegible]	2473.51	270[illegible].02	2657.43	2775.69	2928.44	3050.60	3057.77	3244.95	3353.42
FUEL EXPENSE	662.00	726.00	553.00	415.00	635.00	616.00	734.00	741.00	739.00	881.00	988.00
O & M EXPENSE	163.60	207.10	289.44	354.60	371.90	384.50	419.24	444.22	459.78	499.72	530.51
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:											
SALES GWH	13519	13566	13153	13384	13590	14083	14370	14679	15059	15512	15974
AVERAGE RATE	11.06	13.94	17.95	17.41	19.25	19.71	20.38	20.79	20.31	20.94	20.99
ANNUAL RATE INCREASE	0.00	371.38	555.65	198.36	22.58	65.56	96.19	60.00	-72.65	99.19	7.71
RATE INCREASE PERCENT	0.00	26.56	29.37	8.02	-0.93	2.43	3.47	2.05	-2.38	3.24	0.24
CORPORATE STATISTICS:											
LILCO CONSTRUCTION INCL AFC	663.57	545.01	173.03	196.44	242.90	235.17	277.61	199.35	250.25	389.93	685.62
TRUST EXPENDITURES	-8.71	269.40	[illegible]	5.32	13.99	17.19	-5.42	-14.51	-6.63	-16.94	[illegible]
TOTAL FUNDS REQUIRED	576.74	654.74	408.73	226.61	707.27	246.40	289.56	344.39	333.95	408.25	692.64
EXTERNAL FUNDS	443.70	517.11	-187.97	-337.33	212.37	243.31	192.65	-156.15	-174.50	105.11	187.14
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	[illegible]	[illegible]	-0.16	[illegible]	-0.12	243.43	-436.09	-592.24	-766.74	-871.85	-684.71
TOTAL CAP. & LIABILITIES	6318.11	7017.92	7246.17	7168.55	7125.37	7038.02	6997.90	6857.03	6767.83	6900.05	7166.38
SEC HIST DEPT X RMP/AFC	1.36	1.79	2.78	3.81	3.77	4.05	4.09	4.42	4.73	4.78	4.50
G & P COVERAGE X RMP	2.62	4.09	5.03	4.76	4.10	4.45	4.53	5.05	5.21	5.20	4.91
EARNINGS PER SHARES	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.83	3.96	4.11	4.25
RETURN ON EQUITY	16.00	16.00	15.59	15.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
DIVIDEND PER SHARE	0.50	2.64	2.66	2.67	2.58	2.68	2.77	2.87	2.97	3.08	3.19

CASE 2 -SHOREHAM IN SERVICE 10/85

FINANCIAL INFORMATION

	1995	1996	1997	1998	1999	2000	TOTAL
ELECTRIC INCOME:							
REVENUES	3541.10	3556.92	3662.91	4397.31	4522.49	4971.16	54206.4
FUEL EXPENSE	1306.69	1243.00	1359.00	1415.00	1560.00	1619.00	16293
O & M EXPENSE	547.82	596.95	632.86	722.50	784.23	869.38	8287.02
MAINTENANCE EXPENSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RMP AMORTIZATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELECTRIC RATE STATISTICS:							
SALES GWH	16443	16909	17382	17865	18350	18839	264039
AVERAGE RATE	20.93	21.05	21.07	24.61	24.66	26.39	20.20
ANNUAL RATE INCREASE	10.70	20.21	3.54	633.61	5.23	328.05	2354.15
RATE INCREASE PERCENT	-0.32	5.59	0.10	17.30	0.13	7.25	97.23
CORPORATE STATISTICS:							
LILCO CONSTRUCTION INCL AFC	816.92	1077.84	1020.13	1259.21	1617.76	1829.45	11780.2
TRUST EXPENDITURES	10.79	-25.15	31.27	29.17	32.92	20.60	302.92
TOTAL FUNDS REQUIRED	712.68	891.69	1072.10	1102.08	1333.58	1580.34	11581.8
EXTERNAL FUNDS	357.88	602.45	911.56	673.92	989.14	1150.27	4648.41
RMP ASSET BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHORT TERM DEBT BALANCE	391.92	17.32	-15.07	1.1?	0.05	0.02	0.02
TOTAL CAP & LIABILITIES	7613.56	8306.15	9296.75	10095.9	11234.7	12577	12577
SEC HIST DEBT X RMP/AFC	4.07	3.32	2.32	3.09	2.28	2.18	3.37
C & R COVERAGE X RMP	4.54	3.56	2.34	3.26	2.31	2.23	4.01
EARNING PER SHARES	4.40	4.56	4.72	4.??	5.06	5.25	4.10
RETURN ON EQUITY	14.00	14.00	14.00	14.00	14.00	14.00	14.38
DIVIDEND PER SHARE	3.30	3.42	3.54	3.67	3.90	3.93	2.96

CASE 2 -SHOREHAM IN-SERVICE 10/85

INCOME STATEMENT ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1472.6	1891.8	2473.5	2708.0	2692.4	2775.7	2928.4	3050.6	3057.8	3248.9	3353.4
GAS RETAIL REVENUE	356.2	393.6	412.5	437.0	459.5	486.0	512.9	542.2	572.4	604.4	636.7
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	[illegible]	2285.3	[illegible]	3145.1	3151.9	3261.7	3441.3	3592.8	3630.1	3853.3	3990.1
OPERATING EXPENSES:											
OPERATION - FUEL	576.0	972.3	841.6	889.1	926.8	924.0	1060.5	1087.1	1105.8	1269.8	1400.2
OPERATION - OTHER	211.0	257.1	354.6	414.6	435.5	451.5	490.3	519.5	539.6	584.3	620.2
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMF AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0
FIT EXPENSE	84.0	198.9	330.3	380.4	379.7	447.1	442.6	467.9	461.3	452.9	413.1
OTHER TAXES	243.4	276.1	359.4	396.8	420.1	450.5	479.0	529.8	558.8	592.5	624.3
TOTAL OPER EXPENSES	1484.7	1818.1	2208.2	2416.5	2459.4	2576.9	2781.7	2927.0	2994.3	3236.3	3401.8
OPERATING INCOME:	344.1	467.3	677.8	728.5	692.5	684.7	659.7	665.8	635.9	617.0	588.3
OTHER INCOME:											
AFDC	322.6	263.3	29.4	16.2	13.0	18.1	29.5	9.3	14.6	28.6	71.5
RFP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	22.1	31.3	62.0	25.3	28.7	41.4	62.9	80.1	96.3	110.1	108.2
TOTAL OTHER INCOME	344.7	294.6	91.4	41.5	41.7	59.5	92.4	89.4	110.9	138.8	179.7
INCOME BEFORE INTEREST:	[illegible]	761.8	769.2	770.1	734.2	744.2	752.1	755.3	746.8	755.8	768.1
INTEREST CHARGES:											
INTEREST ON LTD	249.9	239.7	260.1	294.7	272.3	270.0	266.2	257.2	236.0	231.8	230.3
INTEREST ON STD	0.0	49.3	34.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	249.9	289.0	294.4	294.7	272.3	270.0	266.2	257.2	236.0	231.8	230.3
NET INCOME:	43[illegible]	472.9	474.7	475.3	461.8	474.2	485.9	498.1	510.8	524.0	537.8
PREFERRED STOCK DIVIDENDS	83.3	85.8	84.7	83.2	82.3	81.2	78.9	76.5	74.2	71.9	69.6
EARNING AVAIL FOR COMMON STOCK:	359.6	387.1	390.1	392.1	379.5	393.0	407.0	421.5	436.5	452.1	468.2
COMMON STOCK DIVIDENDS	[illegible]	280.3	282.5	284.1	284.6	294.9	305.3	316.1	327.4	339.1	351.1

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
RETAINED EARNINGS:	236.5	96.8	97.5	99.0	94.4	98.3	161.8	105.4	109.1	113.0	117.0

CASE 2 -SHOREHAM IN SERVICE 10/85

INCOME STATEMENT ($MIL)	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3441.2	3558.9	3662.0	4397.4	4522.6	4971.2	54206.4
GAS RETAIL REVENUE	671.6	708.3	747.1	790.3	835.1	882.9	10048.5
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	4112.9	4267.2	4409.1	5187.7	5357.7	5854.1	64255.0
OPERATING EXPENSES:							
OPERATION - FUEL	1544.9	1706.1	1849.9	1935.3	2139.6	2203.7	22772.3
OPERATION - OTHER	642.9	697.2	739.7	835.7	904.2	996.6	9694.3
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	348.0	356.1	353.8	427.8	437.5	497.7	5347.8
FIT EXPENSE	359.0	281.6	186.0	358.5	239.8	279.3	5921.8
OTHER TAXES	657.1	692.8	729.8	851.2	896.2	1009.3	9763.2
TOTAL OPER EXPENSES	3551.9	3733.9	3900.0	4409.0	4617.3	4982.6	53499.5
OPERATING INCOME:	560.9	533.3	509.1	778.7	740.4	871.5	10755.4
OTHER INCOME:							
AFDC	136.4	226.9	341.1	169.1	312.9	310.8	2313.4
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	83.6	51.0	38.7	42.0	43.5	48.5	975.9
TOTAL OTHER INCOME	220.0	277.9	379.9	211.1	356.4	359.4	3289.3
INCOME BEFORE INTEREST:	780.9	811.2	888.9	989.7	1096.8	1230.9	14044.7
INTEREST CHARGES:							
INTEREST ON LTD	228.8	243.2	294.0	360.2	430.6	522.3	4887.5
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	83.6
TOTAL INTEREST	228.8	243.2	294.0	360.2	430.6	522.3	4971.1
NET INCOME:	552.1	568.0	594.9	629.6	666.2	708.5	9073.6
PREFERRED STOCK DIVIDENDS	67.3	65.3	74.9	91.0	108.4	130.9	1414.8
EARNING AVAIL FOR COMMON STOCK:	484.8	502.7	520.0	538.6	557.8	577.6	7658.8
COMMON STOCK DIVIDENDS	363.7	374.6	390.0	403.9	418.3	433.2	5535.3

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LONG ISLAND LIGHTING COMPANY

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
RETAINED EARNINGS:	121.2	125.5	130.0	134.6	139.4	144.4	2123.5

CASE 2 - SHOREHAM IN SERVICE 10/85

INCOME STATEMENT ($MIL) ELECTRIC	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
ELECTRIC RETAIL REVENUE	1472.6	1891.8	2473.5	2708.0	2692.4	2775.7	2928.4	3050.6	3057.8	3248.9	3353.4
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	1472.6	1891.8	2473.5	2708.0	2692.4	2775.7	2928.4	3050.6	3057.8	3248.9	3353.4
OPERATING EXPENSES:											
OPERATION - FUEL	662.0	726.0	583.0	615.0	636.0	616.0	734.0	791.0	739.0	881.0	988.0
OPERATION - OTHER	163.0	207.1	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	61.3	104.1	212.3	267.1	286.5	292.4	297.1	309.7	315.3	322.5	328.9
FIT EXPENSE	68.1	132.9	414.5	422.8	384.8	431.7	426.7	451.3	443.9	435.2	396.1
OTHER TAXES	202.6	239.4	315.9	350.3	370.7	397.0	422.5	469.9	495.4	525.4	553.3
TOTAL OPER EXPENSES	1157.0	1454.0	1825.3	2069.8	2029.5	2121.5	2299.8	2416.3	2453.4	2663.8	2796.8
OPERATING INCOME:	315.6	437.9	648.2	638.2	662.9	654.2	628.9	634.3	604.4	585.1	556.6
OTHER INCOME:											
AFDC	321.8	262.6	28.7	15.5	12.2	17.3	28.7	8.5	13.6	27.7	70.6
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	21.6	31.2	61.7	24.8	28.1	40.2	60.6	76.9	92.1	105.1	103.4
TOTAL OTHER INCOME	343.5	293.8	90.5	40.3	40.3	57.5	89.3	85.4	105.8	132.8	173.9
INCOME BEFORE INTEREST:	659.1	731.6	738.6	738.5	703.2	711.7	718.2	719.7	710.1	717.9	730.5
INTEREST CHARGES:											
INTEREST ON LTD	239.1	230.2	249.8	282.6	260.8	258.2	254.2	245.1	224.4	220.2	219.0
INTEREST ON STD	0.0	47.3	32.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	239.1	277.5	282.7	282.6	260.8	258.2	254.2	245.1	224.4	220.2	219.0
NET INCOME:	420.0	454.1	455.9	455.9	442.4	453.5	464.0	474.6	485.7	497.7	511.5
PREFERRED STOCK DIVIDENDS	64.5	82.4	81.3	79.6	78.9	77.6	75.3	72.9	70.6	68.3	66.2
EARNING AVAIL FOR COMMON STOCK:	355.5	371.7	374.6	376.1	363.5	375.8	388.7	401.7	415.1	429.4	445.3
COMMON STOCK DIVIDENDS	[illegible]	270.8	[illegible]	282.0	272.6	281.8	291.5	301.2	311.4	322.1	334.0
RETAINED EARNINGS:	83.7	[illegible]	93.6	94.0	90.9	94.0	97.2	100.4	103.8	107.4	111.3

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LONG ISLAND LIGHTING COMPANY

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CASE 2 -SHOREHAM IN SERVICE 10/85

INCOME STATEMENT ($MIL) ELECTRIC	1995	1996	1997	1998	1999	2000	TOTAL
OPERATING REVENUE:							
ELECTRIC RETAIL REVENUE	3441.2	3558.9	3862.0	4397.4	4522.6	4971.2	54206.4
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	3441.2	3558.9	3862.0	4397.4	4522.6	4971.2	54206.4
OPERATING EXPENSES:							
OPERATION - FUEL	1108.0	1243.0	1399.0	1415.0	1588.0	1619.0	16293.0
OPERATION - OTHER	547.8	596.4	632.9	722.5	784.2	869.4	8287.0
ELEC PURCHASE & INTERCH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	332.1	339.4	336.1	409.2	417.8	476.9	5108.9
FIT EXPENSE	342.8	266.6	173.6	346.4	227.8	287.9	5662.8
OTHER TAXES	582.0	613.4	845.8	782.1	801.9	[illegible]	[illegible]
TOTAL OPER EXPENSES	2912.8	3059.0	[illegible]	3655.2	[illegible]	4138.6	43999.8
OPERATING INCOME:	528.4	499.9	474.7	742.2	702.9	832.5	10206.6
OTHER INCOME:							
AFDC	135.3	226.8	340.0	168.0	311.7	309.6	2297.9
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	80.1	49.1	37.5	40.7	42.2	47.2	942.6
TOTAL OTHER INCOME	215.5	274.9	377.6	208.7	353.9	356.8	3240.4
INCOME BEFORE INTEREST:	743.9	774.8	852.2	950.9	1056.8	1189.3	13447.0
INTEREST CHARGES:							
INTEREST ON LTD	217.9	232.3	281.9	346.0	414.9	504.7	4681.6
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	80.3
TOTAL INTEREST	217.9	232.3	281.9	346.0	414.9	504.7	4761.8
NET INCOME:	526.0	542.5	570.4	604.9	641.9	684.6	8685.2
PREFERRED STOCK DIVIDENDS	64.1	[illegible]	71.8	87.4	104.5	126.5	1354.8
EARNING AVAIL FOR COMMON STOCK:	461.9	479.7	498.6	517.4	537.4	558.1	7330.4
COMMON STOCK DIVIDENDS	346.4	357.7	373.5	388.1	403.1	418.6	5298.0
RETAINED EARNINGS:	115.5	[illegible]	124.6	[illegible]	139.4	139.5	2032.4

CASE 2 -SHOREHAM IN SERVICE 10/85

INCOME STATEMENT ($MIL) GAS	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPERATING REVENUE:											
GAS RETAIL REVENUE	355.2	393.6	412.3	437.0	459.5	486.0	512.9	542.2	572.4	604.4	636.7
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	355.2	393.6	412.3	437.0	459.5	486.0	512.9	542.2	572.4	604.4	636.7
OPERATING EXPENSES:											
OPERATION - FUEL	214.0	248.3	258.6	274.1	290.8	308.0	326.5	346.1	366.8	388.8	412.2
OPERATION - OTHER	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	9.0	9.5	10.0	10.5	11.0	11.6	12.2	12.8	13.5	14.3	15.0
FIT EXPENSE	15.9	16.6	15.6	15.6	14.9	15.4	15.8	16.6	17.3	17.7	17.1
OTHER TAXES	40.8	41.7	43.8	46.5	49.9	53.4	56.6	59.9	63.4	67.1	71.0
TOTAL OPER EXPENSES	327.7	364.1	382.9	406.7	429.9	455.4	482.1	510.7	540.9	572.5	604.9
OPERATING INCOME:	28.5	29.5	29.6	30.4	29.6	30.6	30.8	31.5	31.5	31.9	31.8
OTHER INCOME:											
AFDC	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	0.9	1.0
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	0.5	0.1	0.3	0.5	0.6	1.2	2.3	3.2	4.2	5.0	4.8
TOTAL OTHER INCOME	1.2	0.8	1.0	1.2	1.4	2.0	3.1	4.1	5.1	6.0	5.8
INCOME BEFORE INTEREST:	29.7	30.3	30.6	31.6	31.0	32.6	33.9	35.6	36.6	37.9	37.6
INTEREST CHARGES:											
INTEREST ON LTD	10.8	9.5	10.3	12.1	11.5	11.8	12.0	12.1	11.6	11.6	11.3
INTEREST ON STD	0.0	2.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL INTEREST	10.8	11.5	11.7	12.1	11.5	11.8	12.0	12.1	11.6	11.6	11.3
NET INCOME:	18.9	18.8	18.9	19.5	19.5	20.7	21.9	23.5	25.0	26.3	26.3
PREFERRED STOCK DIVIDENDS	3.8	3.4	3.4	3.4	3.5	3.6	3.6	3.6	3.6	3.6	3.4
EARNING AVAIL FOR COMMON STOCK:	15.1	15.4	15.5	16.1	16.0	17.2	18.3	19.9	21.4	22.7	22.9
COMMON STOCK DIVIDENDS	2.3	11.5	11.6	12.1	12.0	12.9	13.8	14.9	16.1	17.0	17.2
RETAINED EARNINGS:	12.8	3.9	3.9	4.0	4.0	4.3	4.6	5.0	5.4	5.7	5.7

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CASE 2 - SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
INCOME STATEMENT ($MIL) GAS							
OPERATING REVENUE:							
GAS RETAIL REVENUE	671.6	708.3	747.1	790.3	835.1	882.9	10048.5
OTHER REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING REVENUE	671.6	708.3	747.1	790.3	835.1	882.9	10048.5
OPERATING EXPENSES:							
OPERATION - FUEL	436.9	463.1	490.9	520.4	551.6	584.7	6479.4
OPERATION - OTHER	95.0	100.7	106.8	113.2	120.0	127.2	1407.3
GAS PURCHASED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MAINTENANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RMP AMORTIZATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEPRECIATION	15.9	16.7	17.7	18.7	19.7	20.8	238.7
FIT EXPENSE	16.2	14.0	13.3	12.5	12.0	11.4	259.0
OTHER TAXES	75.1	79.5	84.1	89.1	94.3	99.9	1116.1
TOTAL OPER EXPENSES	639.1	674.9	712.7	753.8	797.5	844.0	9499.7
OPERATING INCOME:	32.5	33.4	34.4	36.5	37.6	39.0	548.8
OTHER INCOME:							
AFDC	1.0	1.1	1.1	1.1	1.2	1.2	15.6
RMP RETURN	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (INCL FIT CREDIT)	3.5	1.9	1.2	1.2	1.3	1.3	33.3
TOTAL OTHER INCOME	4.5	2.9	2.3	2.4	2.4	2.5	48.9
INCOME BEFORE INTEREST:	37.0	36.3	36.7	38.9	40.0	41.5	597.7
INTEREST CHARGES:							
INTEREST ON LTD	10.8	10.9	12.1	14.1	15.7	17.6	206.0
INTEREST ON STD	0.0	0.0	0.0	0.0	0.0	0.0	3.3
TOTAL INTEREST	10.8	10.9	12.1	14.1	15.7	17.6	209.3
NET INCOME:	26.2	25.4	24.6	24.7	24.3	23.9	388.4
PREFERRED STOCK DIVIDENDS	3.2	2.9	3.1	3.6	4.0	4.4	60.0
EARNING AVAIL FOR COMMON STOCK:	23.0	22.5	21.5	21.1	20.3	19.5	328.4
COMMON STOCK DIVIDENDS	17.2	16.9	16.1	15.8	15.3	14.6	237.3
RETAINED EARNINGS:	5.7	5.6	5.4	5.3	5.1	4.9	91.1

CASE 2 -SHOREHAM IN SERVICE 10/85

SOURCE & USE OF FUNDS ($MIL)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FUNDS REQUIRED:											
CONSTRUCTION EXPEND	663.6	545.0	173.0	196.4	242.4	235.8	277.6	199.4	250.2	389.9	685.6
TRUST EXPEND	99.7	269.4	198.5	5.5	14.0	-17.2	5.4	-14.5	-6.6	-16.9	29.7
LESS AFC	322.6	263.3	29.4	16.2	13.0	18.1	29.5	9.3	14.6	28.6	71.5
LTD REFUNDING	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	85.0	44.0	29.0
PREF REFUNDING	38.0	10.6	15.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9
TOTAL FUNDS REQUIRED	576.7	654.7	408.7	226.6	707.3	246.4	289.6	344.4	334.0	408.3	692.6
FUNDS PROVIDED:											
INTERNAL FUNDS:											
NET INCOME	438.9	472.9	474.7	475.3	461.8	474.2	485.9	498.1	510.8	524.0	537.8
LESS DIVIDENDS	142.4	376.1	377.2	377.8	387.0	375.9	384.1	392.7	401.6	411.0	420.7
LESS AFC	322.6	263.3	29.4	16.2	13.0	18.1	29.5	9.3	14.6	28.6	71.5
DEPRECIATION	70.3	113.6	222.3	271.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0
RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0
DEFERRED ITC NET	4.2	29.0	203.6	89.5	6.8	5.0	7.1	0.9	4.6	15.6	38.0
TOTAL FROM OPERATIONS	127.8	135.6	675.7	561.9	492.9	487.7	479.2	497.5	504.5	509.4	500.5
LESS WORKING CAPITAL	-5.3	-1.0	79.0	-2.0	-2.0	-2.0	-3.0	-3.0	-4.0	-4.0	-5.0
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TOTAL INTERNAL FUNDS	133.0	137.6	596.7	563.9	494.9	489.7	482.2	500.5	506.5	513.4	505.5
EXTERNAL FUNDS:											
LONG TERM DEBT	0.0	0.0	536.0	163.0	191.0	0.0	0.0	0.0	0.0	0.0	0.0
TRUST	1.0	1.0	-100.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PREFERRED STOCK	0.0	0.0	0.0	0.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0
COMMON STOCK	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SHORT TERM DEBT	379.7	517.1	-624.0	-0.3	0.4	-243.3	-192.7	-156.2	-174.5	-105.1	187.1
TOTAL EXTERNAL FUNDS	443.7	517.1	[illegible]	337.3	212.4	243.3	192.6	-156.2	174.5	-105.1	187.1

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CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
TOTAL FUNDS PROVIDED	576.7	654.7	[illegible]	226.6	[illegible]	246.4	289.6	344.4	334.0	408.3	692.6

CASE 2 - SHOREHAM IN SERVICE 10/85

SOURCE & USE OF FUNDS ($MIL)

	1995	1996	1997	1998	1999	2000	TOTAL
FUNDS REQUIRED:							
CONSTRUCTION EXPEND	816.9	1077.8	1320.1	1259.2	1617.8	1829.4	11780.3
TRUST EXPEND	-16.9	-23.1	31.3	24.2	32.4	20.6	502.5
LESS AFC	136.4	226.9	341.1	169.1	312.9	310.8	2313.4
LTD REFUNDING	29.0	44.0	42.0	20.0	49.0	25.0	1286.0
PREF REFUNDING	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED	712.7	891.7	1072.2	1102.1	1333.6	1580.3	11581.8
FUNDS PROVIDED:							
INTERNAL FUNDS:							
NET INCOME	552.1	568.0	594.9	629.6	666.2	708.5	9073.6
LESS DIVIDENDS	430.9	442.4	464.9	494.9	526.8	564.1	6950.0
LESS AFC	136.4	226.9	341.1	169.1	312.9	310.8	2313.4
DEPRECIATION	346.0	356.1	353.9	427.8	437.5	497.7	5347.8
RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED FIT NET	-25.3	-27.6	-54.4	45.7	-17.8	-16.3	943.4
DEFERRED ITC NET	42.3	56.1	65.3	72.6	89.2	105.1	834.8
TOTAL FROM OPERATIONS	349.8	283.2	153.6	420.3	335.4	420.1	6936.2
LESS WORKING CAPITAL	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0	2.7
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TOTAL INTERNAL FUNDS	354.8	289.2	160.6	428.3	344.4	430.1	6933.4
EXTERNAL FUNDS:							
LONG TERM DEBT	0.0	291.0	716.0	527.0	792.0	927.0	4133.0
TRUST	0.0	-3.0	1.3	11.1	12.5	-13.3	637.6
PREFERRED STOCK	0.0	16.0	191.0	144.0	209.0	236.0	817.0
COMMON STOCK	0.0	0.0	0.0	0.0	0.0	0.0	63.0
SHORT TERM DEBT	357.9	308.5	3.3	13.9	0.6	0.5	273.0
TOTAL EXTERNAL FUNDS	357.9	612.5	911.6	673.[illegible]	9[illegible]1	1156.3	4648.4

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
TOTAL FUNDS PROVIDED	71[illegible].7	[illegible]	[illegible]	1102.1	[illegible]	1500.3	[illegible]

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CASE 2 - SHOREHAM IN SERVICE 10/85

BALANCE SHEET ($MIL)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ASSETS:										
GROSS UTILITY PLANT IN SERVICE	2297.9	6598.9	6728.5	7984.6	8158.0	8307.0	8474.3	8851.3	9041.1	9228.1
LESS ACCUM DEPRECIATION	780.5	869.9	1067.9	1307.6	1553.1	1804.9	2062.1	2332.7	2609.4	2894.0
NET UTIL PLANT IN SERVICE	1517.4	5729.0	5660.6	6677.0	6605.0	6502.1	6412.2	6518.6	6431.7	6334.1
CONSTRUCT WORK IN PROGRESS	4880.7	1313.6	1537.5	328.8	251.3	302.9	389.8	179.7	218.5	383.4
RMP ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-80.0	-81.0	-2.0	-4.0	-6.0	-8.0	-11.0	14.0	-18.0	-22.0
DEFERRED DEBITS	0.0	55.8	49.6	164.5	274.8	240.7	206.6	172.4	138.3	104.2
TOTAL ASSETS	6314.1	7017.5	7245.7	7166.2	7129.0	7037.7	6997.8	6856.7	6767.5	6799.7
CAPITALIZATION & LIABILITIES:										
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	982.8	979.6	1077.1	1175.1	1270.0	1368.3	1470.0	1575.4	1684.5	1797.6
TOTAL COMMON EQUITY	2471.0	2467.8	2565.3	2663.3	2758.2	2856.5	2958.2	3063.6	3172.7	3285.8
PREFERRED STOCK	752.1	751.4	737.8	720.9	722.0	702.1	682.3	662.4	642.5	622.6
LONG TERM DEBT	2180.7	2087.7	2570.7	2709.7	2456.7	2430.7	2403.7	2254.7	2169.7	2125.7
TRUST LIABILITY	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CAPITALIZATION (W/O STD)	5913.8	5906.9	6373.8	6093.9	5936.9	5989.3	6044.1	5980.6	5984.9	6034.0
SHORT TERM DEBT	106.7	623.9	-0.2	-0.5	-0.1	-243.4	-436.1	-592.2	-766.7	-871.9
TOTAL CAPITALIZATION (WITH STD)	6020.4	6530.7	6373.6	6093.4	5936.8	5745.8	5608.0	5388.4	5218.1	5162.2
RMP DEFERRED TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	208.0	368.6	550.4	663.5	770.2	868.2	959.3	1037.2	1113.6	1186.3
DEFERRED ITC - NET	89.7	118.6	322.2	411.6	419.4	423.4	430.6	431.5	436.1	451.6

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
TOTAL CAPITALIZATION & LIAB.	6318.1	7017.9	7246.2	7168.5	7125.4	7038.0	6997.9	6857.0	6767.8	6800.0

CASE 2 -SHOREHAM IN SERVICE 10/85

BALANCE SHEET ($MIL)

	1994	1995	1996	1997	1998	1999	2000
ASSETS:							
~~GROSS UTILITY PLANT IN SERVICE~~	9457.2	9665.2	9919.9	10160.4	12773.0	13072.7	14756.5
LESS ACCUM DEPRECIATION	3185.9	3487.9	3792.8	4114.4	4518.9	4938.5	5412.9
~~NET UTIL PLANT IN SERVICE~~	6271.3	6177.2	6127.1	6046.0	8254.0	6134.3	9343.7
CONSTRUCT WORK IN PROGRESS	851.7	1425.8	2202.5	3235.4	1894.6	3162.1	3305.1
~~RMP ASSET~~	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET WORK CAPITAL(EXCEPT STD)	-27.0	-32.0	-38.0	-45.0	-53.0	-62.0	-72.0
~~DEFERRED DEBITS~~	70.1	42.2	14.2	0.0	0.0	0.0	0.0
~~TOTAL ASSETS~~	7184.0	7613.2	8309.8	9296.4	10045.6	11234.4	12576.7
CAPITALIZATION & LIABILITIES:							
COMMON STOCK	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2	1488.2
RETAINED EARNINGS	1914.6	2035.8	2161.4	2291.4	2426.0	2565.5	2709.9
TOTAL COMMON EQUITY	3402.8	3524.0	3649.6	3779.6	3914.2	4053.6	4198.0
~~PREFERRED STOCK~~	600.7	582.[illegible]	57[illegible].9	720.0	977.8	1070.0	1290.6
LONG TERM DEBT	2096.7	2067.7	2304.7	2578.7	3485.7	4232.7	5134.7
~~TRUST LIABILITY~~	0.0	0.0	-3.0	-1.7	-12.8	-25.3	-33.6
~~TOTAL CAPITALIZATION (W/O STD)~~	6102.2	6174.5	6530.1	7506.5	9265.0	9331.0	10594.7
SHORT TERM DEBT	-684.7	-326.8	-18.3	-15.1	1.2	-0.6	0.0
TOTAL CAPITALIZATION (WITH STD)	5417.5	5847.7	6511.6	7491.5	9263.6	9331.2	10594.7
~~RMP DEFERRED TAX~~	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INCOME TAXES - NET	1257.2	1233.9	1206.3	1151.[illegible]	1106.2	1088.3	1072.0
DEFERRED ITC - NET	4[illegible].7	532.0	5[illegible].1	653.4	726.0	[illegible]15.2	520.3

CASE 2 -SHOREHAM IN SERVICE 10/85

	1994	1995	1996	1997	1998	1999	2000
TOTAL CAPITALIZATION & LIAB	7166.4	7613.6	8306 1	9256.8	10095.9	11234.7	12577.0

CASE 2 - SHOREHAM IN SERVICE 10/85

SELECTED FINANCIAL STATISTICS		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
COVERAGE RATIOS:											
G AND R INDENTURE COV		2.62	4.09	5.03	4.76	4.10	4.45	4.53	5.05	5.21	5.20
SEC HISTORICAL DEBT		2.56	2.73	3.15	3.91	3.87	4.17	4.25	4.51	4.84	4.94
CERT. PREFERRED RATIO		1.88	1.54	1.68	1.96	2.02	2.08	2.15	2.31	2.38	2.45
CASH COV/COMMON DIV		3.36	1.47	3.31	2.91	2.73	2.65	2.57	2.57	2.54	2.50
G & R EXCLUDING RMP		2.62	4.09	5.03	4.76	4.10	4.45	4.53	5.05	5.21	5.20
SEC HIST DEBT X RMP/AFC		1.36	1.79	2.78	3.81	3.77	4.05	4.09	4.42	4.73	4.78
CERTIFICATE PREF X RMP		1.83	1.84	1.68	1.96	2.02	2.08	2.15	2.31	2.38	2.45
COMMON STOCK:											
DIVIDEND PER SHARE	- $	0.50	2.64	2.66	2.67	2.58	2.68	2.77	2.97	2.97	3.08
DIVIDEND PAYOUT RATIO	- %	15.43	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	4.81	14.71	12.67	11.04	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	10.50	17.93	20.97	24.19	25.05	25.94	26.86	27.82	28.81	29.84
BOOK VALUE PER SHARE	- $	21.53	22.41	23.30	24.19	25.05	25.94	26.86	27.82	28.81	29.84
MARKET TO BOOK RATIO	- %	48.77	80.00	90.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	107.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	3.27	3.52	3.54	3.56	3.45	3.57	3.70	3.83	3.96	4.11
COST OF MONEY:											
RETURN ON AVG COM EQTY	- %	16.00	16.00	15.50	15.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	0.00	0.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	13.50	11.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	16.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	11.96	12.23	12.06	12.67	12.25	12.60	12.71	12.68	12.88	13.04
OVERALL - NET OF TAX	- %	10.02	9.39	9.89	10.59	10.25	10.65	10.90	11.26	11.51	11.77
CAPITALIZATION:											
WITHOUT STD											
TOTAL COMMON EQUITY	- %	40.09	41.78	40.25	43.70	46.46	47.69	48.94	51.23	53.01	54.45
TOTAL PREFERRED	- %	12.09	12.72	11.58	11.83	12.16	11.72	11.29	11.08	10.73	10.32
TOTAL LONG TERM DEBT	- %	47.92	45.50	49.18	44.47	41.38	40.58	39.77	37.70	36.25	35.23
WITH STD											
TOTAL COMMON EQUITY	- %	39.38	37.79	40.25	43.71	46.46	49.71	52.75	[illegible] 66	60.80	63.65
TOTAL PREFERRED	- %	12.66	11.51	11.58	11.83	12.16	12.22	12.17	[illegible].29	12.31	12.06
TOTAL DEBT	- %	47.96	50.71	48.17	44.46	41.38	38.07	35.08	30.05	26.89	24.29

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CASE 2 -SHOREHAM IN SERVICE 10/85

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
OTHER:											
AFDC TO BAL FOR COMMON	- %	114.31	93.31	39.20	7.95	7.64	8.62	10.83	5.41	6.16	8.78
NET INTERNAL CASH GEN	- %	37.47	48.50	470.54	311.64	214.87	224.03	193.15	261.84	214.03	140.99
EFFECTIVE TAX RATE	- %	10.72	25.92	76.00	64.82	75.41	83.76	76.53	79.65	74.20	68.33
CWIP IN RATE BASE	- %	9.17	7.97	3.25	2.76	10.15	12.49	10.54	9.28	15.12	11.36
NET RMP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL IMBALANCE	- %	70.63	40.39	17.51	13.92	5.51	8.91	7.47	8.19	4.51	5.52

CASE 2 -SHOREHAM IN SERVICE 10/85

SELECTED FINANCIAL STATISTICS		1984	1985	1986	1987	1988	1989	2000
COVERAGE RATIOS:								
G AND R INDENTURE COV		4.91	4.54	3.56	2.34	3.26	2.31	2.23
SEC HISTORICAL DEBT		4.84	4.68	7.25	3.47	3.87	2.98	2.78
CERT. PREFERRED RATIO		2.52	2.59	2.47	2.11	2.01	1.84	1.71
CASH COV/COMMON DIV		2.47	1.96	1.75	1.39	2.04	1.80	1.97
G & R EXCLUDING RMP		4.91	4.54	3.56	2.34	3.26	2.31	2.23
SEC HIST DEBT X RMP/AFC		4.50	4.07	3.32	2.32	3.09	2.24	2.18
CERTIFICATE PREF X RMP		2.52	2.59	2.47	2.11	2.01	1.84	1.71
COMMON STOCK:								
DIVIDEND PER SHARE	- $	3.19	3.30	3.42	3.54	3.67	3.80	3.93
DIVIDEND PAYOUT RATIO	- %	75.00	75.00	75.00	75.00	75.00	75.00	75.00
DIVIDEND YIELD	- %	10.32	10.32	10.32	10.32	10.32	10.32	10.32
MARKET PRICE PER SHARE	- $	30.90	32.00	33.14	34.32	35.54	36.81	38.12
BOOK VALUE PER SHARE	- $	30.90	32.00	33.14	34.32	35.54	36.81	38.12
MARKET TO BOOK RATIO	- %	100.00	100.00	100.00	100.00	100.00	100.00	100.00
SHARES ISSUED	-MIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVG SHARES OUTSTANDING	-MIL	110.12	110.12	110.12	110.12	110.12	110.12	110.12
EARNINGS PER SHARE	- $	4.25	4.40	4.56	4.72	4.89	5.06	5.23
COST OF MONEY:								
RETURN ON AVG COM EQTY	- %	14.00	14.00	14.00	14.00	14.00	14.00	14.00
NEW LONG TERM DEBT	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
NEW SHORT TERM DEBT	- %	10.00	10.00	10.00	10.00	10.00	10.00	10.00
NEW PREFERRED STOCK	- %	11.00	11.00	11.00	11.00	11.00	11.00	11.00
OVERALL - GROSS	- %	13.02	12.89	12.76	12.60	12.52	12.42	12.31
OVERALL - NET OF TAX	- %	11.65	11.36	10.91	10.57	10.36	10.09	9.83
CAPITALIZATION:								
WITHOUT STD								
TOTAL COMMON EQUITY	- %	55.76	57.07	55.89	50.35	47.36	43.44	39.66
TOTAL PREFERRED	- %	9.88	9.44	8.87	9.99	10.62	11.47	12.19
TOTAL LONG TERM DEBT	- %	34.36	33.49	35.25	39.66	42.02	45.09	48.15
WITH STD								
TOTAL COMMON EQUITY	- %	62.81	60.26	56.05	50.45	47.37	43.44	39.66
TOTAL PREFERRED	- %	11.13	9.97	8.89	10.01	10.62	11.47	12.19
TOTAL DEBT	- %	26.06	29.77	35.06	39.54	42.01	45.08	48.15

CASE 2. -SHOREHAM IN SERVICE 10/85

		1994	1995	1996	1997	1998	1999	2000
OTHER:								
AFDC TO BAL FOR COMMON	- %	17.79	30.69	47.23	67.70	33.61	57.91	55.69
NET INTERNAL CASH GEN	- %	81.50	51.40	33.28	15.69	32.55	25.71	27.66
EFFECTIVE TAX RATE	- %	57.53	46.50	33.30	19.17	42.70	23.49	28.15
CWIP IN RATE BASE	- %	6.52	3.78	2.43	1.67	1.17	1.77	1.19
NET RMP BALANCE		0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL IMBALANCE	- %	9.41	[illegible]	22.44	30.86	26.17	25.18	26.83

CASE 2 SHOREHAM IN SERVICE 10/85

RATE INCREASE REPORT ($MIL.)	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ENERGY SALES:										
ELECTRIC (GWH)	13415	13566	13763	13954	13990	14083	14370	14675	15059	15512
% CHANGE	0.00	1.[illegible]	1.39	1.46	0.26	0.66	2.04	2.12	2.62	3.01
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:										
ELECTRIC (/KWH)	11.06	13.94	17.99	19.41	19.29	19.71	20.38	20.79	20.31	20.94
GAS ($/DTHM)	6.93	7.72	8.09	8.57	9.01	9.53	10.06	10.83	11.22	11.85
AVERAGE RATE: FUEL										
ELECTRIC(/KWH)	4.97	6.35	4.24	4.41	4.55	4.37	5.11	5.05	4.91	5.68
GAS ($/DTHM)	4.20	4.83	5.07	5.37	5.70	6.04	6.40	6.79	7.19	7.62
AVERAGE RATE (NET OF FUEL):										
ELECTRIC (/KWH)	6.09	8.59	13.75	15.00	14.70	15.34	15.27	15.74	15.40	15.27
GAS ($/DTHM)	2.79	2.89	3.02	3.19	3.31	3.49	3.66	3.85	4.03	4.23
REVENUE (NO RATE INC OR FUEL):										
ELECTRIC	810.88	825.92	1181.85	1918.14	2098.42	2070.10	2203.70	2241.02	2370.03	2388.52
GAS	235.11	142.17	147.28	153.86	162.92	168.89	177.98	186.42	196.14	205.54
TOTAL	1045.99	968.09	1329.10	2072.00	2261.34	2239.99	2381.68	2427.44	2566.17	2594.07
TOTAL FUEL:										
ELECTRIC	662.00	726.00	583.00	615.00	636.00	616.00	734.00	741.00	739.00	881.00
GAS	214.00	246.30	258.60	274.11	290.56	308.00	326.49	346.06	366.83	388.84
TOTAL	876.00	972.30	841.60	889.11	926.56	924.00	1060.47	1087.06	1105.82	1269.83
REVENUE (NO RATE INCREASE):										
ELECTRIC	1472.88	1551.92	1764.85	2533.14	2734.42	2686.10	2937.70	2982.02	3109.03	3269.52
GAS	449.11	388.47	405.86	427.98	453.48	476.89	504.46	532.48	562.97	594.38
TOTAL	1921.99	1940.39	2170.70	2961.12	3187.90	3162.99	3442.16	3514.50	3672.00	3863.91
ACTUAL RETAIL REVENUE:										
ELECTRIC	1472.64	1891.78	2473.51	2708.02	2692.43	2775.69	2928.44	3050.60	3057.77	3248.95
GAS	356.17	393.56	412.46	437.03	458.46	485.98	512.90	542.20	572.37	604.38
TOTAL	1828.81	2285.34	2885.9[illegible]	3145.06	3151.89	3261.67	3441.34	3592.80	3630.15	3853.33

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
ANNUAL RATE INCREASE:										
ELECTRIC	-0.24	339.86	708.66	[illegible]	-42.00	89.59	-9.26	68.58	-51.26	-20.59
GAS	-92.94	5.09	6.61	9.05	5.98	9.09	8.43	9.72	9.41	10.00
TOTAL	-93.18	344.95	715.27	183.94	-36.02	98.68	-0.82	78.30	-41.85	-10.56
CUM RATE INCREASE:										
ELECTRIC	-0.24	339.62	1048.90	1223.16	1181.17	1270.76	1261.50	1330.08	1278.82	1258.24
GAS	-92.94	-87.85	-81.25	-72.19	-66.21	-57.12	48.69	-38.97	-29.56	-19.56
TOTAL	-93.18	251.77	967.04	1150.97	1114.95	1213.63	1212.81	1291.11	1249.26	1238.68
ANNUAL (%) RATE INC:										
ELECTRIC	-0.02	21.90	40.15	8.90	-1.94	3.34	0.32	2.30	-1.85	-0.63
GAS	-20.69	1.31	1.63	2.12	1.32	1.91	1.67	1.83	1.67	1.68
TOTAL	-4.85	17.70	32.95	6.21	-1.13	3.12	-0.02	2.23	-1.14	-0.27
ANNUAL % CHANGE IN RATE:										
ELECTRIC: FUEL	0.00	7.64	-20.77	3.57	3.15	3.78	16.78	[illegible]	-2.81	15.73
NET OF FUEL	0.00	41.15	59.96	9.12	-2.00	4.33	-0.42	3.06	-2.16	-0.86
TOTAL	0.00	26.09	28.97	7.90	-0.83	2.41	3.40	2.01	-2.32	3.15
GAS: FUEL	0.00	15.09	4.99	6.00	6.00	6.00	6.00	6.00	6.00	6.00
NET OF FUEL	0.00	[illegible]	4.40	[illegible]	3.87	5.38	4.74	5.21	4.70	4.87
TOTAL	0.00	10.50	4.80	5.96	5.13	5.77	5.54	5.71	5.56	5.59
ANNUAL RATE INCREASE (OFF TOTAL RATES)										
ELECTRIC	0.00	391.38	555.65	198.36	-22.58	65.36	96.19	60.00	-72.65	99.19
GAS	0.00	37.39	18.91	24.57	22.43	26.52	26.91	29.31	30.17	32.01
TOTAL	0.00	429.77	574.56	222.93	0.16	91.88	123.10	89.30	-42.48	131.20
ANNUAL RATE INCREASE (%)										
ELECTRIC	0.00	26.56	29.37	8.02	-0.83	2.43	3.47	2.05	-2.38	3.24
GAS	0.00	15.90	4.80	5.96	5.13	5.77	5.54	5.71	5.56	5.59
TOTAL	0.00	23.45	25.14	7.72	-0.00	2.52	3.77	2.60	-1.18	3.61

CASE 2 -SHOREHAM IN SERVICE 10/85

RATE INCREASE REPORT (MILS)

	1994	1995	1996	1997	1998	1999	2000
ENERGY SALES:							
ELECTRIC (GWH)	15374	16443	16909	17382	17865	18350	18839
% CHANGE	[illegible]	2.94	2.83	2.86	2.78	2.71	2.66
GAS (MDTHM)	51000	51000	51000	51000	51000	51000	51000
% CHANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AVERAGE RATE:							
ELECTRIC (/KWH)	20.99	20.93	21.05	21.07	24.61	24.65	26.39
GAS ($/DTHM)	12.48	13.17	13.59	14.85	15.50	16.30	17.31
AVERAGE RATE: FUEL							
ELECTRIC(/KWH)	6.19	6.74	7.35	8.05	7.92	8.65	8.59
GAS ($/DTHM)	8.08	8.57	9.08	9.83	10.20	10.82	11.46
AVERAGE RATE (NET OF FUEL):							
ELECTRIC (/KWH)	14.81	14.19	13.70	13.02	16.69	15.99	17.79
GAS ($/DTHM)	4.40	4.60	4.51	5.02	5.29	5.56	5.85
REVENUE (NO RATE INC OR FUEL):							
ELECTRIC	2438.47	2434.87	2399.31	2380.70	2325.89	3063.35	3012.79
GAS	215.55	224.51	234.72	245.14	256.21	269.93	283.56
TOTAL	2654.02	2659.38	2634.03	2625.84	2582.11	3333.29	3296.36
TOTAL FUEL:							
ELECTRIC	988.00	1108.00	1243.00	1399.00	1415.00	1588.00	1619.00
GAS	412.17	436.90	463.11	490.90	520.35	551.57	584.67
TOTAL	1400.16	1544.90	1706.11	1889.90	1935.35	2139.57	2203.66
REVENUE (NO RATE INCREASE):							
ELECTRIC	3426.47	3542.87	3642.31	3779.70	3740.89	4651.35	4631.79
GAS	627.71	661.41	697.83	736.04	776.57	821.92	868.23
TOTAL	4054.19	4204.28	4340.14	4515.74	4517.46	5472.87	5500.03
ACTUAL RETAIL REVENUE:							
ELECTRIC	3353.42	3441.18	3558.92	3662.01	4397.38	4522.59	4971.16
GAS	636.68	671.63	708.25	747.11	790.30	835.14	882.92
TOTAL	3990.10	4112.81	4267.17	4409.13	5187.68	5357.73	5854.08

CASE 2 -SHOREHAM IN SERVICE 10/85

	1994	1995	1996	1997	1998	1999	2000
ANNUAL RATE INCREASE:							
ELECTRIC	-73.05	-101.6[illegible]	[illegible]	-117.6[illegible]	656.4[illegible]	-128.75	339.37
GAS	[illegible].76	10.22	10.41	11.0[illegible]	13.73	13.62	14.68
TOTAL	-64.69	-91.47	-72.57	-106.61	670.22	-115.13	354.05
CUM RATE INCREASE:							
ELECTRIC	1185.1[illegible]	1083.51	1000.1[illegible]	882.44	1538.92	1410.17	1749.53
GAS	-10.60	-0.38	10.03	21.11	34.84	48.46	63.14
TOTAL	1174.60	1083.13	1010.15	903.54	1573.76	1458.62	1812.67
ANNUAL (%) RATE INC:							
ELECTRIC	2.13	-2.07	2.23	3.11	17.55	-2.77	7.33
GAS	1.43	1.54	1.49	1.50	1.77	1.66	1.69
TOTAL	-1.58	-2.10	-1.66	-2.36	14.84	-2.10	6.44
ANNUAL % CHANGE IN RATE:							
ELECTRIC: FUEL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible].26	0.69
NET OF FUEL	-3.00	-4.18	-3.48	-4.94	28.22	-4.20	11.26
TOTAL	0.23	-0.31	0.57	0.10	16.83	0.15	7.07
GAS: FUEL	6.00	6.00	6.00	6.00	6.00	6.00	6.00
NET OF FUEL	4.16	4.55	4.44	4.52	5.38	5.04	5.1[illegible]
TOTAL	5.34	5.49	5.45	5.49	5.78	5.67	5.72
ANNUAL RATE INCREASE (OFF TOTAL RATES)							
ELECTRIC	7.71	-10.70	20.21	3.54	633.61	5.83	328.05
GAS	32.29	34.9[illegible]	36.63	38.[illegible]	43.1[illegible]	44.84	47.78
TOTAL	40.00	24.25	56.84	42.40	676.79	50.67	375.82
ANNUAL RATE INCREASE (%)							
ELECTRIC	0.24	-0.32	0.59	0.10	17.30	0.13	7.25
GAS	5.34	5.49	5.45	5.4[illegible]	[illegible]	5.67	5.72
TOTAL	1.04	0.61	1.3[illegible]	0.[illegible]	16.35	0.9[illegible]	7.01

CASE 2 - SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
FEDERAL INCOME TAXES (FIT)											
FIT CHARGED TO OPERATING EXPENSE:											
FED INC TAX PAID	2.5	5.4	37.3	222.9	251.3	327.8	328.5	372.0	362.4	345.9	281.8
DEF INC TAX - NET	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0
DEF ITC	7.1	32.6	211.3	102.4	21.0	20.7	23.8	18.1	22.4	34.3	58.3
FIT EXPENSE	84.0	198.9	430.3	438.4	379.7	447.1	442.8	467.9	461.3	452.9	413.1
FIT INCLUDED IN OTHER INCOME:											
AMORT OF DEF ITC	3.0	5.0	7.7	12.4	13.0	13.7	16.4	17.1	17.8	18.8	20.3
CALCULATION OF FIT PAID:											
OPERATING REVENUE	1828.8	2285.3	2886.0	3145.1	3151.9	3261.7	3441.3	3592.8	3630.1	3853.3	3990.1
- OPER & MAINT EXP	1087.0	1229.4	1196.2	1303.7	1362.1	1375.5	1550.7	1606.6	1645.4	1854.1	2020.3
- NET ELEC & GAS PUR.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	243.4	276.1	359.4	396.8	420.1	450.5	479.0	529.8	558.8	592.5	624.3
TAX DEPRECIATION	98.4	279.7	415.2	433.1	492.1	409.2	402.5	394.3	411.9	414.5	426.1
TOTAL INTEREST EXPENSED	249.9	288.0	294.4	294.7	272.3	270.0	266.2	257.2	236.0	231.9	230.3
- CAPITALIZED TRUST INTEREST	78.2	87.9	123.5	14.9	16.0	15.8	14.6	13.5	12.3	11.0	11.7
- CAPITALIZED OVERHEADS	25.4	58.5	12.2	9.0	11.5	10.9	12.9	9.5	11.8	19.1	30.7
ADD. TAX DEDUCTIONS	40.0	-1.0	-1.0	-2.0	-2.0	-2.0	-3.0	-3.0	-4.0	-4.0	-5.0
+ NET TERR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	19.2	27.7	54.3	12.4	13.7	25.7	46.5	63.0	78.5	91.4	87.9
TAXABLE INCOME BEFORE NOL	25.6	83.4	540.3	787.2	563.6	757.5	765.4	848.0	836.5	826.6	739.5
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	10.0	83.0	540.3	787.2	563.6	757.5	765.4	848.0	836.5	826.6	739.5
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	4.7	38.4	249.5	325.3	273.1	348.4	352.1	390.1	384.8	380.2	340.1

CASE 2 - SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC	7.1	32.6	211.3	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	2.5	5.8	37.3	222.9	251.3	327.8	388.5	372.0	362.4	349.9	281.8

BOTTOM UP CALC OF FIT PAID:

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
NET INCOME	430.9	[illegible]	474.7	475.3	[illegible]	474.2	488.9	[illegible]	510.8	524.6	537.8
AFDC	322.6	263.3	29.4	16.2	13.0	18.1	29.5	9.3	14.6	28.6	71.5
ITC	7.1	32.6	211.3	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
+ TAX OVER BOOK DEP	96.1	166.1	192.9	156.5	[illegible]	105.3	93.2	71.5	83.0	77.8	82.2
CAPITALIZED TRUST INTEREST	78.2	97.9	123.5	14.9	16.0	15.8	14.6	13.5	12.3	11.0	11.7
CAPITALIZED OVERHEADS	[illegible]	58.5	18.2	9.0	11.5	10.9	12.4	9.5	11.8	18.1	30.7
- ADD TAX DEDUCTIONS	[illegible]	1.0	1.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0
RMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET TEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	70.2	169.6	181.8	113.1	106.7	90.6	90.5	77.9	76.5	72.6	73.0
+ DEFERRED ITC - NET	4.2	29.0	203.6	89.5	[illegible]	[illegible]	7.1	0.9	4.6	15.6	38.0
INCOME BEFORE NOL NOT OFFSET	13.8	45.8	291.6	361.5	320.6	409.0	413.3	457.9	451.7	446.4	399.3
NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	13.8	45.8	291.6	361.5	320.6	409.0	418.3	457.9	451.7	446.4	399.3
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	[illegible]	83.4	540.3	707.2	593.6	757.5	765.4	848.0	836.5	826.6	739.5
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NOL UTILIZED & OFFSET	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME AFTER NOLS	10.0	83.4	540.3	707.2	593.6	757.5	765.4	848.0	836.5	826.6	739.5
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	4.6	38.4	248.5	325.3	273.1	348.4	352.1	390.1	384.8	380.2	340.1
- ITC	7.1	32.6	211.3	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
FED INC TAX PAID	-2.5	5.8	37.3	222.9	251.3	327.8	388.5	372.0	362.4	345.9	281.8

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
FEDERAL INCOME TAXES (MM$)							
FIT CHARGED TO OPERATING EXPENSE:							
FED INC TAX PAID	319.7	229.4	149.2	301.1	133.7	151.3	3815.6
DEF INC TAX - NET	-25.3	27.6	-54.4	-45.7	-17.8	-16.3	943.4
DEF ITC	64.7	80.8	93.0	103.6	124.0	144.3	1162.8
FIT EXPENSE	359.0	281.6	186.8	358.9	239.8	279.3	5921.8
FIT INCLUDED IN OTHER INCOME:							
AMORT. OF DEF ITC	22.3	24.[illegible]	27.7	30.[illegible]	34.[illegible]	39.2	320.0
CALCULATION OF FIT PAID:							
OPERATING REVENUE	4112.8	4267.2	4409.1	5187.7	5357.7	5854.1	64255.0
- OPER & MAINT EXP	2197.6	2403.3	2629.6	2771.0	3043.8	3200.2	32466.6
- NET ELEC & GAS PUR.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- OTHER TAXES	657.1	692.8	729.8	851.2	896.2	1005.3	9763.2
- TAX DEPRECIATION	223.4	235.0	189.4	278.2	359.4	416.1	5888.4
- TOTAL INTEREST EXPENSE	220.8	243.2	294.0	360.2	430.6	522.3	4971.1
CAPITALIZED TRUST INTEREST	12.4	10.3	11.0	11.9	10.1	10.8	476.0
CAPITALIZED OVERHEADS	34.0	42.5	49.0	54.5	65.2	75.9	531.2
- ADD. TAX DEDUCTIONS	-5.0	-6.0	-7.0	-8.0	-9.0	-10.0	-32.0
+ NET TEFR INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ OTHER TAXABLE INCOME	61.2	26.2	11.1	11.0	8.7	9.3	647.9
TAXABLE INCOME BEFORE NOL	735.6	672.2	524.5	879.7	560.1	642.6	10838.2
+ NOL CARRIED FORWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	15.7
- NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAXABLE INCOME	735.6	672.2	524.5	879.7	560.1	642.6	10822.5
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	364.4	304.9	241.3	404.6	257.7	295.6	4978.4

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
- ITC	64.7	90.8	93.0	103.6	124.0	144.3	1162.8
FED INC TAX PAID	319.7	228.4	148.2	301.1	133.7	151.3	3815.6

BOTTOM UP CALC OF FIT PAID:

	1995	1996	1997	1998	1999	2000	TOTAL
NET INCOME	850.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9073.6
AFDC	136.4	226.9	341.1	169.1	312.9	310.8	2313.4
ITC	64.7	90.8	93.0	103.6	124.0	144.3	1162.8
TAX OVER BOOK DEP	-124.6	-121.1	-164.4	[illegible]	-68.1	[illegible]	540.6
+ CAPITALIZED TRUST INTEREST	12.4	10.3	11.0	11.9	10.1	10.8	476.0
- CAPITALIZED OVERHEADS	33.0	42.0	49.0	84.5	66.2	75.9	831.2
- ADD. TAX DEDUCTIONS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.0	[illegible]
EMP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ NET TEFP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ DEFERRED TAX - NET	-25.3	[illegible]	-54.4	[illegible]	-17.6	-16.3	936.2
+ DEFERRED ITC - NET	42.3	56.2	65.3	71.6	79.2	105.1	834.8
INCOME BEFORE NOL NOT OFFSET	451.2	[illegible]	[illegible]	[illegible]	302.5	347.0	5852.6
NOL UTILIZED & NOT OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SUB TOTAL	451.2	363.0	283.2	[illegible]	302.5	347.0	5852.6
/ 1 - FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
INITIAL TAXABLE INCOME	835.8	672.2	524.5	[illegible]	560.1	642.6	10838.2
+ NOL CARRIED FOWARD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- NOL UTILIZED & OFFSET	0.0	0.0	0.0	0.0	0.0	0.0	15.7
TAXABLE INCOME AFTER NOLS	835.8	672.2	524.5	879.7	560.1	642.6	10822.5
X FIT RATE	0.5	0.5	0.5	0.5	0.5	0.5	0.5
FEDERAL INCOME TAX	384.4	309.2	241.3	404.6	257.7	295.6	4978.4
ITC	64.7	90.8	93.0	103.6	124.0	144.3	1162.8
FED INC TAX PAID	319.7	228.4	148.2	301.1	133.7	151.3	3815.6

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CASE 2 -SHOREHAM IN SERVICE 10/85

ITC REPORT ($MIL)

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ITC CARRY FORWARD AVAIL BEFORE UTILIZATION	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	4.2	31.1	39.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	34.0	41.0	31.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	41.0	31.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	31.2	35.0	50.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	35.0	50.7	45.1	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	50.7	45.1	30.7	41.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	45.1	30.7	41.1	23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	241.2	264.8	273.3	85.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		30.7	41.1	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		271.9	305.9	296.5	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC BEFORE CARRY BACK		7.1	32.6	211.3	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY BACK AVAIL	3	0.0	0.0	0.0	0.0	0.0	0.0	174.1	210.3	275.5	275.7	313.5
	2	0.0	0.0	0.0	0.0	0.0	174.1	210.3	275.5	275.7	313.5	304.7
	1	0.0	0.0	0.0	0.0	174.1	210.3	275.5	275.7	313.5	304.7	296.9
	TOTAL	0.0	0.0	0.0	0.0	174.1	384.5	660.0	761.5	864.7	893.9	907.1
ITC CARRY BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		7.1	32.6	211.3	102.4	21.8	20.7	23.6	18.1	22.4	34.3	58.3
ITC CARRY FORWARD AVAIL AFTER UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	31.1	39.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	41.0	31.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	31.2	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	35.[illegible]	50.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	50.7	45.1	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	45.1	30.7	41.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	30.7	41.1	23.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	264.8	273.3	85.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 - SHOREHAM IN SERVICE 10/85

ITC REPORT (CMIL)		1995	1996	1997	1998	1999	2000	TOTAL
ITC CARRY FORWARD AVAIL.	15	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BEFORE UTILIZATION	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED		64.7	80.8	93.0	103.6	124.0	144.3	921.5
ADDITIONAL ITC		0.0	0.0	0.0	0.0	0.0	0.0	0.0
AVAILABLE ITC		64.7	80.8	93.0	103.6	124.0	144.3	0.0
ITC BEFORE CARRY BACK		64.7	80.8	93.0	103.6	124.0	144.3	1162.8
ITC CARRY BACK AVAIL.	3	304.7	288.9	230.0	262.1	182.0	112.1	0.0
	2	[illegible]	230.9	262.1	182.0	112.1	240.4	0.0
	1	230.9	262.1	182.0	112.1	240.4	95.0	0.0
	TOTAL	[illegible]24.3	7[illegible]1.7	674.9	556.1	534.5	447.5	0.0
ITC CARRY BACK	3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC		64.7	80.8	93.0	103.6	124.0	144.3	1162.8
ITC CARRY FORWARD AVAIL.	14	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFTER UTILIZATION	13	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	12	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
11	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UNUSED ITC	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 - SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL)
TOTAL PLANT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	353.5	453.2	216.6	170.8	227.4	164.7	228.1	162.0	216.7	333.3	632.0
ANNUAL AFDC	322.6	263.3	29.4	16.2	13.0	18.1	29.5	7.3	14.6	28.6	71.5
ANNUAL CAP TRUST INTEREST	78.2	97.9	123.5	14.9	16.0	15.8	14.6	13.5	12.3	11.0	11.7
ANNUAL ADDITION TO CWIP	754.3	814.4	371.5	202.0	256.4	215.6	272.2	[illegible]	243.6	373.0	715.3
CASH PORTION OF CWIP	3173.2	761.2	838.2	160.1	124.1	148.1	198.1	11.1	28.1	164.2	559.1
AFDC PORTION OF CWIP	1378.3	125.3	148.7	65.0	8.5	20.1	42.4	5.8	12.2	33.1	94.7
CAP TRUST INTEREST PORTION	329.2	427.1	550.6	102.9	118.9	134.7	149.3	162.8	175.1	186.1	197.9
- TOTAL CWIP	4880.7	1313.6	1537.5	328.0	251.3	302.9	389.8	179.7	215.5	383.4	851.7
IN SERVICE AMOUNT - CASH	62.0	2864.8	141.6	849.0	263.4	160.7	178.1	349.0	199.7	197.3	237.1
- AFDC	5.3	1516.2	6.1	99.1	70.5	6.3	7.1	45.9	8.1	7.7	10.0
- CAP TRUST INT	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	67.3	4381.0	147.7	1410.7	333.9	167.0	185.2	[illegible]	207.8	205.0	247.1
- TAX	58.9	2467.1	134.5	794.8	250.2	152.7	169.2	331.6	189.7	187.4	225.2
CAPITALIZED OVERHEAD	25.4	188.5	12.2	0.0	11.5	10.9	12.4	9.5	11.8	18.1	30.7
CUMULATIVE CAPITALIZED OVERHEAD	213.7	16.4	21.5	6.2	4.8	7.3	10.8	2.9	4.7	12.9	31.7
CWIP IN RATE BASE AMOUNT	400.0	400.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	9.2	8.0	3.2	2.8	10.1	12.5	10.5	9.3	15.1	11.4	6.5
ITC GENERATED	30.7	41.1	23.2	17.1	21.8	20.7	23.6	19.1	22.4	34.3	58.3
BOOK DEPRECIATION - CASH	65.3	92.5	164.1	194.8	208.1	214.2	219.4	231.3	237.2	244.8	251.7
- AFDC	5.0	21.1	58.2	67.8	74.0	74.3	74.5	76.0	76.2	76.6	76.8
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0
TAX DEPRECIATON	98.4	279.7	415.2	433.1	492.1	409.2	402.5	394.3	411.9	414.5	426.1
GROSS PLANT VALUE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8815.5	[illegible]	9382.3	9569.3	9798.4
ACCUM DEPRECIATION	780.5	876.1	1080.3	1339.9	1619.5	1905.4	2196.7	2501.4	2812.3	3131.0	3457.0
NET PLANT VALUE	1517.4	5784.9	5710.3	[illegible]	[illegible]	6742.8	[illegible]	6691.0	6570.1	6438.3	6341.4
DEP TIM DIF DEFERRED - NET	28.0	93.0	130.9	117.4	112.7	104.7	97.2	95.0	94.2	80.9	80.9
DEFERRED OVERHEAD - NET	[illegible]	17.2	[illegible]	-6.1	-6.3	-6.3	-6.3	-6.3	-6.3	-6.3	-6.3
DEFERRED INTEREST - NET	36.0	45.0	56.[illegible]	-0.2	0.3	0.2	-0.4	0.9	-1.4	-2.0	-1.7
[illegible] DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	72.2	160.6	121.8	113.1	106.7	98.6	90.5	77.9	78.5	72.6	73.0
PROPERTY TAX	152.0	179.0	244.0	271.0	294.0	320.0	341.4	378.0	413.6	439.4	464.7
LILCO TRUST INVSTM BAL	160.4	429.5	725.3	137.2	153.2	136.0	130.6	116.0	109.4	92.5	122.2
NET TRUST BALANCE	500.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 - SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) TOTAL PLANT	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	651.3	817.5	995.3	1054.0	1262.3	1528.3	9493.3
ANNUAL AFDC	136.4	226.7	341.1	169.1	312.5	310.8	2313.4
ANNUAL CAP TRUST INTEREST	12.4	10.3	11.0	11.9	10.1	10.8	476.0
ANNUAL ADDITION TO CWIP	[illegible]	1054.7	1351.4	[illegible]	[illegible]	1850.0	[illegible]
CASH PORTION OF CWIP	992.3	1543.5	2293.9	1433.7	2390.2	2568.0	2568.0
AFDC PORTION OF CWIP	222.6	438.4	770.1	217.4	518.4	472.7	472.7
CAP TRUST INTEREST PORTION	210.3	220.6	231.5	243.4	253.5	264.4	264.4
TOTAL CWIP	[illegible]	2202.5	[illegible]	[illegible]	3162.1	3305.1	3305.1
IN SERVICE AMOUNT - CASH	217.5	266.9	249.0	1914.1	305.9	1350.6	9806.7
- AFDC	8.4	11.1	9.5	721.7	11.9	356.5	2901.7
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	226.0	278.1	[illegible]	[illegible]	317.[illegible]	1707.1	13171.0
- TAX	206.7	253.6	236.6	1618.4	290.6	1283.1	9050.2
CAPITALIZED OVERHEAD	34.0	42.5	49.0	54.5	65.2	75.9	531.2
CUMULATIVE CAPITALIZED OVERHEAD	54.9	94.1	120.6	79.4	129.3	137.7	137.7
CWIP IN RATE BASE AMOUNT	45.0	45.0	45.0	45.0	45.0	45.0	45.0
CWIP IN RATE BASE PERCENT	3.8	2.4	1.7	1.2	1.8	1.1	1.1
ITC GENERATED	64.7	80.8	93.0	103.6	124.0	144.3	921.5
BOOK DEPRECIATION - CASH	258.4	266.3	272.7	328.9	338.2	386.3	3973.9
- AFDC	74.1	74.4	65.7	93.6	83.9	96.0	1158.0
- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.[illegible]
- TOTAL	348.0	356.1	353.9	427.8	437.5	497.7	5347.8
TAX DEPRECIATON	223.4	235.0	189.4	278.2	369.4	416.1	5888.4
GROSS PLANT VALUE	9944.3	[illegible]	[illegible]	[illegible]	[illegible]	14756.5	14756.5
ACCUM. DEPRECIATION	3724.9	4057.8	[illegible]	[illegible]	[illegible]	5412.9	5412.9
NET PLANT VALUE	6219.4	6141.3	[illegible]	[illegible]	[illegible]	9343.7	9343.7
DEP. TIME DIF. DEFERRED NET	-17.4	-19.0	-46.3	-38.2	-9.5	-8.3	882.7
DEFERRED OVERHEAD NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-66.3
DEFERRED INTEREST NET	-1.4	-2.4	2.9	1.6	-2.5	2.1	119.6
OTHER DEFERRED TAX NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX NET	-25.3	-27.6	-54.4	-45.7	-17.8	-16.3	936.2
PROPERTY TAX	492.4	529.1	553.5	643.7	[illegible]	771.2	7169.0
LILCO TRUST INVSTM BAL	105.4	85.3	115.3	102.2	82.3	116.1	116.1
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6

CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) TOTAL ELECTRIC PLANT	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURE	338.5	438.2	203.6	154.0	210.4	166.7	209.1	141.9	195.4	310.7	608.0
ANNUAL AFDC	321.[illegible]	262.6	28.7	15.5	12.2	17.3	28.7	5.5	13.6	27.7	70.6
ANNUAL CAP TRUST INTEREST	78.2	97.9	123.5	14.8	16.0	19.8	14.6	13.5	12.3	11.0	11.7
ANNUAL ADDITION TO CWIP	[illegible]	[illegible]	[illegible]	185.3	238.6	199.8	252.4	[illegible]	221.4	349.4	690.3
CASH PORTION OF CWIP	3169.7	757.7	834.7	156.6	120.6	144.6	194.6	7.6	24.6	169.7	555.6
AFDC PORTION OF CWIP	1378.0	125.1	149.5	65.6	8.1	19.9	42.2	5.8	12.0	32.9	94.4
CAP TRUST INTEREST PORTION	329.2	427.1	550.6	102.9	118.9	134.7	149.3	162.8	175.1	186.1	197.9
TOTAL CWIP	4876.9	[illegible]	[illegible]	325.1	247.8	[illegible]	386.1	[illegible]	211.7	379.7	847.9
IN SERVICE AMOUNT - CASH	47.0	2849.8	126.5	833.0	246.4	142.7	159.1	328.9	178.3	174.7	213.1
- AFDC	4.3	1515.5	5.4	98.4	69.7	6.5	6.3	45.1	7.2	6.8	9.0
- CAP TRUST INT	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	[illegible]	4365.3	[illegible]	[illegible]	316.1	149.2	165.4	374.0	[illegible]	181.5	222.1
- TAX	44.5	2452.8	120.3	779.6	234.1	135.6	151.1	312.4	169.4	165.9	202.4
CAPITALIZED OVERHEAD	24.7	57.8	11.5	8.2	10.6	10.0	11.5	8.5	10.7	16.9	29.5
CUMULATIVE CAPITALIZED OVERHEAD	213.5	16.2	21.4	6.0	4.9	7.2	10.7	2.7	4.5	12.7	31.6
CWIP IN RATE BASE AMOUNT	[illegible]	[illegible]	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT	9.2	8.0	3.2	2.7	10.2	12.7	10.6	9.3	15.5	11.5	6.5
ITC GENERATED	29.3	39.6	21.8	15.6	20.2	19.0	21.9	16.1	20.4	32.2	56.1
BOOK DEPRECIATION - CASH	56.9	83.7	154.8	184.8	197.8	203.4	207.9	219.2	224.4	231.3	237.5
- AFDC	4.4	20.4	57.5	66.9	73.3	73.6	73.7	75.3	75.4	75.7	76.0
- CAP TRUST INT	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	61.3	104.1	212.3	267.1	286.5	292.4	297.1	309.9	315.3	322.5	328.9
TAX DEPRECIATON	83.3	265.5	401.3	419.4	478.5	395.5	388.5	379.8	396.8	398.6	409.3
GROSS PLANT VALUE	1912.2	6261.0	6376.5	[illegible]	8033.7	[illegible]	8334.4	[illegible]	[illegible]	9025.9	9231.5
ACCUM. DEPRECIATION	667.1	754.7	950.5	1201.1	1471.2	1747.0	2027.6	2321.0	2619.8	2925.8	3238.2
NET PLANT VALUE	1245.1	5506.3	5426.0	6552.9	[illegible]	6433.4	6306.7	6370.8	6241.2	6100.1	5993.3
DEP. TIM. DIF. DEFERRED - NET	23.5	94.4	12[illegible].1	117.2	110.9	103.4	96.3	84.5	83.9	80.9	81.2
DEFERRED OVERHEAD - NET	[illegible]	[illegible]	-5.5	-5.6	-5.[illegible]	-5.[illegible]	-5.9	-5.8	-5.8	-5.8	-5.8
DEFERRED INTEREST - NET	36.0	45.0	56.[illegible]	0.2	0.3	0.2	-0.4	0.9	-1.4	-2.0	-1.7
OTH R DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	68.2	157.4	175.3	111.3	105.4	97.8	90.1	77.8	76.7	73.1	73.7
PROPERTY TAX	[illegible]	154.0	217.0	242.0	263.0	[illegible]	305.3	347.8	373.1	399.5	419.2
LILCO TRUST INVSTM BAL	160.4	429.0	726.3	139.2	153.2	136.0	130.6	116.0	109.4	92.5	122.2
NET TRUST BALANCE	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) TOTAL ELECTRIC PLANT		1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE		625.9	790.6	970.[illegible]	1023.[illegible]	1230.3	1494.3	9112.9
ANNUAL AFDC		135.3	225.4	349.0	168.0	311.7	309.6	2297.9
ANNUAL CAP TRUST INTEREST		12.4	10.3	11.0	11.9	10.1	10.8	476.0
ANNUAL ADDITION TO CWIP		773.7	1026.7	1321.7	1203.8	1552.1	1814.8	11886.7
CASH PORTION OF CWIP		989.4	1540.0	2290.3	1430.2	2386.7	2564.5	2564.5
AFDC PORTION OF CWIP		222.4	436.0	769.8	217.2	519.2	472.5	472.5
CAP TRUST INTEREST PORTION		210.3	220.6	231.5	243.4	255.5	264.4	264.4
TOTAL CWIP		1422.1	[illegible]	3291.6	1890.8	3158.4	3301.3	3301.3
IN SERVICE AMOUNT	- CASH	192.1	240.0	220.5	1883.8	273.8	1316.6	9426.3
	- AFDC	7.4	10.0	8.4	720.6	10.8	355.3	2886.4
	- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	462.6
	- TOTAL BOOK	199.5	250.0	228.9	2604.4	284.5	1671.9	12775.2
	- TAX	182.5	228.0	209.4	1769.6	260.1	1250.8	8668.8
CAPITALIZED OVERHEAD		32.9	41.2	47.5	53.0	63.8	74.2	512.2
CUMULATIVE CAPITALIZED OVERHEAD		54.7	83.9	120.4	79.2	129.2	137.6	137.6
CWIP IN RATE BASE AMOUNT		44.0	44.0	44.0	44.0	44.0	44.0	44.0
CWIP IN RATE BASE PERCENT		3.7	2.4	1.6	1.2	1.7	1.1	1.1
ITC GENERATED		62.2	78.3	90.3	100.7	120.9	141.0	885.4
BOOK DEPRECIATION	- CASH	243.4	250.4	255.9	311.2	319.5	366.6	3748.7
	- AFDC	73.2	73.5	64.8	82.6	82.9	94.9	1144.3
	- CAP TRUST INT	15.4	15.4	15.4	15.4	15.4	15.4	215.9
	- TOTAL	332.1	339.4	336.1	409.2	417.8	476.9	5109.9
TAX DEPRECIATON		205.4	215.7	160.7	255.9	346.3	391.9	5601.0
GROSS PLANT VALUE		9352.5	9380.7	9656.4	12096.5	12364.5	14014.5	14014.5
ACCUM. DEPRECIATION		3491.8	3609.3	3992.3	4237.2	4638.5	5093.6	5093.6
NET PLANT VALUE		5860.7	5771.3	5664.1	7859.3	7726.0	8921.0	8921.0
DEF. TIM. DIF. DEFERRED	- NET	-17.3	-15.4	-45.5	-57.3	-2.5	7.3	870.1
DEFERRED OVERHEAD	- NET	-5.7	-5.7	-5.6	-5.5	-5.5	-5.5	-59.7
CAPITALIZED INTEREST	- NET	1.4	2.4	2.6	1.6	2.5	2.1	119.6
OTHER DEFERRED TAX	- NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-24.4	-26.5	-53.2	-44.4	-16.4	-14.8	931.0
[illegible] TAX	444.4	471.0	[illegible]	[illegible]	[illegible]	706.6	6460.5
LILCO TRUST INVSTR BAL	105.4	65.3	115.3	102.2	82.3	116.1	116.1
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.6	-25.3	-33.6	-38.6

CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
ANNUAL CASH EXPENDITURES	279.0	181.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL AFDC	292.0	238.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	571.0	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH PORTION OF CWIP	2553.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	1241.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	2734.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- AFDC	0.0	1480.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	4215.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	2368.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	22.8	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUMULATIVE CAPITALIZED OVERHEAD	204.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	[illegible]	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	10.6	9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	23.7	15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	22.8	91.1	91.1	91.1	91.1	91.1	91.1	91.1	91.1	91.1
- AFDC	0.0	12.3	49.4	49.4	49.4	49.4	49.4	49.4	49.4	49.4	49.4
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	35.1	140.5	140.5	140.5	140.5	140.5	140.5	140.5	140.5	140.5
TAX DEPRECIATON	0.0	189.5	331.6	284.3	236.9	236.9	236.9	213.2	213.2	213.2	213.2
GROSS PLANT VALUE	0.0	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1
ACCUM DEPRECIATION	0.0	35.1	175.6	316.1	456.6	597.1	737.6	878.1	1018.6	1159.1	1299.6
NET PLANT VALUE	0.0	[illegible]	[illegible]	[illegible]	3758.4	3617.9	3477.4	3336.9	3196.4	3055.9	2915.4
DEF. TIM. DIF. DEFERRED - NET	0.0	78.1	116.2	94.4	72.6	72.6	72.6	61.7	61.7	61.7	61.7
DEFERRED OVERHEAD - NET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DEFERRED INTEREST - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
DEFERRED TAX - NET	10.3	97.8	112.4	90.6	68.8	68.8	68.8	57.9	57.9	57.9	57.9
PROPERTY TAX	0.0	15.0	[illegible]	73.0	[illegible]	[illegible]	97.0	107.0	[illegible]	125.1	132.6
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) SHOREHAM NUCLEAR	1995	1996	1997	1998	1999	2000	TOTAL
ANNUAL CASH EXPENDITURE	0.0	0.0	0.0	0.0	0.0	0.0	460.0
ANNUAL AFDC	0.0	0.0	0.0	0.0	0.0	0.0	330.9
ANNUAL CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ANNUAL ADDITION TO CWIP	0.0	0.0	0.0	0.0	0.0	0.0	790.9
CASH PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AFDC PORTION OF CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST PORTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL CWIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	2734.4
- AFDC	0.0	0.0	0.0	0.0	0.0	0.0	1480.7
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	4215.1
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	2368.9
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	67.3
CUMULATIVE CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE AMOUNT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CWIP IN RATE BASE PERCENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	39.1
BOOK DEPRECIATION - CASH	91.1	91.1	91.1	91.1	91.1	91.1	1390.0
- AFDC	49.4	49.4	49.4	49.4	49.4	49.4	752.7
- CAP TRUST INT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	140.5	140.5	140.5	140.5	140.5	140.5	2142.6
TAX DEPRECIATON	0.0	0.0	0.0	0.0	0.0	0.0	2368.9
GROSS PLANT VALUE	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1	4215.1
ACCUM. DEPRECIATION	1440.1	1580.6	1721.1	1861.7	2002.2	2142.7	2142.6
NET PLANT VALUE	2774.[illegible]	2634.4	2493.[illegible]	2353.4	2212.[illegible]	2072.4	2072.4
DEF. TIM. DIF. DEFERRED - NET	-36.3	-36.3	-36.3	-36.3	-36.3	-36.3	535.8
DEFERRED OVERHEAD - FIT	-3.[illegible]	-3.[illegible]	-3.[illegible]	-3.[illegible]	-3.[illegible]	-3.[illegible]	-27.3
DEFERRED INT REST - FIT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DEFERRED TAX - FIT	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
DEFERRED TAX - NET	-40.1	-40.1	-40.1	-40.1	-40.1	-40.1	508.4
PROPERTY TAX	140.5	[illegible]	[illegible]	167.4	177.4	[illegible]	[illegible]
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 - SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) RESOURCES TRUST	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
BEGINNING CWIP BALANCE	99.0	111.5	126.5	113.7	119.4	135.3	110.8	108.8	100.2	92.8	82.4
CASH EXPENDITURES	1.0	0.0	0.0	23.0	46.0	0.0	26.0	37.0	35.0	35.0	74.0
CAP. TRUST INTEREST	11.5	13.0	13.1	12.7	13.9	13.5	12.0	11.4	10.6	9.6	10.5
ASSET PAYMENT (REFUNDING)	0.0	7.0	39.0	30.0	44.0	38.0	40.0	57.0	53.0	55.0	58.0
ENDING CWIP BALANCE	111.5	126.5	113.7	119.4	135.3	110.8	108.8	100.2	92.8	82.4	108.8
CREDIT LIMIT	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	11.5	26.5	113.7	119.4	135.3	110.8	108.8	100.2	92.8	82.4	108.8
INCREASE IN LILCO INVSTM	11.5	15.0	87.1	5.7	15.9	-24.5	-2.0	-8.6	-7.4	-10.4	26.5
NET TRUST BALANCE	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	1.8	6.6	10.9	11.9	11.5	10.3	9.8	9.1	8.2	9.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP. TIM. DIF. - DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	5.3	6.0	6.0	5.9	6.4	6.2	5.5	5.3	4.9	4.4	4.8
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	5.3	6.0	6.0	5.9	6.4	6.2	5.5	5.3	4.9	4.4	4.8
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 - SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) RESOURCES TRUST	1995	1996	1997	1998	1999	2000	TOTAL
OPENING CWIP BALANCE	108.8	99.2	85.3	115.3	102.2	82.3	99.0
CASH EXPENDITURES	40.0	40.0	86.0	46.0	44.0	100.0	651.0
CAP. TRUST INTEREST	11.4	10.1	11.0	11.9	10.1	10.8	197.1
ASSET PAYMENT (REFUNDING)	61.0	64.0	67.0	71.0	74.0	77.0	831.0
ENDING CWIP BALANCE	99.2	85.3	115.3	102.2	82.3	118.1	118.1
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	200.0
LILCO TRUST INVSTM BAL	99.2	85.3	115.3	102.2	82.3	118.1	118.1
INCREASE IN LILCO INVSTM	-9.6	-13.9	30.0	-13.1	-19.9	35.8	118.1
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	9.8	8.7	9.4	10.2	8.6	9.3	145.6
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPR. TIM. DIF. DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OV. HEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	5.2	4.6	5.0	5.5	4.6	5.0	90.7
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	5.2	4.6	5.0	5.5	4.6	5.0	90.7
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) NINE MILE PT2 TRUST	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
OPENING CWIP BALANCE	556.3	632.8	865.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CASH EXPENDITURES	11.5	169.5	101.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP TRUST INTEREST	65.0	63.0	108.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	632.8	865.4	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	142.8	395.4	604.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	76.5	252.5	209.3	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET TRUST BALANCE	490.0	490.0	490.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	9.8	25.2	46.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	632.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	462.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BOOK	0.0	0.0	0.0	1094.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	618.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	8.5	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	8.5	13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	1.1	16.1	[illegible]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1
- INTEREST	0.0	0.0	0.0	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
- TOTAL	0.0	0.0	0.0	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5
TAX DEPRECIATION	0.0	0.0	0.0	[illegible]	[illegible]	74.2	81.8	61.8	61.8	55.7	55.7
GROSS PLANT	0.0	0.0	0.0	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	0.0	0.0	0.0	36.5	73.0	109.5	145.9	182.4	218.9	255.4	291.9
NET PLANT	0.0	0.0	0.0	1058.1	1021.6	985.2	948.7	912.2	875.7	839.2	802.7
DEP TIM DIF DEFERRED	0.0	[illegible]	0.0	13.3	30.3	24.7	19.0	19.0	14.0	16.1	16.1
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	29.5	38.2	[illegible]	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1	-7.1
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	29.9	38.2	49.8	6.2	23.3	17.6	11.9	11.9	11.9	9.0	9.0
PROPERTY TAX	0.0	0.0	6.0	7.0	7.0	8.0	8.0	8.5	9.0	9.5	10.1

CASE 2 -SHOREHAM IN SERVICE 10/85

	1995	1996	1997	1998	1999	2000	TOTAL
PLANT REPORT ($MIL)							
NINE MILE PT2 TRUST							
OPENING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	556.3
CASH EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	282.0
CAP TRUST INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	296.3
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING CWIP BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	1470.0
LILCO TRUST INVSTM BAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	0.0	0.0	0.0	0.0	0.0	0.0	1028.3
NET TRUST BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.0	0.0	0.0	0.0	0.0	0.0	81.9
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	632.0
+ CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	462.6
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	1094.6
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	618.5
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	13.5
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	26.8
BOOK DEPRECIATION - CASH	21.1	21.1	21.1	21.1	21.1	21.1	294.9
- INTEREST	15.4	15.4	15.4	15.4	15.4	15.4	215.9
- TOTAL	36.5	36.5	36.5	36.5	36.5	36.5	510.8
TAX DEPRECIATION	55.7	55.7	0.0	0.0	0.0	0.0	618.5
GROSS PLANT	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6	1094.6
ACCUM DEPRECIATION	328.4	364.9	401.4	437.9	474.3	510.8	510.8
NET PLANT	766.2	729.8	693.3	656.8	620.3	583.8	583.8
DEP TIM DIF DEFERRED	16.1	16.1	-9.5	-9.5	-9.5	-9.5	151.7
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	7.1	-7.1	7.1	-7.1	7.1	7.1	18.6
OTH F DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	9.0	9.0	-16.6	-16.6	16.6	-16.6	170.3
PROPERTY TAX	10.7	11.7	12.0	12.8	13.5	14.3	141.9

CASE 2 - SHOREHAM IN SERVICE 10/85

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
PLANT REPORT ($MIL) NMP2 TOCT NUC FUEL											
OPENING CWIP BALANCE	14.4	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1
CASH EXPENDITURES	0.0	0.0	0.0	5.6	6.0	17.0	6.0	0.0	16.0	10.0	21.0
CAP TRUST INTEREST	1.7	1.9	2.1	2.2	2.1	2.4	2.6	2.1	1.8	1.5	1.5
ASSET PAYMENT (REFUNDING)	0.0	0.0	0.0	8.0	10.0	12.0	14.0	16.0	17.0	18.0	19.1
ENDING CWIP BALANCE	16.1	17.9	20.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
CREDIT LIMIT	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM BAL	6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3
INCREASE IN LILCO INVSTM	1.7	1.9	2.1	9.8	-1.9	7.4	-3.4	-5.9	0.8	-6.5	3.2
NET TRUST BALANCE	10.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO TRUST INVSTM INCOME	0.5	0.7	0.8	1.4	1.8	2.0	2.2	1.8	1.5	1.3	1.1
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEP TIP DIF DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.8	0.9	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	0.8	0.9	1.0	1.0	0.9	1.1	1.2	0.9	0.8	0.7	0.6
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CASE 2 -SHOREHAM IN SERVICE 10/85

PLANT REPORT ($MIL) NMP2 TRCT NUC FUEL	1995	1996	1997	1998	1999	2000	TOTAL
OPENING EQUIP BALANCE	13.3	6.2	-3.0	-1.7	-12.8	-25.3	14.4
CASH EXPENDITURES	12.0	12.0	24.0	13.0	13.0	13.6	179.4
CAP TRUST INTEREST	1.1	0.2	0.0	0.0	0.0	0.0	22.6
ASSET PAYMENT (REFUNDING)	20.2	21.4	22.7	24.1	25.5	27.0	254.9
ENDING EQUIP BALANCE	6.2	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
CREDIT LIMIT	0.0	0.0	0.0	0.0	0.0	0.0	30.0
LILCO TRUST INVSTM BAL	6.2	0.0	0.0	0.0	0.0	0.0	0.0
INCREASE IN LILCO INVSTM	-7.1	-6.2	0.0	0.0	0.0	0.0	-4.4
NET TRUST BALANCE	0.0	-3.0	-1.7	-12.8	-25.3	-38.6	-38.6
LILCO TRUST INVSTM INCOME	0.9	0.3	0.0	0.0	0.0	0.0	16.2
IN SERVICE AMOUNT - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- CAP INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL BOOK	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITALIZED OVERHEAD	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CUM CAPITALIZED OVERHEADS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC GENERATED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BOOK DEPRECIATION - CASH	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAX DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACCUM DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET PLANT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
[illegible] DEFERRED	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED OVERHEAD - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED INTEREST - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
OTHER DEFERRED TAX - NET	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEFERRED TAX - NET	0.5	0.1	0.0	0.0	0.0	0.0	10.4
PROPERTY TAX	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
*A END JOB 4662 TSO6612A 0001 0001 REMOTE3 DINKEL.LOPW1001   ROOM 320   8.36.45 AM 27 JUN 84  R3.PR1   SYS S133  END  A*
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ATTACHMENT 4

Long Island Lighting Company 03-Jul
COMPANY FINANCIAL RUN DATED 6/27/84
SHOREHAM OPERATIONAL 7/1/85, SYNCHRONIZED 12/84
($ millions)

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
******************INCOME STATEMENT (P. 3)****																			
Revenues - Elec	input	1,473.0	2,060.3	2,438.2	2,667.9	2,652.8	2,738.9	2,890.6	3,016.2	3,024.0	3,215.6	3,325.0	3,418.6	3,538.8	3,643.3	4,380.9	4,506.3	4,955.8	53,946.2
Revenues - Gas	input	356.2	394.1	412.5	437.0	459.3	485.8	512.8	542.1	572.3	604.3	636.8	672.0	708.6	747.5	790.7	835.5	883.3	10,050.8
Fuel - Elec	input	662.0	676.0	583.0	611.0	633.0	616.0	732.0	741.0	739.0	881.0	988.0	1,108.0	1,243.0	1,399.0	1,415.0	1,588.0	1,619.0	16,234.0
Fuel - Gas	input	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.1	366.8	388.8	412.2	436.9	463.1	490.9	520.4	551.6	584.7	6,479.6
O & M - Elec	input	163.0	223.2	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5	547.8	596.4	632.9	722.5	784.2	869.4	8,303.0
O & M - Gas	input	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7	95.0	100.7	106.8	113.2	120.0	127.2	1,407.3
Depreciation	input	70.3	146.3	217.5	272.8	292.8	299.2	304.6	318.0	324.1	332.0	339.2	343.3	351.4	349.1	423.2	432.9	493.1	5,309.8
Tax Other than Income	input	243.5	298.3	358.0	395.2	418.5	449.0	477.5	528.4	557.4	591.2	623.2	656.2	692.0	729.1	850.5	895.5	1,004.8	9,768.3
BASE GROSS PROFIT		428.4	814.3	1,079.0	1,137.2	1,041.7	1,101.0	1,072.6	1,105.3	1,069.4	1,042.6	979.0	903.4	800.8	683.0	1,126.8	969.6	1,140.9	16,495.0
Income tax paid		0.0	0.0	33.7	228.2	249.3	324.9	336.3	369.2	359.7	343.2	375.5	315.4	225.6	146.2	300.0	132.6	150.5	3,890.1
Deferred Income Tax	(p. 27)	84.1	280.6	165.0	90.1	105.2	97.0	78.3	76.4	74.9	71.0	(25.4)	(25.5)	(27.9)	(54.8)	(46.3)	(18.6)	(17.2)	906.9
Def. Inv. Tax. Credit		0.0	0.0	230.2	118.0	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,157.8
Total Tax Expense		84.1	280.6	428.9	436.3	376.3	442.6	438.2	463.7	457.0	448.5	408.4	354.6	278.5	184.4	357.3	238.0	277.6	5,954.8
OPERATING INCOME		344.3	533.7	650.1	701.0	665.4	658.4	634.4	641.6	612.4	594.1	570.6	548.8	522.3	496.6	769.5	731.6	863.3	10,540.2
Other Income (Incl FIT Credit)		21.9	30.2	60.4	24.1	29.4	43.4	63.7	79.8	95.4	108.6	101.1	71.1	45.1	39.6	42.5	43.7	48.4	948.4
AFDC	input	322.5	180.1	29.3	16.3	13.1	18.2	29.7	9.4	14.6	28.8	72.1	136.7	227.3	342.2	169.4	313.5	311.3	2,234.5
Income Before Interest		688.7	744.0	739.8	741.4	707.9	720.0	727.8	730.8	722.4	731.5	743.8	756.6	794.7	880.4	981.4	1,088.8	1,223.0	13,723.1
Interest on LTD	input	249.9	239.7	245.5	266.0	247.2	248.0	244.2	235.2	214.0	209.8	208.3	206.8	227.4	284.6	351.0	421.7	513.5	4,612.8
Interest on STD	input	0.0	31.3	19.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.9
NET INCOME		438.8	473.0	474.7	475.4	460.7	472.0	483.6	495.6	508.4	521.7	535.5	549.8	567.3	595.8	630.4	667.1	709.5	9,059.4
- Pref. Dividends	input	88.3	85.8	84.7	83.2	81.2	78.9	76.5	74.2	71.9	69.6	67.3	64.9	65.1	75.8	92.0	109.4	131.9	1,400.7
Earnings for Common		350.5	387.2	390.0	392.2	379.5	393.1	407.1	421.4	436.5	452.1	468.2	484.9	502.2	520.0	538.4	557.7	577.6	7,658.7
- Common Dividends	input	54.1	290.3	292.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1	363.7	376.6	390.0	403.9	418.3	433.2	5,535.1
RETAINED EARNINGS		296.4	96.9	97.5	98.1	94.9	98.3	101.8	105.3	109.1	113.0	117.1	121.2	125.6	130.0	134.5	139.4	144.4	2,123.6
Trust Interest		78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7	10.2	7.8	8.2	8.8	6.6	7.0	445.8
SEC Bond Coverage Ratio		2.59	3.04	3.33	4.26	4.19	4.48	4.58	4.88	5.30	5.43	5.33	5.17	4.60	3.66	3.75	3.11	2.90	70.6
AFDC as % of Common		92.01%	46.51%	7.51%	4.16%	3.45%	4.63%	7.30%	2.23%	3.34%	6.37%	15.40%	28.19%	45.26%	65.81%	31.46%	56.21%	53.89%	4.7
% payout for common		15.44%	74.97%	74.99%	75.00%	75.00%	75.00%	74.99%	75.01%	75.00%	75.01%	74.99%	75.00%	74.98%	75.00%	75.01%	75.00%	75.00%	12.2
Return on Average Equity		16.00%	16.00%	15.50%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	2.4
Electric GWH Sales		13,315	13,566	13,753	13,954	13,990	14,083	14,370	14,675	15,059	15,512	15,974	16,443	16,909	17,382	17,865	18,350	18,839	
Cents / Kwh		11.06	15.19	17.73	19.12	18.96	19.45	20.12	20.55	20.08	20.73	20.82	20.79	20.93	20.96	24.52	24.56	26.31	
% Change			37.28%	16.[illegible]3%	7.84%	-0.82%	2.56%	3.43%	2.18%	-2.30%	3.23%	0.41%	-0.12%	0.66%	0.15%	16.99%	0.14%	7.12%	

************TAX COMPUTATION (P. 27)****			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Operating Revenue			1,829.2	2,454.4	2,850.7	3,104.9	3,112.1	3,224.7	3,403.4	3,558.5	3,596.3	3,819.9	3,961.8	4,090.6	4,247.4	4,390.8	5,171.6	5,341.8	5,839.1	63,997.0
- O&M Expense			(1,087.9)	(1,195.5)	(1,196.2)	(1,299.7)	(1,359.1)	(1,375.5)	(1,548.7)	(1,606.6)	(1,645.4)	(1,854.1)	(2,020.4)	(2,197.7)	(2,403.2)	(2,629.6)	(2,[illegible])	(3,043.8)	(3,200.3)	(32,424)
- Other Taxes			(243.5)	(298.3)	(358.0)	(395.2)	(418.5)	(449.0)	(472.5)	(528.4)	(557.4)	(591.2)	(623.2)	(654.2)	(692.0)	(779.1)	(850.5)	(895.5)	(1,004.8)	(9,768.3)
- Tax Depreciation			(284.4)	(416.4)	(362.4)	(382.1)	(487.9)	(405.1)	(375.4)	(390.5)	(408.1)	(410.9)	(212.4)	(223.4)	(235.0)	(189.2)	(278.2)	(369.4)	(416.1)	(5,847.0)
- Total Interest Expensed			(249.9)	(271.0)	(265.1)	(266.0)	(247.2)	(243.0)	(244.2)	(235.2)	(214.0)	(209.8)	(208.3)	(206.8)	(227.4)	(284.6)	(351.0)	(421.7)	(513.5)	(4,663.7)
- Capitalized Trust Interest			(78.2)	(97.6)	(172.8)	(14.0)	(15.0)	(14.7)	(12.5)	(12.0)	(10.7)	(9.2)	(9.7)	(10.2)	(7.6)	(8.2)	(8.8)	(6.6)	(7.0)	(445.8)
- Capitalized Overheads	input		(25.3)	(43.5)	(52.2)	(9.0)	(11.5)	(10.9)	(12.4)	(9.3)	(31.9)	(18.1)	(30.7)	(34.0)	(42.5)	(49.0)	(54.5)	(65.2)	(75.9)	(516.0)
- Add. Tax Deductions	input		(40.0)	1.0	1.5	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	32.0
+ Net TEFR Interest	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Taxable Income	input		19.1	27.4	53.7	71.6	14.5	27.9	47.5	62.8	77.7	90.0	81.0	49.0	20.5	12.1	11.8	9.2	9.3	625.1
Taxable Income before NOL			(160.0)	160.5	588.7	752.5	589.4	751.4	782.4	841.9	830.6	820.7	943.1	826.3	666.0	520.0	877.3	557.8	640.8	10,989.4
-NOL Utilized 2 Offset			[illegible]	(160.5)	(15.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.6)
Taxable Income			0.0	0.0	573.6	752.5	589.4	751.4	782.4	841.9	830.6	820.7	943.1	826.3	666.0	520.0	877.3	557.8	640.8	10,973.8
NOL Carryforward		15.6	175.6	15.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax @ 46%			0.0	0.0	263.9	346.2	271.1	345.6	359.9	387.3	382.1	377.5	433.8	380.1	306.4	239.2	403.6	256.6	294.8	5,047.9
Less:ITC			(0.0)	(0.0)	(230.2)	(118.0)	(21.8)	(20.7)	(23.6)	(18.1)	(22.4)	(34.3)	(58.3)	(64.7)	(80.8)	(93.0)	(103.6)	(124.0)	(144.3)	(1,157.8)
TAXES PAID			0.0	0.0	33.7	228.2	249.3	324.9	336.3	369.2	359.7	343.2	375.5	315.4	225.6	146.2	300.0	132.6	150.5	3,890.1
Tax @ 46% without NOL			(73.6)	73.8	270.8	346.2	271.1	345.6	359.9	387.3	382.1	377.5	433.8	380.1	306.4	239.2	403.6	256.6	294.8	5,055.1
ITC Max @ 85%			0.0	62.8	230.2	294.2	230.5	293.8	305.9	329.2	324.8	320.9	368.8	323.1	260.4	203.3	343.0	218.1	250.6	4,359.6
ITC GENERATED	input		30.6	36.1	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	916.6
Available ITC		241.2	271.8	307.9	331.1	118.0	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,838.4
ITC Before Carryback			0.0	0.0	230.2	118.0	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,157.8
ITC AMORTIZATION																				
Delta Def ITC Net - ITC before Carryback				(2.8)	(6.7)	(12.3)	(14.8)	(15.6)	(16.3)	(17.0)	(17.6)	(18.6)	(20.1)	(22.2)	(24.6)	(27.5)	(30.8)	(34.6)	(39.1)	(2,077.6)
Other Income - Tangible Other Income			2.8	2.8	6.7	12.5	14.9	15.5	16.2	17.0	17.7	18.6	20.1	22.1	24.6	27.5	30.7	34.5	39.1	
Deferred ITC Net / ITC Amortization			29.5	28.5	45.3	32.7	27.9	27.2	26.4	25.3	24.5	24.2	24.3	24.0	23.9	23.7	23.6	23.6	23.5	

(probably declines due to using remaining life on Shoreham and Nine Mile Pt 2 retrofits)

2

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
******************BALANCE SHEET (P. 15)***************																		
Gross Plant (Incl. AFDC)	input	2,298.0	6,456.6	6,586.2	7,842.3	8,015.8	8,164.8	8,332.1	8,709.4	8,899.3	9,086.3	9,315.5	9,523.5	9,778.3	10,018.7	12,633.5	12,933.3	14,617.9
Deprec. Reserve	(sum)	(780.5)	(926.8)	(1,144.3)	(1,417.1)	(1,709.9)	(2,009.!)	(2,313.7)	(2,631.7)	(2,955.8)	(3,287.8)	(3,627.0)	(3,970.3)	(4,321.7)	(4,670.8)	(5,094.0)	(5,526.9)	(6,020.0)
Deprec. Reserve - other		0.0	24.2	48.4	86.2	138.3	170.4	242.6	294.7	346.8	398.9	451.0	496.9	548.2	580.4	603.7	621.8	645.0
CWIP	input	4,879.5	1,307.3	1,530.3	319.9	241.3	291.8	377.6	165.8	200.0	366.4	833.0	1,405.3	2,179.8	3,271.0	1,865.2	3,129.8	3,268.6
Net Work Capit (Excl STD)	(74.7)	(80.0)	(81.0)	(2.0)	(4.0)	(6.0)	(8.0)	(11.0)	(14.0)	(18.0)	(22.0)	(27.0)	(32.0)	(38.0)	(45.0)	(53.0)	(62.0)	(72.0)
Deferred Debits	input	0.0	55.8	49.6	166.4	274.7	240.6	206.5	172.4	138.3	104.2	70.1	42.2	14.2	0.0	0.0	0.0	0.0
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TOTAL ASSETS		6,317.0	6,836.1	7,068.?	6,993.7	6,954.2	6,870.5	6,834.1	6,696.6	6,610.6	6,646.0	7,015.6	7,465.6	8,160.8	9,154.3	9,955.4	11,096.0	12,439.5
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Common Stock	1,425.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2
Retained Earnings	586.4	882.8	979.7	1,077.2	1,175.3	1,270.2	1,368.4	1,470.2	1,575.5	1,684.7	1,797.7	1,914.7	2,035.9	2,161.6	2,291.6	2,426.1	2,565.5	2,710.0
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Total Common Equity	2,011.6	2,371.0	2,467.9	2,565.4	2,663.5	2,758.4	2,856.6	2,958.4	3,063.7	3,172.9	3,285.9	3,402.9	3,524.1	3,649.8	3,779.8	3,914.3	4,053.7	4,198.2
Preferred Stock	800.1	762.1	751.4	737.8	720.9	671.0	651.1	631.2	611.3	591.4	571.5	551.6	531.7	556.8	728.9	856.8	1,049.7	1,270.6
Long Term Debt	2,287.7	2,180.7	2,087.7	2,304.7	2,452.7	2,256.7	2,230.7	2,203.7	2,054.7	1,969.7	1,925.7	1,896.7	1,867.7	2,217.7	2,893.7	3,403.7	4,151.7	5,054.7
Trust Liability	599.0	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	(1.7)	(12.8)	(25.3)	(38.6)
Short Term Debt	(273.0)	107.9	356.4	(0.8)	(0.5)	(1.0)	(239.2)	(416.2)	(567.7)	(737.6)	(838.1)	(549.5)	(188.8)	(19.6)	(16.1)	(2.9)	(0.9)	(0.4)
Def. Inc. Taxes	128.6	212.7	493.3	658.3	748.4	853.6	950.6	1,028.9	1,105.3	1,180.2	1,251.2	1,225.8	1,200.3	1,172.4	1,117.6	1,071.3	1,052.7	1,035.5
Def. ITC	85.4	82.6	79.8	303.3	409.0	416.0	421.1	428.4	429.5	434.3	450.0	488.2	530.7	586.9	652.4	725.2	814.6	919.8
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TOTAL LIABILITIES		6,317.0	6,836.5	7,068.7	6,994.0	6,954.7	6,870.9	6,834.4	6,696.8	6,610.9	6,646.2	7,015.7	7,465.7	8,161.0	9,154.6	9,955.6	11,096.2	12,439.8
Other Liabilities		.0	(0.4)	(0.5)	(0.3)	(0.5)	(0.4)	(0.3)	(0.2)	(0.3)	(0.2)	(0.1)	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)
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TOTAL LIAB, DEBT & EQUITY		6,317.0	6,836.1	7,068.2	6,993.7	6,954.2	6,870.5	6,834.1	6,696.6	6,610.6	6,646.0	7,015.6	7,465.6	8,160.8	9,154.3	9,955.4	11,096.0	12,439.5
		=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
% Common		39.37%	39.40%	42.01%	45.63%	48.52%	51.95%	55.02%	59.35%	63.50%	66.45%	64.19%	61.45%	57.01%	51.18%	47.97%	43.92%	40.04%
% Preferred		12.66%	12.00%	12.08%	12.35%	11.80%	11.84%	11.74%	11.84%	11.84%	11.56%	10.40%	9.27%	8.70%	9.87%	10.50%	11.37%	12.12%
% Long Term Debt & Trust		46.18%	42.91%	45.92%	42.02%	39.70%	40.56%	40.98%	39.80%	39.42%	38.94%	35.78%	32.57%	34.60%	39.16%	41.56%	44.71%	47.84%
% Short Term Debt		1.79%	5.69%	-0.01%	-0.01%	-0.02%	-4.35%	-7.74%	-11.00%	-14.76%	-16.95%	-10.36%	-3.29%	-0.31%	-0.22%	-0.04%	-0.01%	.00%
TOTAL		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LILCO Resources Trust Investment		11.5	20.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6	77.7	61.3	88.5	72.3	48.9	78.9
LILCO 9 Mile 2 Trust Investment		142.8	395.4	604.6														
LILCO NMP2 Nuc Fuel Trust		6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3	6.2	0.0	0.0	0.0	0.0	0.0
Total LILCO Trust Investment		160.4	423.5	721.2	130.3	143.1	124.9	118.1	102.2	93.9	75.2	102.9	83.9	61.3	88.5	72.3	48.9	78.9
Change in Trust Investment			263.1	297.7	(590.9)	12.8	(18.2)	(6.8)	(15.9)	(8.3)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
Change in Trust Investment in Cashflow			263.1	297.8	503.6	13.0	(18.3)	(6.7)	(16.0)	(8.2)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
					Not same?													
Deprec. Reserve	input	(780.5)	(902.6)	(1,095.9)	(1,330.9)	(1,571.6)	(1,818.7)	(2,071.1)	(2,337.0)	(2,609.0)	(2,888.9)	(3,176.0)	(3,473.4)	(3,773.5)	(4,090.4)	(4,490.3)	(4,905.1)	(5,375.0)
Shoreham Retrofit	input		22.7	44.6	48.2	46.4	21.7	26.1	27.1	28.9	31.1	32.9	30.8	37.0	39.2	36.7	44.1	46.7
Nine Mile Retrofit	input			13.0	14.0	14.0	15.0	8,0	8.5	9.0	9.5	10.1	10.7	11.3	12.0	12.8	13.5	14.3
Construction + Trust Expend		753.2	666.9	370.7	200.1	255.5	217.6	271.1	183.4	242.1	371.4	713.8	798.2	1,052.6	1,349.7	1,232.3	1,582.4	1,846.6
Change in Plant and CWIP			586.4	352.6	45.7	94.9	199.5	253.1	165.5	224.1	353.4	695.8	780.3	1,029.3	1,331.6	1,209.0	1,564.4	1,823.4
Dollars not going into Plant and CWIP			80.5	18.1	154.4	160.6	18.1	18.0	17.9	18.0	18.0	18.0	17.9	23.3	18.1	23.3	18.0	23.2
Change in Deferred Debit			55.8	(6.2)	116.8	108.3	(34.1)	(34.1)	(34.1)	(34.1)	(34.1)	(34.1)	(27.7)	(28.0)	(14.2)	0.0	0.0	0.0
Chnge in Dep Res - Other			24.2	24.2	37.8	52.1	52.1	52.2	52.1	52.1	52.1	52.1	45.9	51.3	32.2	23.3	18.1	23.2
Dollars not going into Plant and CWIP			80.0	18.0	154.6	160.4	18.0	18.1	18.0	18.0	18.0	18.0	18.0	23.3	18.0	23.3	18.1	23.2

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
****************CASH FLOW STATEMENT (P. 11)********																			
Construction	input	662.5	403.8	172.9	196.5	242.5	235.9	277.8	199.4	250.3	390.1	686.1	817.2	1,078.2	1,371.2	1,259.6	1,618.3	1,829.9	11,632.2
Trust Expend.	input	90.7	[illegible]	377.8	3.6	13.0	(18.3)	(6.7)	(16.0)	(8.2)	(18.7)	27.7	(19.0)	(75.6)	29.5	(27.3)	(35.9)	16.7	465.4
AFDC		(322.5)	(182.1)	(29.3)	(16.3)	(13.1)	(18.2)	(29.7)	(9.4)	(14.6)	(28.8)	(72.1)	(136.7)	(227.3)	(342.2)	(169.4)	(313.5)	(311.3)	(2,234.5)
Debt Refunding	input	107.0	93.0	53.0	24.0	444.0	26.0	27.0	147.0	85.0	45.0	29.0	29.0	44.0	42.0	20.0	45.0	25.0	1,286.0
Preferred Refunding	input	38.0	10.6	13.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED		575.7	390.4	408.0	224.7	706.3	245.3	288.3	342.9	332.4	406.3	690.6	720.4	889.2	1,069.4	1,099.0	1,330.0	1,576.4	11,485.6
INTERNAL FUNDS PROVIDED																			
Net Income		438.8	473.9	474.7	475.4	460.7	472.0	483.6	495.6	508.4	521.7	535.5	549.8	567.3	595.8	630.4	662.1	709.5	9,959.4
- Dividends		(142.4)	(376.1)	(377.2)	(377.3)	(365.8)	(373.7)	(381.8)	(390.3)	(399.3)	(408.7)	(418.4)	(428.6)	(441.7)	(465.8)	(475.9)	(527.7)	(565.1)	(6,935.8)
- AFDC		(322.5)	(180.1)	(29.3)	(16.3)	(13.1)	(18.2)	(29.7)	(9.4)	(14.6)	(28.8)	(72.1)	(136.7)	(227.3)	(342.2)	(169.4)	(313.5)	(311.3)	(2,234.5)
Depreciation		70.3	146.3	217.5	272.8	292.8	299.2	304.6	318.0	324.1	332.0	339.2	343.3	351.4	349.1	423.2	432.9	493.1	5,309.8
Deferred FIT Net		84.1	280.6	165.0	90.8	105.2	97.0	78.3	76.4	74.9	71.0	(25.4)	(25.5)	(27.9)	(54.8)	(46.3)	(18.6)	(17.2)	906.9
Deferred ITC Net		(2.8)	(2.8)	223.5	105.7	7.0	5.1	7.3	1.1	4.8	15.7	38.2	42.5	56.2	65.5	72.8	89.4	105.2	834.4
- Working Capital		5.3	1.0	(79.0)	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	(2.7)
Total Internal Funds		130.8	341.9	595.2	552.4	488.8	483.4	465.3	494.1	502.3	506.9	402.0	339.8	284.0	154.6	422.8	338.6	424.2	6,937.5
EXTERNAL FUNDS PROVIDED																			
New Long Term Debt	input	0.0	0.0	270.0	172.0	248.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	394.0	718.0	530.0	793.0	928.0	4,053.0
Trust Liability		1.0	0.0	(100.0)	(500.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	1.3	(11.1)	(12.5)	(13.3)	(637.6)
Preferred Stock	input	0.0	0.0	0.0	0.0	(30.0)	0.0	0.0	0.0	0.0	0.0	0.0	6.0	45.0	192.0	144.0	209.0	237.0	797.0
Common Stock	input	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.0
Short Term Debt	input	380.9	248.5	(357.2)	6.3	(0.5)	(238.2)	(177.0)	(151.5)	(169.9)	(100.5)	288.6	360.7	169.2	3.5	13.2	2.0	0.5	272.6
Total External Funds		444.9	248.5	(187.2)	(327.7)	217.5	(238.2)	(177.0)	(151.5)	(169.9)	(100.5)	288.6	360.7	605.2	914.8	676.1	991.5	1,152.2	4,548.0
TOTAL FUNDS PROVIDED		575.7	590.4	408.0	224.7	706.3	245.2	288.3	342.9	332.4	406.4	690.6	710.5	889.2	1,069.4	1,098.9	1,330.1	1,576.4	11,485.5
% Net Internal Cash		38.47%	152.84%	414.52%	306.52%	213.07%	222.03%	187.54%	260.22%	213.32%	140.29%	65.47%	51.40%	33.38%	15.79%	38.79%	25.95%	27.94%	73.74%

Long Island Lighting Company 03-Jul

COMPANY FINANCIAL RUN DATED 6/27/84

SHOREHAM OPERATIONAL 7/1/85, SYNCHRONIZED 1/85

($ millions)

******************INCOME STATEMENT (P. 3)****		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Revenues - Elec	input	1,472.6	2,057.6	2,434.3	2,673.0	2,665.5	2,751.6	2,902.8	3,027.7	3,035.5	3,227.2	3,332.1	3,420.1	3,538.6	3,642.2	4,379.7	4,505.1	4,954.6	54,020.2
Revenues - Gas	input	356.2	394.0	412.3	437.3	459.9	486.4	513.4	542.7	572.9	604.9	637.2	672.1	708.7	747.5	790.7	835.5	883.2	10,054.9
Fuel - Elec	input	662.0	676.0	583.0	611.0	633.0	616.0	732.0	741.0	739.0	881.0	988.0	1,108.0	1,243.0	1,399.0	1,415.0	1,588.9	1,619.0	16,234.0
Fuel - Gas	input	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.1	366.8	388.8	412.2	436.9	463.1	490.9	520.4	551.6	584.7	6,479.6
O & M - Elec	input	163.0	223.2	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5	547.8	596.4	632.9	722.5	784.2	869.4	8,303.0
O & M - Gas	input	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7	95.0	100.7	106.8	113.2	120.0	127.2	1,407.3
Depreciation	input	70.3	146.3	217.5	272.8	294.8	299.2	304.6	318.0	324.1	332.0	339.2	343.3	351.4	349.1	423.2	432.9	493.1	5,309.8
Tax Other than Income	input	243.4	298.2	357.9	395.4	419.0	449.5	478.0	528.9	557.9	591.7	623.5	656.3	692.0	729.1	850.5	895.5	1,004.7	9,771.5
BASE GROSS PROFIT		428.1	811.6	1,075.0	1,142.4	1,054.5	1,113.8	1,084.9	1,116.9	1,081.0	1,054.3	986.2	904.9	800.7	681.9	1,125.6	968.4	1,139.7	16,569.9
Income tax paid		(2.5)	20.4	37.9	306.6	249.4	325.0	325.8	369.2	359.7	343.3	279.2	315.2	224.3	144.2	297.9	130.6	148.5	3,874.7
Deferred Income Tax	(p. 27)	79.4	142.4	179.8	111.3	105.1	97.0	88.9	76.3	74.9	70.9	71.2	(25.5)	(27.9)	(54.8)	(46.3)	(18.6)	(17.2)	906.7
Def. Inv. Tax. Credit		7.1	115.9	208.1	17.1	21.8	20.2	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,157.8
Total Tax Expense		84.0	278.7	425.6	435.0	376.3	442.7	438.3	463.6	457.0	448.5	408.7	354.4	277.2	182.4	355.2	236.0	275.6	5,939.2
OPERATING INCOME		344.1	532.9	649.4	707.4	678.2	671.1	646.6	653.3	624.0	605.8	577.5	550.5	523.5	499.5	770.4	732.4	864.1	10,630.7
Other Income (Incl FIT Credit)	inpu	22.1	32.4	64.1	25.8	28.1	40.9	61.7	78.3	93.9	107.1	104.5	79.4	47.9	37.0	40.0	41.1	45.8	950.1
AFDC	input	322.6	180.1	29.3	16.3	13.0	18.1	29.6	9.4	14.6	28.7	71.8	136.8	227.6	342.1	169.4	313.4	311.3	2,234.1
Income Before Interest		688.8	745.4	742.8	749.5	719.3	730.1	737.9	741.0	732.5	741.6	753.8	766.7	799.0	878.6	979.8	1,086.9	1,221.2	13,814.9
Interest on LTD	input	249.9	239.7	247.3	274.1	258.6	258.1	254.3	245.3	224.1	219.9	218.4	216.9	232.8	285.2	351.6	422.3	514.1	4,712.6
Interest on STD	input	0.0	32.8	20.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.6
NET INCOME		438.9	472.9	474.7	475.4	460.7	472.0	483.6	495.7	508.4	521.7	535.4	549.8	566.2	593.4	628.2	664.6	707.1	9,048.7
- Pref. Dividends	input	88.3	85.8	84.7	83.2	81.2	78.9	76.5	74.2	71.9	69.6	67.3	64.9	63.9	73.4	89.6	107.0	129.6	1,390.0
Earnings for Common		350.6	367.1	390.0	392.2	379.5	393.1	407.1	421.5	436.5	452.1	468.1	484.9	502.3	520.0	538.6	557.6	577.5	7,658.7
- Common Dividends	input	54.1	290.3	292.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1	363.7	376.6	390.0	403.9	418.3	433.2	5,535.1
RETAINED EARNINGS		296.5	96.8	97.5	98.1	94.9	98.3	101.8	105.4	109.1	113.0	117.0	121.2	125.7	130.0	134.7	139.3	144.3	2,[illegible]23.6
Trust Interest		78.2	97.6	122.8	14.0	15.0	14.7	13.3	12.0	10.7	9.2	9.7	10.2	7.8	8.2	8.8	6.6	7.0	445.8
SEC Bond Coverage Ratio		2.59	3.03	3.30	4.16	4.06	4.35	4.45	4.73	5.11	5.23	5.14	4.98	4.51	3.64	3.73	3.10	2.89	69.0
AFDC as % of Common		92.03%	46.53%	7.51%	4.16%	3.43%	4.60%	7.27%	2.23%	3.34%	6.35%	15.34%	28.21%	45.31%	65.79%	31.45%	56.20%	53.90%	4.7
% payout for common		15.43%	74.99%	74.99%	74.98%	75.00%	74.99%	75.00%	75.00%	75.01%	75.01%	75.00%	75.01%	74.98%	75.00%	75.00%	75.01%	75.01%	12.2
Return on Average Equity		16.00%	16.00%	15.50%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	2.4
Electric GWH Sales		13,315	13,566	13,753	13,954	13,990	14,083	14,370	14,675	15,059	15,512	15,974	16,443	16,909	17,382	17,865	18,350	18,839	
Cents / Kwh		11.06	15.17	17.70	19.16	19.05	19.54	20.20	20.63	20.16	20.80	20.86	20.80	20.93	20.95	24.52	24.55	26.30	
% Change			37.14%	16.70%	8.27%	-0.54%	2.55%	3.39%	2.13%	-2.30%	3.21%	0.26%	-0.29%	0.61%	0.13%	17.00%	0.14%	7.12%	
Net Present Value of Revenues - Elec		1,472.6	1,829.0	1,923.4	1,877.3	1,664.1	1,526.9	1,431.9	1,327.5	1,183.1	1,118.0	1,026.1	936.2	861.0	787.7	842.0	769.9	752.6	
Cumulative Net Present Value		1,472.6	3,301.6	5,225.0	7,102.3	8,766.4	10,293.3	11,725.2	13,052.7	14,235.8	15,353.8	16,379.9	17,316.1	18,177.1	18,964.8	19,806.8	20,576.7	21,329.3	

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*******************TAX COMPUTATION (P. 27)****

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Operating Revenue		1,828.8	2,451.6	2,846.6	3,110.3	3,125.4	3,238.0	3,416.2	3,570.4	3,608.4	3,832.1	3,969.3	4,092.2	4,247.3	4,389.7	5,170.4	5,340.6	5,837.8	64,075.1
- O&M Expense		(1,087.0)	(1,195.5)	(1,196.2)	(1,299.7)	(1,359.1)	(1,375.5)	(1,548.7)	(1,606.6)	(1,645.4)	(1,854.1)	(2,020.4)	(2,187.7)	(2,403.2)	(2,629.6)	(2,771.1)	(3,043.8)	(3,200.3)	(32,424)
- Other Taxes		(243.4)	(298.2)	(357.9)	(395.4)	(419.0)	(449.5)	(478.0)	(528.9)	(557.9)	(591.7)	(623.5)	(656.3)	(692.0)	(729.1)	(850.5)	(895.5)	(1,004.7)	(9,771.5)
- Tax Depreciation	input	(98.4)	(276.4)	(409.4)	(428.1)	(487.9)	(405.1)	(398.4)	(390.5)	(408.1)	(410.8)	(422.4)	(223.4)	(235.0)	(189.4)	(278.2)	(369.4)	(416.1)	(5,847.0)
- Total Interest Expensed		(249.9)	(272.5)	(268.1)	(274.1)	(258.6)	(258.1)	(254.3)	(245.3)	(224.1)	(219.9)	(218.4)	(216.9)	(232.8)	(285.2)	(351.6)	(422.3)	(514.1)	(4,766.2)
- Capitalized Trust Interest	input	(78.2)	(97.6)	(122.8)	(14.0)	(15.0)	(14.7)	(13.3)	(12.0)	(10.7)	(9.2)	(9.7)	(10.2)	(7.8)	(8.2)	(8.8)	(6.6)	(7.0)	(445.8)
- Capitalized Overheads	input	(25.4)	(43.5)	(12.2)	(9.0)	(11.5)	(10.9)	(12.6)	(9.5)	(11.8)	(18.1)	(30.7)	(34.0)	(42.5)	(49.0)	(54.5)	(65.2)	(75.9)	(516.1)
- Add. Tax Deductions	input	(40.0)	1.0	1.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	32.0
+ Net TEFR Interest	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Taxable Income	input	19.2	27.4	53.7	11.6	13.3	25.3	45.5	61.4	76.3	88.6	84.4	57.2	23.3	9.5	9.2	6.6	6.8	619.3
Taxable Income before NOL		25.7	296.3	534.7	703.6	589.6	751.5	759.6	842.0	830.7	820.9	733.6	825.9	663.3	515.7	872.9	553.4	636.5	10,955.9
-NOL Utilized & Offset		(15.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.6)
Taxable Income		10.1	296.3	534.7	703.6	589.6	751.5	759.6	842.0	830.7	820.9	733.6	825.9	663.3	515.7	872.9	553.4	636.5	10,940.3
NOL Carryforward	15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax @ 46%		4.6	136.3	246.0	323.7	271.2	345.7	349.4	387.3	382.1	377.6	337.5	379.9	305.1	237.2	401.5	254.6	292.8	5,032.5
Less:ITC		(7.1)	(115.9)	(208.1)	(17.1)	(21.8)	(20.7)	(23.6)	(18.1)	(22.4)	(34.3)	(58.3)	(64.7)	(80.8)	(93.0)	(103.6)	(124.0)	(144.3)	(1,157.8)
TAXES PAID		(2.5)	20.4	37.9	306.6	249.4	325.0	325.8	369.2	359.7	343.3	279.2	315.2	224.3	144.2	297.9	130.6	148.5	3,874.7
Tax @ 46% without NOL		11.8	136.3	246.0	323.7	271.2	345.7	349.4	387.3	382.1	377.6	337.5	379.9	305.1	237.2	401.5	254.6	292.8	5,039.7
ITC Max @ 85%		0.0	115.9	209.1	275.1	230.5	293.8	297.0	329.2	324.8	321.0	286.8	322.9	259.4	201.6	341.3	216.4	248.9	4,273.7
ITC GENERATED	input	30.7	36.0	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	916.6
Available ITC	241.2	271.9	300.8	208.1	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,607.5
ITC Before Carryback		7.1	115.9	208.1	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,157.8
ITC AMORTIZATION																			
Delta Def ITC Net - ITC before Carryback			(5.0)	(10.3)	(14.2)	(14.8)	(15.6)	(16.3)	(17.0)	(17.6)	(18.6)	(20.1)	(22.2)	(24.6)	(27.5)	(30.8)	(34.6)	(39.1)	(2,069.8)
Other Income - Taxable Other Income		2.9	5.0	10.4	14.2	14.8	15.6	16.2	16.9	17.6	18.5	20.1	22.2	24.6	27.5	30.8	34.5	39.0	
Deferred ITC Net / ITC Amortization		30.9	40.1	38.3	28.3	27.6	26.5	26.0	25.0	24.2	23.9	23.9	23.6	23.5	23.4	23.3	23.4	23.4	

(probably declines due to using remaining life on Shoreham and Nine Mile Pt 2 retrofits)

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		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
******************CASH FLOW STATEMENT (P. 11)*******																			
Construction	input	663.6	402.8	172.9	196.5	242.5	235.9	277.8	199.4	250.3	390.1	686.1	817.2	1,078.2	1,321.2	1,259.6	1,618.3	1,829.9	11,642.3
Trust Expend.	input	90.7	263.1	197.8	3.6	13.0	(18.3)	(6.7)	(16.0)	(8.2)	(18.7)	27.7	(19.0)	(25.6)	28.5	(27.3)	(35.9)	16.7	465.4
AFDC		(322.8)	(180.1)	(29.3)	(16.3)	(13.0)	(18.1)	(29.6)	(9.4)	(14.6)	(28.7)	(71.8)	(136.8)	(227.6)	(342.1)	(169.4)	(313.4)	(311.3)	(2,234.1)
Debt Refunding	input	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	85.0	44.0	29.0	29.0	44.0	42.0	20.0	45.0	25.0	1,286.0
Preferred Refunding	input	38.0	10.6	13.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED		576.7	589.4	408.0	224.7	706.4	245.4	288.4	342.9	332.4	406.6	690.9	710.3	888.9	1,069.5	1,099.0	1,330.1	1,576.4	11,486.1
INTERNAL FUNDS PROVIDED																			
Net Income		438.9	472.9	474.7	475.4	460.7	472.0	483.6	495.7	508.4	521.7	535.4	549.8	566.2	593.4	628.2	664.6	707.1	9,048.7
- Dividends		(142.4)	(376.1)	(377.2)	(377.3)	(365.8)	(373.7)	(381.8)	(390.3)	(399.3)	(408.7)	(418.4)	(428.6)	(440.5)	(463.4)	(493.5)	(525.3)	(562.8)	(6,925.1)
- AFDC		(322.6)	(180.1)	(29.3)	(16.3)	(13.0)	(18.1)	(29.6)	(9.4)	(14.6)	(28.7)	(71.8)	(136.8)	(227.6)	(342.1)	(169.4)	(313.4)	(311.3)	(2,234.1)
Depreciation		70.3	146.3	217.5	272.8	292.8	299.2	304.6	318.0	324.1	332.0	339.2	343.3	351.4	349.1	423.2	432.9	493.1	5,309.8
Deferred FIT Net	input	79.4	142.4	179.6	111.3	105.1	97.0	88.9	76.3	74.9	70.9	71.2	(25.5)	(27.9)	(54.8)	(46.3)	(18.6)	(17.2)	906.7
Deferred ITC Net	input	4.2	110.9	197.8	2.9	7.0	5.1	7.3	1.1	4.8	15.7	38.2	42.5	56.2	65.5	72.8	89.4	105.2	826.6
- Working Capital	input	5.3	1.0	(79.0)	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	(2.7)
Total Internal Funds		133.1	317.3	584.1	470.8	488.8	483.5	476.0	494.4	502.3	506.9	498.8	349.7	283.8	154.7	423.0	338.6	424.1	6,929.9
EXTERNAL FUNDS PROVIDED																			
New Long Term Debt	input	0.0	0.0	303.0	254.0	225.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	308.0	718.0	530.0	792.0	930.0	4,060.0
Trust Liability		1.0	0.0	(100.0)	(500.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	1.3	(11.1)	(12.5)	(13.3)	(637.6)
Preferred Stock	input	0.0	0.0	0.0	0.0	(7.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.0	192.0	144.0	210.0	236.0	798.0
Common Stock	input	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.0
Short Term Debt	input	379.7	272.1	(379.1)	(0.1)	(0.5)	(238.3)	(187.6)	(151.5)	(169.9)	(100.6)	191.7	360.8	277.5	3.5	13.1	1.9	(0.5)	272.2
Total External Funds		443.7	272.1	(476.1)	(246.1)	217.5	(238.3)	(187.6)	(151.5)	(169.9)	(100.6)	191.7	360.8	605.5	914.8	676.0	991.4	1,152.2	4,555.6
TOTAL FUNDS PROVIDED		576.8	589.4	408.0	224.7	706.3	245.2	288.4	342.9	332.4	406.3	690.5	710.5	889.3	1,069.5	1,099.0	1,330.0	1,576.3	11,485.5
% Net Internal Cash		39.02%	142.48%	406.78%	261.29%	212.98%	222.00%	191.77%	260.20%	213.10%	140.26%	81.21%	51.39%	33.36%	15.80%	38.80%	25.95%	27.93%	73.66%

			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
******************BALANCE SHEET (P. 15)****************																			
Gross Plant (Incl. AFDC)	input		2,297.9	6,456.7	6,586.3	7,842.4	8,015.8	8,164.9	8,332.1	8,709.3	8,8[illegible]9.1	9,086.2	9,315.3	9,523.3	9,778.1	10,018.6	12,633.4	12,933.2	14,617.7
Deprec. Reserve	(sum)		(780.5)	(926.8)	(1,144.3)	(1,417.1)	(1,709.9)	(2,009.1)	(2,313.7)	(2,631.7)	(2,955.8)	(3,287.9)	(3,627.0)	(3,970.3)	(4,321.7)	(4,670.8)	(5,094.0)	(5,526.9)	(6,020.0)
Deprec. Reserve - other			0.0	24.2	48.4	86.2	138.3	190.4	242.6	294.7	346.8	398.9	451.0	497.0	548.2	580.4	603.8	621.8	645.1
CWIP	input		4,880.7	1,307.3	1,530.3	319.9	241.3	291.8	377.5	165.8	200 0	366.3	832.7	1,405.1	2,179.9	3,271.0	1,865.2	3,129.8	3,268.6
Net Work Capit (Excl STD)		(74.[illegible])	(80.0)	(81.0)	(2.0)	(4.0)	(6.0)	(8.0)	(11.0)	(14.0)	(18.0)	(22.0)	(27 0)	(32.0)	(38.0)	(45.0)	(53.0)	(62.0)	(72.0)
Deferred Debits	input		0.0	55.8	49.6	166.4	274.8	240.6	206.5	172.4	138.3	104.2	70.1	42.2	14.2	0.0	0.0	0.0	0.0
TOTAL ASSETS			6,318.1	6,836.2	7,068.3	6,993.8	6,954.3	6,870.6	6,834.0	6,696.5	6,610.4	6,645.8	7,015.1	7,465.3	8,160.7	9,154.2	9,955.4	11,095.9	12,439.4
Common Stock		1,425.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2
Retained Earnings		586.4	882.9	979.7	1,077.2	1,175.3	1,270.2	1,368.5	1,470.3	1,575.7	1,684.8	1,797.8	1,914.8	2,036.0	2,161.7	2,291.7	2,426.3	2,565.7	2,710.0
Total Common Equity		2,011.6	2,371.1	2,467.9	2,565.4	2,663.5	2,758.4	2,856.7	2,958.5	3,063.9	3,173.0	3,286.0	3,403.0	3,524.2	3,649.9	3,779.9	3,914.5	4,053.9	4,198.2
Preferred Stock		800.1	762.1	751.4	737.8	720.9	694.0	674.1	654.2	634.3	614.4	594.5	574.6	554.7	557.8	729.9	857.8	1,051.7	1,271.6
Long Term Debt		2,287.7	2,180.7	2,087.7	2,337.7	2,567.7	2,348.7	2,322.7	2,295.7	2,146.7	2,061.7	2,017.7	1,988.7	1,959.7	2,223.7	2,899.7	3,409.7	4,156.7	5,061.7
Trust Liability		599.0	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	(1.7)	(12.8)	(25.3)	(38.6)
Short Term Debt		(273.0)	106.7	378.8	(0.3)	(0.4)	(0.9)	(239.2)	(426.8)	(578.3)	(748.2)	(848.8)	(657.1)	(296.3)	(18.8)	(15.3)	(2.2)	(0.3)	(6.8)
Def. Inc. Taxes		128.6	208.0	350.4	530.0	641.3	746.4	843.4	932.3	1,008.6	1,083.5	1,154.4	1,225.6	1,200.1	1,172.2	1,117.4	1,071.1	1,052.5	1,035.3
Def. ITC		85.4	89.6	200.5	398.3	401.2	408.2	413.3	420.6	421.7	426.5	442.2	480.4	522.9	579.1	644.6	717.4	806.8	912.0
TOTAL LIABILITIES			6,318.1	6,836.7	7,068.9	6,994.2	6,954.8	6,871.0	6,834.5	6,696.9	6,610.9	6,646.0	7,015.2	7,465.3	8,160.9	9,154.5	9,955.5	11,096.0	12,439.4
Other Liabilities			1.0)	(0.5)	(0.6)	(0.4)	(0.5)	(0.4)	(0.5)	(0.4)	(0.5)	(0.2)	(0.1)	.0	(0.2)	(0.3)	(0.1)	(0.1)	.0
TOTAL LIAB, DEBT & EQUITY			6,318.1	6,836.2	7,068.3	6,993.8	6,954.3	6,870.6	6,834.0	6,696.5	6,610.4	6,645.8	7,015.1	7,465.3	8,160.7	9,154.2	9,955.4	11,095.9	12,439.4
% Common			39.38%	39.26%	41.78%	44.75%	47.56%	50.88%	53.97%	58.18%	62.20%	65.08%	64.10%	61.37%	56.94%	51.13%	47.93%	43.89%	40.01%
% Preferred			12.66%	11.95%	12.01%	12.11%	11.97%	12.01%	11.93%	12.04%	12.04%	11.77%	10.82%	9.66%	8.70%	9.87%	10.50%	11.39%	12.12%
% Long Term Debt & Trust			46.19%	42.76%	46.21%	43.14%	40.49%	41.37%	41.88%	40.76%	40.42%	39.96%	37.46%	34.13%	34.65%	39.20%	41.59%	44.73%	47.88%
% Short Term Debt			1.77%	6.03%	.00%	-0.01%	-0.02%	-4.26%	-7.79%	-10.98%	-14.67%	-16.81%	-12.38%	-5.16%	-0.29%	-0.21%	-0.03%	.00%	-0.01%
TOTAL			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LILCO Resources Trust Investment			11.5	20.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6	77.7	61.3	88.5	72.3	48.9	78.9
LILCO 9 Mile 2 Trust Investment			142.8	395.4	604.6														
LILCO NMP2 Nuc Fuel Trust			6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3	6.2	0.0	0.0	0.0	0.0	0.0
Total LILCO Trust Investment			160.4	423.5	721.2	130.3	143.[illegible]	124.9	118.1	102.2	93.9	75.2	102.9	83.9	61.3	88.5	72.3	48.9	78.9
Change in Trust Investment				263.1	297.7	(590.9)	12.8	(18.2)	(6.8)	(15.9)	(8.3)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
Change in Trust Investment in Cashflow				263.1	297.8	503.6	13.0	(18.3)	(6.7)	(16.0)	(8.2)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
						Not same?													
Deprec. Reserve	input		(780.5)	(902.6)	(1,095.9)	(1,330.9)	(1,571.6)	(1,818.7)	(2,071.1)	(2,337.0)	(2,609.0)	(2,888.9)	(3,176.0)	(3,473.3)	(3,773.5)	(4,090.4)	(4,490.2)	(4,905.1)	(5,374.9)
Shoreham Retrofit	input			22.7	44.6	48.2	46.4	21.7	26.1	27.1	25.9	31.1	32.9	30.8	37.0	39.2	36.7	44.1	46.7
Nine Mile Retrofit	input				13.0	14.0	14.0	15.0	8.0	8.5	9.0	9.5	10.1	10.7	11.3	12.0	12.8	13.5	14.3
Construction + Trust Expend			754.3	665.9	370.7	200.1	255.5	217.6	271.1	183.4	242.1	371.4	713.8	798.2	1,052.6	1,349.7	1,232.3	1,582.4	1,846.6
Change in Plant and CWIP				585.[illegible]	352.6	45.7	94.8	199.6	252.9	165.5	224.0	353.4	695.5	780.4	1,029.6	1,331.6	1,209.0	1,564.4	1,823.3
Dollars not going into Plant and CWIP				80.5	18.1	154.4	160.7	18.0	18.2	17.9	18.1	18.0	18.3	17.8	23.0	18.1	23.3	18.0	23.3
Change in Deferred Debit				55.8	(6.2)	1[illegible]6.8	108.4	(34.2)	(34.1)	(34.1)	(34.1)	(34.1)	(34.1)	(27.9)	(28.0)	(14.2)	0.0	0.0	0.0
Chnge in Dep Res - Other				24.2	24.2	37.8	52.1	52.1	52.2	52.1	52.1	52.1	52.1	46.0	51.2	32.2	23.4	18.0	23.3
Dollars not going into Plant and CWIP				80.0	18.0	154.6	160.5	17.9	18.1	18.0	18.0	18.0	18.0	18.1	23.2	18.0	23.4	18.0	23.3

Long Island Lighting Company 03-Jul
COMPANY FINANCIAL RUN DATED 6/27/84
SHOREHAM OPERATIONAL 10/1/85, SYNCHRONIZED 3/85
($ millions)

******************INCOME STATEMENT (P. 3)****		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Revenues - Elec	input	1,472.6	1,891.8	2,473.5	2,708.0	2,692.4	2,775.7	2,928.4	3,050.6	3,057.8	3,248.9	3,353.4	3,441.2	3,558.9	3,662.0	4,397.4	4,522.6	4,971.2	54,206.4
Revenues - Gas	input	356.2	393.6	412.5	437.0	459.5	486.0	512.9	542.2	572.4	604.4	636.7	671.6	708.3	747.1	790.3	835.1	882.9	10,048.7
Fuel - Elec	input	662.0	726.0	583.0	615.0	636.0	616.0	734.0	741.0	739.0	881.0	988.0	1,108.0	1,243.0	1,399.0	1,415.0	1,588.0	1,619.0	16,293.0
Fuel - Gas	input	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.1	366.8	388.8	412.2	436.9	463.1	490.9	520.4	551.6	584.7	6,479.6
O & M - Elec	input	163.0	207.1	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5	547.8	596.4	632.9	722.5	784.2	869.4	8,286.9
O & M - Gas	input	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7	95.0	100.7	106.8	113.2	120.0	127.2	1,407.3
Depreciation	input	70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0	348.0	356.1	353.8	427.8	437.5	497.7	5,347.8
Tax Other than Income	input	243.4	276.1	359.4	396.8	420.1	450.5	479.0	529.8	558.8	592.5	624.3	657.1	692.8	729.8	851.2	896.2	1,005.3	9,763.1
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BASE GROSS PROFIT		428.1	666.3	1,108.1	1,166.9	1,072.1	1,131.8	1,102.3	1,133.7	1,097.2	1,069.[illegible]	1,001.4	920.0	815.1	695.9	1,137.6	980.2	1,150.8	16,677.4
Income tax paid		(2.5)	5.8	37.3	223.0	251.2	327.7	328.5	371.9	362.4	346.0	281.9	319.7	228.5	148.2	301.0	133.6	151.3	3,815.6
Deferred Income Tax	(p. 27)	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0	(25.3)	(27.6)	(54.4)	(45.7)	(17.8)	(16.3)	943.6
Def. Inv. Tax. Credit		7.1	32.6	211.3	102.3	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,162.9
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Total Tax Expense		84.0	199.0	430.4	438.4	379.7	447.1	442.6	467.9	461.3	452.9	413.2	359.1	281.7	186.8	358.9	239.8	279.3	5,922.1
OPERATING INCOME		344.1	467.3	677.7	728.5	692.4	684.8	659.7	665.8	635.9	617.0	588.2	560.9	533.4	509.1	778.7	740.4	871.5	10,755.3
Other Income (Incl FIT Credit)	inpu	22.1	31.3	62.0	25.3	28.7	41.4	62.9	80.1	96.3	110.1	108.2	83.6	51.0	38.7	42.0	43.5	48.5	975.7
AFDC	input	322.6	263.3	29.4	16.2	13.0	18.1	[illegible]9.5	9.3	14.6	28.6	71.5	136.4	226.9	341.1	169.1	312.9	310.8	2,313.3
Income Before Interest		688.8	761.9	769.1	770.0	734.1	744.3	752.1	755.2	746.8	755.7	767.9	780.9	811.3	888.9	989.8	1,096.8	1,230.8	14,044.3
Interest on LTD	input	249.9	239.7	260.1	294.7	272.3	270.0	266.2	257.2	236.0	231.8	230.3	228.8	24[illegible] 2	294.0	360.2	430.6	522.3	4,887.3
Interest on STD	input	0.0	49.3	34.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.6
NET INCOME		438.9	472.9	474.7	475.3	461.8	474.3	485.9	498.0	510.8	523.9	537.6	552.1	568.1	594.9	629.6	666.2	708.5	9,073.4
- Pref. Dividends	input	88.3	85.8	84.7	83.2	82.3	81.2	78.9	76.5	74.2	71.9	69.6	67.3	65.8	74.9	91.0	108.4	130.9	1,414.9
Earnings for Common		350.6	387.1	390.0	392.1	379.5	393.1	407.0	421.5	436.6	452.0	468.0	484.8	502.3	520.0	538.6	557.8	577.6	7,658.5
- Common Dividends	input	54.1	290.3	292.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1	363.7	376.6	390.0	403.9	418.3	433.2	5,535.1
RETAINED EARNINGS		296.5	96.8	97.5	98.0	94.9	98.3	101.7	105.4	109.2	112.9	116.9	121.1	125.7	130.0	134.7	139.5	144.4	2,123.4
Trust Interest		78.2	97.9	123.5	14.9	16.0	15.8	14.6	13.5	12.3	11.0	11.7	12.4	10.3	11.0	11.9	10.1	10.8	475.9
SEC Bond Coverage Ratio		2.59	2.74	3.17	3.95	3.92	4.22	4.31	4.57	4.92	5.02	4.93	4.78	4.35	3.56	3.66	3.06	2.85	66.6
AFDC as % of Common		92.01%	68.02%	7.54%	4.13%	3.43%	4.61%	7.25%	2.21%	3.34%	6.33%	15.28%	28.13%	45.17%	65.60%	31.40%	56.10%	53.81%	4.9
% payout for common		15.43%	75.00%	75.00%	75.01%	75.00%	75.00%	75.01%	75.00%	74.99%	75.02%	75.02%	75.02%	74.98%	75.00%	74.99%	75.00%	75.01%	12.2
Return on Average Equity		16.00%	16.00%	15.50%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	2.4
Electric GWH Sales		13,315	13,566	13,753	13,954	13,990	14,083	14,370	14,675	15,059	15,512	15,974	16,443	16,909	17,382	17,865	18,350	18,839	
Cents / Kwh		11.06	13.95	17.99	19.41	19.25	19.71	20.38	20.79	20.31	20.94	20.99	20.93	21.05	21.07	24.61	24.65	26.39	
% Change			26.09%	28.97%	7.90%	-0.83%	2.41%	3.39%	2.01%	-2.32%	3.15%	0.23%	-0.31%	0.57%	0.10%	16.84%	0.13%	7.07%	
Net Present Value of Revenues - Elec		1,472.6	1,681.6	1,954.4	1,901.9	1,680.9	1,540.3	1,444.5	1,337.6	1,191.8	1,125.5	1,032.7	942.0	865.9	792.0	845.4	772.9	755.1	
Cumulative Net Present Value		1,472.6	3,154.2	5,108.6	7,010.5	8,691.3	10,231.7	11,676.1	13,013.7	14,205.5	15,331.0	16,363.7	17,305.7	18,171.6	18,963.6	19,809.0	20,581.9	21,337.0	

********************TAX COMPUTATION (P. 27)****

			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Operating Revenue			1,828.8	2,285.4	2,886.0	3,145.0	3,151.9	3,261.7	3,441.3	3,592.8	3,630.2	3,853.3	3,990.1	4,112.8	4,267.2	4,409.1	5,187.7	5,357.7	5,854.1	64,255.1
- O&M Expense			(1,087.0)	(1,229.4)	(1,196.2)	(1,303.7)	(1,362.1)	(1,375.5)	(1,550.7)	(1,606.6)	(1,645.4)	(1,854.1)	(2,020.4)	(2,187.7)	(2,403.2)	(2,629.6)	(2,771.1)	(3,043.8)	(3,200.3)	(32,467)
- Other Taxes			(243.4)	(276.1)	(359.4)	(396.8)	(420.1)	(450.5)	(479.0)	(529.8)	(558.8)	(592.5)	(624.3)	(657.1)	(692.8)	(729.8)	(851.2)	(896.2)	(1,005.3)	(9,763.1)
- Tax Depreciation	input		(98.4)	(279.7)	(415.2)	(433.1)	(492.1)	(409.2)	(402.5)	(394.3)	(411.9)	(414.5)	(426.1)	(223.4)	(235.0)	(189.4)	(278.2)	(369.4)	(416.1)	(5,888.5)
- Total Interest Expensed			(249.9)	(289.0)	(294.4)	(294.7)	(272.3)	(270.0)	(266.2)	(257.2)	(236.0)	(231.8)	(230.3)	(228.8)	(243.2)	(294.0)	(360.2)	(430.6)	(522.3)	(4,970.9)
- Capitalized Trust Interes	input		(78.2)	(97.9)	(123.5)	(14.9)	(16.0)	(15.8)	(14.6)	(13.5)	(12.3)	(11.0)	(11.7)	(12.4)	(10.3)	(11.0)	(11.9)	(10.1)	(10.8)	(475.9)
- Capitalized Overheads	input		(25.4)	(58.5)	(12.2)	(9.0)	(11.5)	(10.9)	(12.4)	(9.5)	(11.8)	(18.1)	(30.7)	(34.0)	(42.5)	(49.0)	(54.5)	(65.2)	(75.9)	(531.1)
- Add. Tax Deductions	input		(40.0)	1.0	1.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	32.0
+ Net TEFR Interest	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Taxable Income	input		19.2	27.7	54.3	12.4	13.7	25.7	46.5	63.0	78.5	91.4	87.9	61.2	26.2	11.1	11.0	8.7	9.3	647.8
Taxable Income before NOL			25.7	83.5	540.4	707.2	593.5	757.5	765.4	847.9	836.5	826.7	739.5	835.6	672.4	524.4	879.6	560.1	642.7	10,838.6
-NOL Utilized & Offset			(15.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.7)
Taxable Income			10.0	83.5	540.4	707.2	593.5	757.5	765.4	847.9	836.5	826.7	739.5	835.6	672.4	524.4	879.6	560.1	642.7	10,822.9
NOL Carryforward		15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax @ 46%			4.6	38.4	248.6	325.3	273.0	346.4	352.1	390.0	384.8	380.3	340.2	384.4	309.3	241.2	404.6	257.6	295.6	4,978.5
Less:ITC			(7.1)	(32.6)	(211.3)	(102.3)	(21.8)	(20.7)	(23.6)	(18.1)	(22.4)	(34.3)	(58.3)	(64.7)	(80.8)	(93.0)	(103.6)	(124.0)	(144.3)	(1,162.9)
TAXES PAID			(2.5)	5.8	37.3	223.0	251.2	327.7	328.5	371.9	362.4	346.0	281.9	319.7	228.5	148.2	301.0	133.6	151.3	3,815.6
Tax @ 46% without NOL			11.8	38.4	248.6	325.3	273.0	348.4	352.1	390.0	384.8	380.3	340.2	384.4	309.3	241.2	404.6	257.6	295.6	4,985.8
ITC Max @ 85%			0.0	32.6	211.3	276.5	232.1	296.2	299.3	331.5	327.1	323.2	289.1	326.[illegible]	262.9	205.0	343.9	219.0	251.3	4,227.7
ITC GENERATED	input		30.7	41.1	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	921.7
Available ITC		241.2	271.9	305.9	296.5	102.3	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,786.2
ITC Before Carryback			7.1	32.6	211.3	102.3	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,162.9
ITC AMORTIZATION																				
Delta Def ITC Net - ITC before Carryback				(3.6)	(7.7)	(12.8)	(15.0)	(15.7)	(16.5)	(17.2)	(17.8)	(18.7)	(20.3)	(22.4)	(24.7)	(27.7)	(31.0)	(34.8)	(39.2)	(2,083.2)
Other income - Taxable Other Income			2.9	3.6	7.7	12.9	15.0	15.7	16.4	17.1	17.8	18.7	20.3	22.4	24.8	27.6	31.0	34.8	39.2	
Deferred ITC Net / ITC Amortization			30.9	32.9	41.8	31.9	27.9	27.0	26.3	25.2	24.5	24.2	24.1	23.8	23.7	23.7	23.4	23.4	23.5	

(probably declines due to using remaining life on Shoreham and Nine Mile Pt 2 retrofits)

******************CASH FLOW STATEMENT (P. 11)*******

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
Construction	input	663.6	545.0	173.0	196.4	242.4	235.0	277.6	199.4	250.2	389.9	685.6	816.9	1,077.8	1,320.1	1,259.2	1,617.8	1,829.4	11,779.3
Trust Expend.	input	90.7	269.4	198.5	5.5	14.0	(17.2)	5.4	(14.5)	(6.6)	(16.9)	29.7	(16.8)	(23.1)	31.3	(24.2)	(32.4)	20.6	513.4
AFDC		(322.6)	(263.3)	(29.4)	(16.2)	(13.0)	(18.1)	(29.5)	(9.3)	(14.6)	(28.6)	(71.5)	(136.4)	(226.9)	(341.1)	(169.1)	(312.9)	(310.8)	(2,313.3)
Debt Refunding	input	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	85.0	44.0	29.0	29.[illegible]	44.0	42.0	20.0	45.0	25.0	1,286.0
Preferred Refunding	input	38.0	10.6	13.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED		576.7	654.7	408.7	226.6	707.3	245.6	300.4	344.5	333.9	408.3	692.7	712.6	891.7	1,072.2	1,102.0	1,333.6	1,580.3	11,591.9
INTERNAL FUNDS PROVIDED																			
Net Income		438.9	472.9	474.7	475.3	461.8	474.3	485.9	498.0	510.8	523.9	537.6	552.1	568.1	594.9	629.6	666.2	708.5	9,073.4
- Dividends		(142.4)	(376.1)	(377.2)	(377.3)	(366.9)	(376.0)	(384.2)	(392.6)	(401.6)	(411.0)	(420.7)	(431.0)	(442.4)	(464.9)	(494.9)	(526.7)	(564.1)	(6,950.0)
- AFDC		(322.6)	(263.3)	(29.4)	(16.2)	(13.0)	(18.1)	(29.5)	(9.3)	(14.6)	(28.6)	(71.5)	(136.4)	(226.9)	(341.1)	(169.1)	(312.9)	(310.8)	(2,313.3)
Depreciation		70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0	348.0	356.1	353.8	427.8	437.5	497.7	5,347.8
Deferred FIT Net	input	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0	(25.3)	(27.6)	(54.4)	(45.7)	(17.8)	(16.3)	943.6
Deferred ITC Net	input	4.2	29.0	203.6	89.5	6.8	5.0	7.1	0.9	4.6	15.6	38.0	42.3	56.1	65.3	72.6	89.2	105.1	834.9
- Working Capital	input	5.3	1.0	(79.0)	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	(2.7)
Total Internal Funds		133.1	137.7	596.8	564.0	495.6	489.7	482.1	500.6	508.5	513.3	505.4	354.7	289.4	160.6	428.3	344.5	430.1	6,933.7
EXTERNAL FUNDS PROVIDED																			
New Long Term Debt	input	0.0	0.0	536.0	163.0	191.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	281.0	716.0	527.0	792.0	927.0	4,133.0
Trust Liability		1.0	0.0	(100.0)	(500.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	1.3	(11.1)	(12.5)	(13.3)	(637.6)
Preferred Stock	input	0.0	0.0	0.0	0.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0	191.0	144.0	209.0	236.0	817.0
Common Stock	input	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.0
Short Term Debt	input	379.7	517.1	(624.0)	(0.3)	0.4	(243.3)	(192.7)	(156.2)	(174.5)	(105.1)	187.1	357.9	308.5	3.3	13.9	0.6	0.5	272.9
Total External Funds		443.7	517.1	(188.0)	(337.3)	212.4	(243.3)	(192.7)	(156.2)	(174.5)	(105.1)	187.1	357.9	602.5	911.6	673.8	989.1	1,150.2	4,648.3
TOTAL FUNDS PROVIDED		576.8	654.8	408.8	226.7	707.4	246.4	289.4	344.4	334.0	408.2	692.5	712.6	891.9	1,072.2	1,102.1	1,333.6	1,580.3	11,582.0
% Net Internal Cash		39.03%	48.88%	415.61%	312.98%	215.78%	225.75%	194.32%	263.32%	215.84%	142.08%	82.30%	52.13%	34.01%	16.40%	39.29%	26.40%	28.32%	73.25%

			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
##################BALANCE SHEET (P. 15)################																			
Gross Plant (Incl. AFDC)	input		2,297.9	6,598.9	6,728.5	7,984.6	8,158.0	8,307.0	8,474.3	8,851.3	9,041.1	9,228.1	9,457.2	9,665.2	9,919.9	10,160.4	12,773.0	13,072.7	14,756.5
Deprec. Reserve	(sum)		(780.5)	(894.1)	(1,116.4)	(1,394.0)	(1,691.6)	(1,995.5)	(2,304.8)	(2,627.5)	(2,956.3)	(3,293.1)	(3,637.1)	(3,985.1)	(4,341.2)	(4,695.0)	(5,122.8)	(5,560.3)	(6,058.0)
Deprec. Reserve - other			0.0	24.2	48.5	86.4	138.5	190.6	242.7	294.8	346.9	399.1	451.2	497.2	548.4	580.6	603.9	621.8	645.1
CWIP	input		4,880.7	1,313.6	1,537.5	328.8	251.3	302.9	389.8	179.7	215.5	383.4	851.7	1,425.8	2,202.5	3,295.4	1,894.6	3,162.1	3,305.1
Net Work Capit (Excl STD)		(74.7)	(80.0)	(81.0)	(2.0)	(4.0)	(6.0)	(8.0)	(11.0)	(14.0)	(18.0)	(22.0)	(27.0)	(32.0)	(38.0)	(45.0)	(53.0)	(62.0)	(72.0)
Deferred Debits	input		0.0	55.8	49.6	166.5	274.8	240.7	206.6	172.4	138.3	104.2	70.1	42.2	14.2	0.0	0.0	0.0	0.0
TOTAL ASSETS			6,318.1	7,017.4	7,245.7	7,168.3	7,125.0	7,037.7	6,997.6	6,856.7	6,767.5	6,799.7	7,166.1	7,613.3	8,305.8	9,296.4	10,095.7	11,234.3	12,576.7
Common Stock		1,425.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2
Retained Earnings		586.4	882.9	979.7	1,077.2	1,175.2	1,270.1	1,368.3	1,470.1	1,575.4	1,684.6	1,797.5	1,914.5	2,035.6	2,161.3	2,291.3	2,426.0	2,565.4	2,709.8
Total Common Equity		2,011.6	2,371.1	2,467.9	2,565.4	2,663.4	2,758.3	2,856.5	2,958.3	3,063.6	3,172.8	3,285.7	3,402.7	3,523.8	3,649.5	3,779.5	3,914.2	4,053.6	4,198.0
Preferred Stock		800.1	762.1	751.4	737.8	720.9	722.0	702.1	682.2	662.3	642.4	622.5	602.6	582.7	578.8	749.9	877.8	1,070.7	1,290.6
Long Term Debt		2,287.7	2,180.7	2,087.7	2,570.7	2,709.7	2,456.7	2,430.7	2,403.7	2,254.7	2,169.7	2,125.7	2,096.7	2,067.7	2,304.7	2,978.7	3,485.7	4,232.7	5,134.7
Trust Liability		599.0	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	(1.7)	(12.8)	(25.3)	(58.6)
Short Term Debt		(273.0)	106.7	623.8	(0.2)	(0.5)	(0.1)	(243.4)	(436.1)	(592.3)	(766.8)	(871.9)	(684.8)	(326.9)	(18.4)	(15.1)	(1.2)	(0.6)	(0.1)
Def. Inc. Taxes		128.6	208.0	368.6	550.4	663.5	770.2	868.8	959.3	1,037.2	1,113.7	1,186.3	1,259.3	1,234.0	1,206.4	1,152.0	1,106.3	1,088.5	1,072.2
Def. ITC		85.4	89.6	118.6	322.2	411.7	418.5	423.5	430.6	431.5	436.1	451.7	489.7	532.0	588.1	653.4	726.0	815.2	920.3
TOTAL LIABILITIES			6,318.2	7,018.0	7,246.3	7,168.7	7,125.6	7,038.2	6,998.0	6,857.0	6,767.9	6,800.0	7,166.2	7,613.3	8,306.1	9,296.7	10,096.0	11,234.8	12,577.1
Other Liabi. es			(0.1)	(0.6)	(0.6)	(0.4)	(0.6)	(0.5)	(0.4)	(0.3)	(0.4)	(0.3)	(0.1)	.0	(0.3)	(0.3)	(0.3)	(0.5)	(0.4)
TOTAL LIAB, DEBT & EQUITY			6,318.1	7,017.4	7,245.7	7,168.3	7,125.0	7,037.7	6,997.6	6,856.7	6,767.5	6,799.7	7,166.1	7,613.3	8,305.8	9,296.4	10,095.7	11,234.3	12,576.7
% Common			39.38%	37.79%	40.25%	43.71%	46.46%	49.71%	52.75%	56.86%	60.80%	63.65%	62.81%	60.26%	56.05%	50.45%	47.37%	43.44%	39.66%
% Preferred			12.66%	11.51%	11.58%	11.83%	12.16%	12.22%	12.16%	12.29%	12.31%	12.06%	11.12%	9.97%	8.89%	10.01%	10.62%	11.47%	12.19%
% Long Term Debt & Trust			46.19%	41.15%	48.18%	44.47%	41.38%	42.30%	42.86%	41.84%	41.58%	41.18%	38.70%	35.36%	35.35%	39.74%	42.03%	45.09%	48.15%
% Short Term Debt			1.77%	9.55%	.00%	-0.01%	.00%	-4.24%	-7.78%	-10.99%	-14.69%	-16.89%	-12.64%	-5.59%	-0.28%	-0.20%	-0.01%	-0.01%	.00%
TOTAL			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LILCO Resources Trust Investment			11.5	20.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6	77.7	61.3	88.5	72.3	48.9	78.9
LILCO 9 Mile 2 Trust Investment			142.8	395.4	604.6														
LILCO NMP2 Nuc Fuel Trust			6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3	6.2	0.0	0.0	0.0	0.0	0.0
Total LILCO Trust Investment			160.4	423.5	721.2	130.3	143.1	124.9	118.1	102.2	93.9	75.2	102.9	83.9	61.3	88.5	72.3	48.9	78.9
Change in Trust Investment				263.1	297.7	(590.9)	12.8	(18.2)	(6.8)	(15.9)	(8.3)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
Change in Trust Investment in Cashflow				269.4	298.5	505.5	14.0	(17.2)	5.4	(14.5)	(6.6)	(16.9)	29.7	(16.8)	(20.1)	30.0	(13.1)	(19.9)	33.9
						Not same?													
Deprec. Reserve	input		(780.5)	(869.9)	(1,067.9)	(1,307.6)	(1,553.1)	(1,804.9)	(2,062.1)	(2,332.7)	(2,609.4)	(2,894.0)	(3,185.9)	(3,487.9)	(3,792.8)	(4,114.4)	(4,518.9)	(4,938.5)	(5,412.9)
Shoreham Retrofit	input			22.7	44.6	48.2	46.4	21.7	26.1	27.1	25.9	31.1	32.9	30.8	37.0	39.2	36.7	44.1	46.7
Nine Mile Retrofit	input				13.0	14.0	14.0	15.0	8.0	8.5	9.0	9.5	10.1	10.7	11.3	12.0	12.8	13.5	14.3
Construction + Trust Expend			754.3	814.4	371.5	201.9	256.4	217.8	283.0	184.9	243.6	373.0	715.3	800.1	1,054.7	1,351.4	1,235.0	1,585.4	1,850.0
Change in Plant and CWIP				733.9	353.5	47.4	95.9	200.6	254.2	166.9	225.6	354.9	697.4	782.1	1,031.4	1,333.4	1,211.8	1,567.2	1,826.8
Dollars not going into Plant and CWIP				80.5	18.0	154.5	160.5	17.2	28.8	18.0	18.0	18.1	17.9	18.0	23.3	18.0	23.2	18.2	23.2
Change in Deferred Debit				55.8	(6.2)	116.9	108.3	(34.1)	(34.1)	(34.2)	(34.1)	(34.1)	(34.1)	(27.9)	(28.0)	(14.2)	0.0	0.0	0.0
Chnge in Dep Res - Other				24.2	24.3	37.9	52.1	52.1	52.1	52.1	52.1	52.2	52.1	46.0	51.2	32.2	23.3	17.9	23.3
Dollars not going into Plant and CWIP				80.0	18.1	154.8	160.4	18.0	18.0	17.9	18.0	18.1	18.0	18.1	23.2	18.0	23.3	17.9	23.3

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Long Island Lighting Company 03-Jul

COMPANY FINANCIAL RUN DATED 6/27/84

EFFECT OF THREE MONTH EARLIER OPERATION, BOTH SYNCHRONIZED IN 1985

($ millions)

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000		
******************INCOME STATEMENT (P. 3)****																				
Revenues - Elec	input	0.0	165.8	(39.2)	(35.0)	(26.9)	(24.1)	(25.6)	(22.9)	(22.3)	(21.7)	(21.3)	(21.1)	(20.3)	(19.8)	(17.7)	(17.5)	(16.6)	(186.2)	
Revenues - Gas	input	0.0	0.4	(0.2)	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	6.2	
Fuel - Elec	input	0.0	(50.0)	0.0	(4.0)	(3.0)	0.0	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(59.0)	
Fuel - Gas	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(59.0)
O & M - Elec	input	0.0	16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.1	
O & M - Gas	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.1
Depreciation	input	0.0	37 7	(4.8)	(4.8)	(4.8)	(4.7)	(4.7)	(4.7)	(4.7)	(4.8)	(4.8)	(4.7)	(4.7)	(4.7)	(4.6)	(4.6)	(4.6)	(38.0)	
Tax Other than Income	input	0.0	22.1	(1.5)	(1.4)	(1.1)	(1.0)	(1.0)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	8.4	
		------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	0.0	
BASE GROSS PROFIT		0.0	145.3	(33.1)	(24.5)	(17.6)	(18.0)	(17.4)	(16.8)	(16.2)	(15.6)	(15.2)	(15.1)	(14.4)	(14.0)	(12.0)	(11.8)	(11.1)	(107.5)	
Income tax paid		.0	14.6	0.6	83.5	(1.8)	(2.8)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(4.5)	(4.2)	(4.9)	(3.1)	(3.1)	(2.9)	59.1	
Deferred Income Tax	(p. 27)	0.0	(18.2)	(2.2)	(1.8)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.7)	(1.8)	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)	(0.9)	(36.9)	
Def. Inv. Tax. Credit		0.0	83.3	(3.2)	(85.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.1)	
		------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	0.0	
Total Tax Expense		.0	79.7	(4.8)	(3.5)	(3.4)	(4.4)	(4.3)	(4.3)	(4.3)	(4.4)	(4.5)	(4.7)	(4.5)	(4.4)	(3.7)	(3.9)	(3.8)	17.1	
OPERATING INCOME		(.0)	65.6	(28.3)	(21.0)	(14.2)	(13.6)	(13.1)	(12.5)	(11.9)	(11.2)	(10.7)	(10.4)	(9.9)	(9.6)	(8.3)	(7.9)	(7.3)	(124.6)	
Other Income (Incl FIT Credit)	inpu	0.0	1.1	2.1	0.5	(0.6)	(0.5)	(1.2)	(1.8)	(2.4)	(3.0)	(3.7)	(4.2)	(3.1)	(1.7)	(2.0)	(2.4)	(2.7)	(25.6)	
AFDC	input	0.0	(83.2)	(0.1)	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.3	0.4	0.7	1.0	0.3	0.5	0.5	(79.2)	
Income Before Interest		(.0)	(16.5)	(26.3)	(20.4)	(14.8)	(14.1)	(14.2)	(14.2)	(14.3)	(14.1)	(14.1)	(14.2)	(12.3)	(10.3)	(10.0)	(9.8)	(9.5)	(229.4)	
Interest on LTD	input	0.0	0.0	(12.8)	(20.6)	(13.7)	(11.9)	(11.9)	(11.9)	(11.9)	(11.9)	(11.9)	(11.9)	(10.4)	(8.8)	(8.6)	(8.3)	(8.2)	(174.7)	
Interest on STD	input	0.0	(16.5)	(13.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(30.0)	
NET INCOME		(.0)	.0	.0	0.2	(1.1)	(2.2)	(2.3)	(2.3)	(2.4)	(2.2)	(2.2)	(2.3)	(1.9)	(1.5)	(1.4)	(1.5)	(1.3)	(24.7)	
- Pref. Dividends	input	0.0	0.0	0.0	0.0	(1.1)	(2.3)	(2.4)	(2.3)	(2.3)	(2.3)	(2.3)	(2.4)	(1.9)	(1.5)	(1.4)	(1.4)	(1.3)	(24.9)	
Earnings for Common		(.0)	.0	.0	0.2	(.0)	0.1	0.1	.0	(0.1)	0.1	0.1	0.1	(.0)	.0	(.0)	(0.1)	(.0)	0.2	
- Common Dividends	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
RETAINED EARNINGS		(.0)	.0	.0	0.2	(.0)	0.1	0.1	.0	(0.1)	0.1	0.1	0.1	(.0)	.0	(.0)	(0.1)	(.0)	0.2	
Trust Interest		0.0	(0.3)	(0.7)	(0.9)	(1.0)	(1.1)	(1.3)	(1.5)	(1.6)	(1.8)	(2.0)	(2.2)	(2.5)	(2.8)	(3.1)	(3.5)	(3.8)	(30.1)	
SEC Bond Coverage Ratio		0.0	0.3	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	.0	.0	2.4	
AFDC as % of Common		.0	(0.2)	(.0)	.0	.0	(.0)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	(0.2)	
% payout for common		.0	(.0)	(.0)	(.0)	.0	(.0)	(.0)	(.0)	.0	(.0)	(.0)	(.0)	.0	(.0)	.0	.0	.0	(.0)	
Return on Average Equity		(.0)	.0	.0	.0	(.0)	.0	.0	(.0)	(.0)	.0	.0	.0	(.0)	(.0)	(.0)	(.0)	(.0)	(.0)	
Electric GWH Sales		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cents / Kwh		0.0	1.2	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	
% Change		0.0	0.1	(0.1)	.0	.0	.0	(.0)	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	0.0	
Net Present Value of Revenues - Elec		0.0	147.4	(31.0)	(24.6)	(16.8)	(13.4)	(12.6)	(10.0)	(8.7)	(7.5)	(6.6)	(5.8)	(4.9)	(4.3)	(3.4)	(3.0)	(2.5)		
Cumulative Net Present Value		0.0	147.4	116.4	91.8	75.0	61.7	49.0	39.0	30.3	22.8	16.2	10.4	5.5	1.2	(2.2)	(5.2)	(7.7)		

			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	0
******************TAX COMPUTATION (P. 27)****			------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Operating Revenue			0.0	166.2	(39.4)	(34.7)	(26.5)	(23.7)	(25.1)	(22.4)	(21.8)	(21.2)	(20.8)	(20.6)	(19.9)	(19.4)	(17.3)	(17.1)	(16.3)	(180.0)
- O&M Expense			0.0	33.9	0.0	4.0	3.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.9
- Other Taxes			0.0	(22.1)	1.5	1.4	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	(8.4)
- Tax Depreciation	input		0.0	3.3	5.8	5.0	4.2	4.1	4.1	3.8	3.8	3.7	3.7	0.0	0.0	0.0	0.0	0.0	0.0	41.5
- Total Interest Expensed			0.0	16.5	26.3	20.6	13.7	11.9	11.9	11.9	11.9	11.9	11.9	11.9	10.4	8.8	8.6	8.3	8.2	204.7
- Capitalized Trust Interes	input		0.0	0.3	0.7	0.9	1.0	1.1	1.3	1.5	1.6	1.8	2.0	2.2	2.5	2.8	3.1	3.5	3.8	30.1
- Capitalized Overheads	input		0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0
- Add. Tax Deductions	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Net TEFR Interest	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Taxable Income	input		0.0	(0.3)	(0.6)	(0.8)	(0.4)	(0.4)	(1.0)	(1.6)	(2.2)	(2.8)	(3.5)	(4.0)	(2.9)	(1.6)	(1.8)	(2.1)	(2.5)	(28.5)
			------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
Taxable Income before NOL			0.0	212.8	(5.7)	(3.6)	(3.9)	(6.0)	(5.8)	(5.9)	(5.8)	(5.8)	(5.9)	(9.7)	(9.1)	(8.7)	(6.7)	(6.7)	(6.2)	117.3
-NOL Utilized & Offset			0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Taxable Income			0.1	212.8	(5.7)	(3.6)	(3.9)	(6.0)	(5.8)	(5.9)	(5.8)	(5.8)	(5.9)	(9.7)	(9.1)	(8.7)	(6.7)	(6.7)	(6.2)	117.4
NOL Carryforward		15.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax @ 46%			.0	97.9	(2.6)	(1.7)	(1.8)	(2.8)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(4.5)	(4.2)	(4.0)	(3.1)	(3.1)	(2.9)	54.0
Less:ITC			0.0	(83.3)	3.2	85.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1
TAXES PAID			.0	14.6	3.6	83.5	(1.8)	(2.8)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(4.5)	(4.2)	(4.0)	(3.1)	(3.1)	(2.9)	59.1
			=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
Tax @ 46% without NOL			0.0	97.9	(2.6)	(1.7)	(1.8)	(2.8)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(4.5)	(4.2)	(4.0)	(3.1)	(3.1)	(2.9)	54.0
ITC Max @ 85%			0.0	83.3	(2.2)	(1.4)	(1.6)	(2.4)	(2.3)	(2.3)	(2.3)	(2.2)	(2.3)	(3.8)	(3.5)	(3.4)	(2.6)	(2.6)	(2.4)	46.0
ITC GENERATED	input		0.0	(5.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.1)
Available ITC		241.2	0.0	(5.1)	(88.4)	(85.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(178.7)
ITC Before Carryback			0.0	83.3	(3.2)	(85.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.1)
ITC AMORTIZATION			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Delta Def ITC Net - ITC before Carry			0.0	(1.4)	(2.6)	(1.4)	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.1	13.4
Other Income - Taxable Other Income			0.0	1.4	2.7	1.3	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.3)	(0.2)	0.0
Deferred ITC Net / ITC Amortization			0.0	7.2	(3.5)	(3.7)	(0.3)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(.0)	(0.1)	0.0

(probably declines due to using remaining life on Shoreham and Nine Mile Pt 2 retrofits)

1-1

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
****************CASH FLOW STATEMENT (P. 11)																			
Construction	input	0.0	(142.2)	(0.1)	0.1	0.1	0.9	0.2	0.0	0.1	0.2	0.5	0.3	0.4	1.1	0.4	0.5	0.5	(137.0)
Trust Expend.	input	0.0	(6.3)	(0.7)	(1.9)	(1.0)	(1.1)	(12.1)	(1.5)	(1.6)	(1.8)	(2.0)	(2.2)	(2.5)	(2.8)	(3.1)	(3.5)	(3.9)	(48.0)
AFDC		0.0	83.2	0.1	(0.1)	0.0	0.0	(0.1)	(0.1)	0.0	(0.1)	(0.3)	(0.4)	(0.7)	(1.0)	(0.3)	(0.5)	(0.5)	79.2
Debt Refunding	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Refunding	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
																			0.0
TOTAL FUNDS REQUIRED		0.0	(65.3)	(0.7)	(1.9)	(0.9)	(0.2)	(12.0)	(1.6)	(1.5)	(1.7)	(1.8)	(2.3)	(2.8)	(2.7)	(3.0)	(3.5)	(3.9)	(105.8)
INTERNAL FUNDS PROVIDED																			
Net Income		(.0)	.0	.0	0.2	(1.1)	(2.2)	(2.3)	(2.3)	(2.4)	(2.2)	(2.2)	(2.3)	(1.9)	(1.5)	(1.4)	(1.5)	(1.3)	(24.7)
- Dividends		0.0	0.0	0.0	0.0	1.1	2.3	2.4	2.3	2.3	2.3	2.3	2.4	1.9	1.5	1.4	1.4	1.3	24.9
- AFDC		0.0	83.2	0.1	(0.1)	0.0	0.0	(0.1)	(0.1)	0.0	(0.1)	(0.3)	(0.4)	(0.7)	(1.0)	(0.3)	(0.5)	(0.5)	79.2
Depreciation		0.0	32.7	(4.8)	(4.8)	(4.8)	(4.7)	(4.7)	(4.7)	(4.7)	(4.8)	(4.8)	(4.7)	(4.7)	(4.7)	(4.6)	(4.6)	(4.6)	(38.0)
Deferred FIT Net	input	0.0	(18.2)	(2.2)	(1.8)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.7)	(1.8)	(0.2)	(0.3)	(0.4)	(0.6)	(0.8)	(0.9)	(36.9)
Deferred ITC Net	input	0.0	81.9	(5.8)	(86.6)	0.2	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.1	(8.3)
- Working Capital	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
																			0.0
Total Internal Funds		(.0)	179.6	(12.7)	(93.1)	(6.2)	(6.1)	(6.1)	(6.2)	(6.2)	(6.4)	(6.6)	(5.0)	(5.6)	(5.9)	(5.3)	(5.8)	(5.9)	(3.8)
EXTERNAL FUNDS PROVIDED																			
New Long Term Debt	input	0.0	0.0	(233.0)	91.0	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.0	2.0	3.0	0.0	3.0	(73.0)
Trust Liability		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Stock	input	0.0	0.0	0.0	0.0	(28.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	1.0	0.0	1.0	0.0	(19.0)
Common Stock	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Debt	input	0.0	(245.0)	244.9	0.2	(0.9)	5.0	5.1	4.7	4.6	4.5	4.6	2.9	(31.0)	0.2	(0.8)	1.3	(1.0)	(0.7)
																			0.0
Total External Funds		0.0	(245.0)	11.9	91.2	5.1	5.0	5.1	4.7	4.6	4.5	4.6	2.9	3.0	3.2	2.2	2.3	2.0	(92.7)
TOTAL FUNDS PROVIDED		(.0)	(65.4)	(0.8)	(1.9)	(1.1)	(1.1)	(1.0)	(1.5)	(1.6)	(1.9)	(2.0)	(2.1)	(2.6)	(2.7)	(3.1)	(3.5)	(3.9)	(96.5)
% Net Internal Cash		-0.01%	93.60%	-8.83%	-51.69%	-2.80%	-3.75%	-2.55%	-3.12%	-2.74%	-1.82%	-1.10%	-0.73%	-0.65%	-0.60%	-0.49%	-0.45%	-0.39%	0.41%

142.2
- 93.2
51.0 [illegible]

Loss Cash Expenses? p 13

O&M $16.1

prop tax 15.0

31.1

Deficit $27.9 million

15

BALANCE SHEET (P. 15)			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	0
Gross Plant (Incl. AFDC)	input		0.0	(142.2)	(142.2)	(142.2)	(142.2)	(142.1)	(142.2)	(142.0)	(142.0)	(141.9)	(141.9)	(141.9)	(141.8)	(141.8)	(139.6)	(139.5)	(138.8)	0.0
Deprec. Reserve	(sum)		0.0	(32.7)	(27.9)	(23.1)	(18.3)	(13.6)	(8.9)	(4.2)	0.5	5.3	10.1	14.8	19.5	24.2	28.8	33.4	38.0	0.0
Deprec. Reserve - other			0.0	0.0	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(.0)	(.0)	0.0
CWIP	input		0.0	(6.3)	(7.2)	(8.9)	(10.0)	(11.1)	(12.3)	(13.9)	(15.5)	(17.1)	(19.0)	(20.7)	(22.6)	(24.4)	(29.4)	(32.3)	(36.5)	0.0
Net Work Capit (Excl STD)		(74.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Debits	input		0.0	0.0	0.0	(0.1)	0.0	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS			0.0	(181.2)	(177.4)	(174.5)	(170.7)	(167.1)	(163.6)	(160.2)	(157.1)	(153.9)	(151.0)	(148.0)	(145.1)	(142.2)	(140.3)	(138.4)	(137.3)	0.0
Common Stock		1,425.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings		586.4	(.0)	(.0)	(.0)	0.1	0.1	0.2	0.3	0.3	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.2	0.2	0.0
Total Common Equity		2,011.6	(.0)	(.0)	(.0)	0.1	0.1	0.2	0.3	0.3	0.1	0.2	0.3	0.4	0.4	0.4	0.4	0.2	0.2	0.0
Preferred Stock		800.1	0.0	0.0	0.0	0.0	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)	(28.0)	(21.0)	(20.0)	(20.0)	(19.0)	(19.0)	0.0
Long Term Debt		2,287.7	0.0	0.0	(233.0)	(142.0)	(108.0)	(108.0)	(108.0)	(108.0)	(108.0)	(108.0)	(108.0)	(108.0)	(81.0)	(79.0)	(76.0)	(76.0)	(73.0)	0.0
Trust Liability		599.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Debt		(273.0)	0.0	(245.0)	(0.1)	0.1	(0.8)	4.2	9.3	14.0	18.6	23.1	27.7	30.6	(0.4)	(0.2)	(1.0)	0.3	(0.7)	0.0
Def. Inc. Taxes		128.6	0.0	(18.2)	(20.4)	(22.2)	(23.8)	(25.4)	(27.0)	(28.6)	(30.2)	(31.9)	(33.7)	(33.9)	(34.2)	(34.6)	(35.2)	(36.0)	(36.9)	0.0
Def. ITC		85.4	0.0	81.9	76.1	(10.5)	(10.3)	(10.2)	(10.0)	(9.8)	(9.6)	(9.5)	(9.3)	(9.1)	(9.0)	(8.8)	(8.6)	(8.4)	(8.3)	0.0
TOTAL LIABILITIES			(.0)	(181.3)	(177.4)	(174.5)	(170.8)	(167.2)	(163.4)	(160.1)	(157.1)	(154.?)	(151.0)	(148.0)	(145.2)	(142.2)	(140.4)	(138.9)	(137.7)	0.0
Other Liabilities			.0	0.1	.0	(.0)	0.1	0.1	(0.2)	(0.1)	(.0)	0.2	(.0)	0	0.1	.0	0.1	0.5	0.4	0.0
TOTAL LIAB, DEBT & EQUITY			0.0	(181.2)	(177.4)	(174.5)	(170.7)	(167.1)	(163.6)	(160.2)	(157.1)	(153.9)	(151.0)	(148.0)	(145.1)	(142.2)	(140.3)	(138.4)	(137.3)	0.0
			111.0																	
% Common			.00%	1.47%	1.53%	1.04%	1.10%	1.17%	1.22%	1.32%	1.40%	1.42%	1.28%	1.11%	0.90%	0.68%	0.56%	0.45%	0.35%	0.00%
% Preferred			.00%	0.45%	0.44%	0.28%	-0.20%	-0.21%	-0.23%	-0.25%	-0.27%		-0.30%	-0.31%	-0.19%	-0.14%	-0.12%	-0.09%	-0.07%	0.00%
% Long Term Debt & Trust			.00%	1.60%	-1.97%	-1.33%	-0.89%	-0.93%	-0.98%	-1.08%	-1.16%	-1.22%	-1.25%	-1.23%	-0.70%	-0.54%	-0.43%	-0.36%	-0.27%	0.00%
% Short Term Debt			.00%	-3.53%	.00%	.00%	-0.01%	-0.02%	-0.01%	0.01%	0.03%	0.08%	0.26%	0.43%	-0.01%	-0.01%	-0.01%	.00%	-0.01%	0.00%
TOTAL			0.00%	0.00%	.00%	.00%	0.00%	.00%	0.00%	0.00%	0.00%	.00%	.00%	0.00%	.00%	.00%	.00%	.00%	.00%	0.00%
LILCO Resources Trust Investment			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO 9 Mile 2 Trust Investment			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LILCO NMP2 Nuc Fuel Trust			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total LILCO Trust Investment			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Trust Investment			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Trust Investment in Cash			0.0	(6.3)	(0.7)	(1.9)	(1.0)	(1.1)	(12.1)	(1.5)	(1.6)	(1.8)	(2.0)	(2.2)	(2.5)	(2.8)	(3.1)	(3.5)	(3.9)	0.0
Deprec. Reserve	input		0.0	(32.7)	(28.0)	(23.3)	(18.5)	(13.8)	(9.0)	(4.3)	0.4	5.1	9.9	14.6	19.3	24.0	28.7	33.4	38.0	0.0
Shoreham Retrofit	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nine Mile Retrofit	input		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction + Trust Expend			0.0	(148.5)	(0.8)	(1.8)	(0.9)	(0.2)	(11.9)	(1.5)	(1.5)	(1.6)	(1.5)	(1.9)	(2.1)	(1.7)	(2.7)	(3.0)	(3.4)	0.0
Change in Plant and CWIP			0.0	(148.5)	(0.9)	(1.7)	(1.1)	(1.0)	(1.3)	(1.4)	(1.6)	(1.5)	(1.9)	(1.7)	(1.8)	(1.8)	(2.8)	(2.8)	(3.5)	0.0
Dollars not going into Plant and C			0.0	(.0)	0.1	(0.1)	0.2	0.8	(10.6)	(0.1)	0.1	(0.1)	0.4	(0.2)	(0.3)	0.1	0.1	(0.2)	0.1	0.0
Change in Deferred Debit			0.0	0.0	0.0	(0.1)	0.1	(0.1)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chnge in Dep Res - Other			0.0	0.0	(0.1)	(0.1)	0.0	0.0	0.1	0.0	0.0	(0.1)	0.0	0.0	(.0)	.0	0.1	0.1	.0	0.0
Dollars not going into Plant and C			0.0	0.0	(0.1)	(0.2)	0.1	(0.1)	0.1	0.1	0.0	(0.1)	0.0	0.0	(.0)	.0	0.1	0.1	.0	0.0

Long Island Lighting Company
COMPANY FINANCIAL RUN DATED 6/27/84
SHOREHAM OPERATIONAL 10/1/85, SYNCHRONIZED 3/85
($ millions)

COLK ... EXCUSE ...

1862.8 − 27.9/?. = 18.7

2? − 1 − 27.9 = 17.2

		1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	
******************INCOME STATEMENT (P. 3)****																			
Revenues - Elec	input	1,472.6	1,862.8	2,473.5	2,708.0	2,692.4	2,775.7	2,928.4	3,050.6	3,057.8	3,248.9	3,353.4	3,441.2	3,558.9	3,662.0	4,397.4	4,522.6	4,971.2	54,177.3
Revenues - Gas	input	356.2	393.6	412.5	437.0	459.5	486.0	512.9	542.2	572.4	604.4	636.7	671.6	708.3	747.1	790.3	835.1	882.9	10,048.7
Fuel - Elec	input	662.0	776.0	583.0	615.0	636.0	616.0	734.0	741.0	739.0	881.0	988.0	1,108.0	1,243.0	1,399.0	1,415.0	1,588.0	1,619.0	16,293.0
Fuel - Gas	input	214.0	246.3	258.6	274.1	290.6	308.0	326.5	346.1	366.8	388.8	412.2	436.9	463.1	490.9	520.4	551.6	584.7	6,479.6
O & M - Elec	input	163.0	179.2	299.6	354.6	371.5	384.5	419.2	444.2	459.8	499.7	530.5	547.8	596.4	632.9	722.5	784.2	869.4	8,259.0
O & M - Gas	input	48.0	50.0	55.0	60.0	64.0	67.0	71.0	75.3	79.8	84.6	89.7	95.0	100.7	106.8	113.2	120.0	127.2	1,407.3
Depreciation	input	70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0	348.0	356.1	353.8	427.8	437.5	497.7	5,347.8
Tax Other than Income	input	243.4	274.9	359.4	396.8	420.1	450.5	479.0	529.8	558.8	592.5	624.3	657.1	692.8	729.8	851.2	896.2	1,005.3	9,761.9
BASE GROSS PROFIT		428.1	666.3	1,108.1	1,166.9	1,072.1	1,131.8	1,102.3	1,133.7	1,097.2	1,069.9	1,001.4	920.0	815.1	695.9	1,137.6	980.2	1,150.8	16,677.4
			276.1 − 27.9 × .04 / .96 = 274.9																
Income tax paid		(2.5)	5.8	37.3	223.0	251.2	327.7	328.5	371.9	362.4	346.0	281.9	319.7	228.5	148.2	301.0	133.6	151.3	3,815.6
Deferred Income Tax	(p. 27)	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0	(25.3)	(27.6)	(54.4)	(45.7)	(17.8)	(16.3)	943.6
Def. Inv. Tax. Credit		7.1	32.6	211.3	102.3	21.8	20.7	23.8	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,162.9
Total Tax Expense		84.0	199.0	430.4	438.4	379.7	447.1	442.6	467.9	461.3	452.9	413.2	359.1	281.7	186.8	358.9	239.8	279.3	5,922.1
OPERATING INCOME		344.1	467.3	677.7	728.5	692.4	684.8	659.7	665.8	635.9	617.0	588.2	560.9	533.4	509.1	778.7	740.4	871.5	10,755.2
Other Income (Incl FIT Credit)	inpu	22.1	31.3	62.0	25.3	28.7	41.4	62.9	80.1	96.3	110.1	108.2	83.6	51.0	38.7	42.0	43.5	48.5	975.7
AFDC	input	322.6	263.3	29.4	16.2	13.0	18.1	29.5	9.3	14.6	28.6	71.5	136.4	226.9	341.1	169.1	312.9	310.8	2,313.3
Income Before Interest		688.8	761.9	769.1	770.0	734.1	744.3	752.1	755.2	746.8	755.7	767.9	780.9	811.3	888.9	989.8	1,096.8	1,230.8	14,044.2
Interest on LTD	input	249.9	239.7	260.1	294.7	272.3	270.0	266.2	257.2	236.0	231.8	230.3	228.8	243.2	294.0	360.2	430.6	522.3	4,887.3
Interest on STD	input	0.0	49.3	34.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.6
NET INCOME		438.9	472.9	474.7	475.3	461.8	474.3	485.9	498.0	510.8	523.9	537.6	552.1	568.1	594.9	629.6	666.2	708.5	9,073.3
- Pref. Dividends	input	88.3	85.8	84.7	83.2	82.3	81.2	78.9	76.5	74.2	71.9	69.6	67.3	65.8	74.9	91.0	108.4	130.9	1,414.9
Earnings for Common		350.6	387.1	390.0	392.1	379.5	393.1	407.0	421.5	436.6	452.0	468.0	484.8	502.3	520.0	538.6	557.8	577.6	7,658.4
- Common Dividends	input	54.1	290.3	292.5	294.1	284.6	294.8	305.3	316.1	327.4	339.1	351.1	363.7	376.6	390.0	403.9	418.3	433.2	5,535.1
RETAINED EARNINGS		296.5	96.8	97.5	98.0	94.9	98.3	101.7	105.4	109.2	112.9	116.9	121.1	125.7	130.0	134.7	139.5	144.4	2,123.3
Trust Interest		78.2	97.9	123.5	14.9	16.0	15.8	14.6	13.5	12.3	11.0	11.7	12.4	10.3	11.0	11.9	10.1	10.8	475.9
SEC Bond Coverage Ratio		2.59	2.74	3.17	3.95	3.92	4.22	4.31	4.57	4.92	5.02	4.93	4.78	4.35	3.56	3.66	3.06	2.85	66.6
AFDC as % of Common		92.01%	68.02%	7.54%	4.13%	3.43%	4.61%	7.25%	2.21%	3.34%	6.33%	15.28%	28.13%	45.17%	65.60%	31.40%	56.10%	53.81%	4.9
% payout for common		15.43%	75.00%	75.00%	75.01%	75.00%	75.00%	75.01%	75.00%	74.99%	75.02%	75.02%	75.02%	74.98%	75.00%	74.99%	75.00%	75.01%	12.2
Return on Average Equity		16.00%	16.00%	15.50%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	2.4
			STILL																
Electric GWH Sales		13,315	13,566	13,753	13,954	13,990	14,083	14,370	14,675	15,059	15,512	15,974	16,443	16,909	17,382	17,865	18,350	18,839	
Cents / Kwh		11.06	13.73	17.99	19.41	19.25	19.71	20.38	20.79	20.31	20.94	20.99	20.93	21.05	21.07	24.61	24.65	26.39	
% Change			24.15%	30.99%	7.90%	-0.83%	2.41%	3.39%	2.01%	-2.32%	3.15%	0.23%	-0.31%	0.57%	0.10%	16.84%	0.13%	7.07%	
Net Present Value of Revenues - Elec		1,472.6	1,655.7	1,954.4	1,901.9	1,680.9	1,540.3	1,444.5	1,337.6	1,191.8	1,125.5	1,032.7	942.0	865.9	792.0	845.4	772.9	755.1	
Cumulative Net Present Value		1,472.6	3,128.3	5,082.7	6,984.6	8,665.5	10,205.6	11,650.3	12,987.9	14,179.6	15,305.2	16,337.8	17,279.8	18,145.7	18,937.7	19,783.1	20,556.0	21,311.1	
DATA FROM 7/1/75, 1/85 RUN																			
Revenues - Electric		1,472.6	2,057.6	2,434.3	2,677.0	2,665.5	2,751.6	2,902.8	3,027.7	3,035.5	3,227.2	3,332.1	3,420.1	3,538.6	3,642.2	4,379.7	4,505.1	4,954.6	54,020.2
NPV Elec Revenues		1,472.6	1,829.0	1,923.4	1,877.3	1,664.1	1,526.9	1,431.9	1,327.5	1,183.1	1,118.0	1,026.1	936.2	861.0	787.7	842.0	769.9	752.6	
Cumul NPV Elec Revenues		1,472.6	3,301.6	5,225.0	7,102.3	8,766.4	10,293.3	11,725.2	13,052.7	14,235.8	15,353.8	16,379.9	17,316.1	18,177.1	18,964.8	19,806.8	20,576.7	21,329.3	
DIFFEENCE IN Cumul NPV		0.0	173.2	142.3	117.7	100.9	87.5	74.9	64.9	56.2	48.6	42.1	36.3	31.4	27.1	23.7	20.7	18.2	

(7.7) + 27.? / 1.12? = 18.2

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****************TAX COMPUTATION (P. 27)****

Operating Revenue		1,828.8	2,256.3	2,886.0	3,145.0	3,151.9	3,261.7	3,441.3	3,592.8	3,630.2	3,853.3	3,990.1	4,112.8	4,267.7	4,409.1	5,187.7	5,357.7	5,854.1	64,226.0
- O&M Expense		(1,087.0)	(1,201.5)	(1,196.2)	(1,303.7)	(1,362.1)	(1,375.5)	(1,550.7)	(1,606.6)	(1,645.4)	(1,854.1)	(2,020.4)	(2,187.7)	(2,403.2)	(2,629.6)	(2,771.1)	(3,043.8)	(3,200.3)	(32,439)
- Other Taxes		(243.4)	(274.9)	(359.4)	(396.8)	(420.1)	(450.5)	(479.0)	(529.8)	(558.8)	(592.5)	(624.3)	(657.1)	(692.8)	(729.9)	(851.2)	(896.2)	(1,005.3)	(9,761.9)
- Tax Depreciation	input	(98.4)	(279.7)	(415.2)	(433.1)	(492.1)	(409.2)	(402.5)	(394.3)	(411.9)	(414.5)	(426.1)	(223.4)	(235.0)	(189.4)	(278.2)	(369.4)	(416.1)	(5,888.5)
- Total Interest Expensed		(249.9)	(289.0)	(294.4)	(294.7)	(272.3)	(270.0)	(266.2)	(257.2)	(236.0)	(231.8)	(230.3)	(228.8)	(243.2)	(294.0)	(360.2)	(430.6)	(522.3)	(4,970.9)
- Capitalized Trust Interes	input	(78.2)	(97.9)	(123.5)	(14.9)	(16.0)	(15.8)	(14.6)	(13.5)	(12.3)	(11.0)	(11.7)	(12.4)	(10.3)	(11.0)	(11.9)	(10.1)	(10.8)	(475.9)
- Capitalized Overheads	input	(25.4)	(58.5)	(12.2)	(9.0)	(11.5)	(10.9)	(12.4)	(9.5)	(11.8)	(18.1)	(30.7)	(34.0)	(42.5)	(49.0)	(54.5)	(65.2)	(75.9)	(531.1)
- Add. Tax Deductions	input	(40.0)	1.0	1.0	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	32.0
+ Net TEFR Interest	input	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Taxable Income	input	19.2	27.7	54.3	12.4	13.7	25.7	46.5	63.0	78.5	91.4	87.9	61.2	26.2	11.1	11.0	8.7	9.3	647.8
Taxable Income before NOL		25.7	83.5	540.4	707.2	593.5	757.5	765.4	847.9	836.5	826.7	739.5	835.6	672.4	524.4	879.6	560.1	642.7	10,838.6
-NOL Utilized & Offset		(15.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.7)
Taxable Income		10.0	83.5	540.4	707.2	593.5	757.5	765.4	847.9	836.5	826.7	739.5	835.6	672.4	524.4	879.6	560.1	642.7	10,822.9
NOL Carryforward	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax @ 46%		4.6	38.4	248.6	325.3	273.0	348.4	352.1	390.0	384.8	380.3	340.2	384.4	309.3	241.2	404.6	257.6	295.6	4,978.5
Less:ITC		(7.1)	(32.6)	(211.3)	(102.3)	(21.8)	(20.7)	(23.6)	(18.1)	(22.4)	(34.3)	(58.3)	(64.7)	(80.8)	(93.0)	(103.6)	(124.0)	(144.3)	(1,162.9)
TAXES PAID		(2.5)	5.8	37.3	223.0	251.2	327.7	328.5	371.9	362.4	346.0	281.9	319.7	228.5	148.2	301.0	133.6	151.3	3,815.6
Tax @ 46% without NOL		11.8	38.4	248.6	325.3	273.0	348.4	352.1	390.0	384.8	380.3	340.2	384.4	309.3	241.2	404.6	257.6	295.6	4,985.7
ITC Max @ 85%		0.0	32.6	211.3	276.5	232.1	296.2	299.3	331.5	327.1	323.2	289.1	326.7	262.9	205.0	343.9	219.0	251.3	4,227.7
ITC GENERATED	input	30.7	41.1	23.2	17.1	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	921.7
Available ITC	241.2	271.9	305.9	296.5	102.3	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,786.2
ITC Before Carryback		7.1	32.6	211.3	102.3	21.8	20.7	23.6	18.1	22.4	34.3	58.3	64.7	80.8	93.0	103.6	124.0	144.3	1,162.9
ITC AMORTIZATION																			
Delta Def ITC Net - ITC before Carryback			(3.6)	(7.7)	(12.8)	(15.0)	(15.7)	(16.5)	(17.2)	(17.8)	(18.7)	(20.3)	(22.4)	(24.7)	(27.7)	(31.0)	(34.8)	(39.2)	(2,083.2)
Other Income - Taxable Other Income		2.9	3.6	7.7	12.9	15.0	15.7	16.4	17.1	17.8	18.7	20.3	22.4	24.8	27.6	31.0	34.8	39.2	
Deferred ITC Net / ITC Amortization		30.9	32.9	41.8	31.9	27.9	27.0	26.3	25.2	24.5	24.2	24.1	23.8	23.7	23.7	23.4	23.4	23.5	

(probably declines due to using remaining life on Shoreham and Nine Mile Pt 2 retrofits)

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CASH FLOW STATEMENT (P. 1)

Construction	input	663.6	545.0	173.0	196.4	242.4	235.0	277.6	199.4	256.2	389.9	685.6	816.9	1,077.8	1,320.1	1,259.2	1,617.8	1,829.4	11,779.3
Trust Expend.	input	90.7	269.4	198.5	5.5	14.0	(17.2)	5.4	(14.5)	(6.6)	(16.9)	29.7	(16.8)	(23.1)	31.3	(24.2)	(32.4)	20.6	513.4
AFDC		(322.6)	(263.3)	(29.4)	(16.2)	(13.0)	(18.1)	(29.5)	(9.3)	(14.6)	(28.6)	(71.5)	(136.4)	(226.9)	(341.1)	(169.1)	(312.9)	(310.8)	(2,313.3)
Debt Refunding	input	107.0	93.0	53.0	24.0	444.0	26.0	27.0	149.0	85.0	44.0	29.0	29.0	44.0	42.0	20.0	45.0	25.0	1,286.0
Preferred Refunding	input	38.0	10.6	13.6	16.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	16.1	16.1	16.1	326.5
TOTAL FUNDS REQUIRED		576.7	654.7	408.7	226.6	707.3	245.6	300.4	344.5	333.9	408.3	692.7	712.6	891.7	1,072.2	1,102.0	1,333.6	1,580.3	11,591.9
INTERNAL FUNDS PROVIDED																			
Net Income		438.9	472.9	474.7	475.3	461.8	474.3	485.9	498.0	510.8	523.9	537.6	552.1	568.1	594.9	629.6	666.2	708.5	9,073.3
- Dividends		(142.4)	(376.1)	(377.2)	(377.3)	(366.9)	(376.0)	(384.2)	(392.6)	(401.6)	(411.0)	(420.7)	(431.0)	(442.4)	(464.9)	(494.9)	(526.7)	(564.1)	(6,950.0)
- AFDC		(322.6)	(263.3)	(29.4)	(16.2)	(13.0)	(18.1)	(29.5)	(9.3)	(14.6)	(28.6)	(71.5)	(136.4)	(226.9)	(341.1)	(169.1)	(312.9)	(310.8)	(2,313.3)
Depreciation		70.3	113.6	222.3	277.6	297.6	303.9	309.3	322.7	328.8	336.8	344.0	348.0	356.1	353.8	427.8	437.5	497.7	5,347.8
Deferred FIT Net	input	79.4	160.6	181.8	113.1	106.7	98.6	90.5	77.9	76.5	72.6	73.0	(25.3)	(27.6)	(54.4)	(45.7)	(17.8)	(16.3)	943.6
Deferred ITC Net	input	4.2	29.0	203.6	89.5	6.8	5.0	7.1	0.9	4.6	15.6	38.0	42.3	56.1	65.3	72.6	89.2	105.1	834.9
- Working Capital	input	5.3	1.0	(79.0)	2.0	2.0	2.0	3.0	3.0	4.0	4.0	5.0	5.0	6.0	7.0	8.0	9.0	10.0	(2.7)
Total Internal Funds		133.1	137.7	596.8	564.0	495.0	489.7	482.1	500.6	508.5	513.3	505.4	354.7	289.4	160.6	428.3	344.5	430.1	6,933.6
EXTERNAL FUNDS PROVIDED																			
New Long Term Debt	input	0.0	0.0	536.0	163.0	191.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	281.0	716.0	527.0	792.0	927.0	4,133.0
Trust Liability		1.0	0.0	(100.0)	(500.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	1.3	(11.1)	(12.5)	(13.3)	(637.6)
Preferred Stock	input	0.0	0.0	0.0	0.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.0	191.0	144.0	209.0	236.0	817.0
Common Stock	input	63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	63.0
Short Term Debt	input	379.7	517.1	(624.0)	(0.3)	0.4	(243.3)	(192.7)	(156.2)	(174.5)	(105.1)	187.1	357.9	308.5	3.3	13.9	0.6	0.5	272.9
Total External Funds		443.7	517.1	(188.0)	(337.3)	212.4	(243.3)	(192.7)	(156.2)	(174.5)	(105.1)	187.1	357.9	602.5	911.6	673.8	989.1	1,150.2	4,648.3
TOTAL FUNDS PROVIDED		576.8	654.8	408.8	226.7	707.4	246.4	289.4	344.4	334.0	408.2	692.5	712.6	891.9	1,072.2	1,102.1	1,333.6	1,580.3	11,581.9
% Net Internal Cash		39.03%	48.87%	415.61%	312.98%	215.78%	225.75%	194.32%	263.32%	215.84%	142.08%	82.30%	52.13%	34.01%	16.40%	39.29%	26.40%	28.32%	73.25%

			1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
			------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------
******************BALANCE SHEET (P. 15)****************																			
Gross Plant (Incl. AFDC)	input		2,297.9	6,598.9	6,728.5	7,984.6	8,158.0	8,307.0	8,474.3	8,851.3	9,041.1	9,228.1	9,457.2	9,665.2	9,919.9	10,160.4	12,773.0	13,072.7	14,756.5
Deprec. Reserve	(sum)		(780.5)	(894.1)	(1,116.4)	(1,394.0)	(1,691.6)	(1,995.5)	(2,304.8)	(2,627.5)	(2,956.3)	(3,293.1)	(3,637.1)	(3,985.1)	(4,341.2)	(4,695.0)	(5,122.8)	(5,560.3)	(6,058.0)
Deprec. Reserve - other			0.0	24.2	48.5	86.4	138.5	190.6	242.7	294.8	346.9	399.1	451.7	497.2	548.4	580.6	603.9	621.8	645.1
CWIP	input		4,880.7	1,313.6	1,537.5	328.8	251.3	302.9	389.8	179.7	215.5	383.4	851.7	1,425.8	2,202.5	3,295.4	1,894.6	3,162.1	3,305.1
Net Work Capit (Excl STD)		(74.7)	(80.0)	(81.0)	(2.0)	(4.0)	(6.0)	(8.0)	(11.0)	(14.0)	(18.0)	(22.0)	(27.0)	(32.0)	(38.0)	(45.0)	(53.0)	(62.0)	(72.0)
Deferred Debits	input		0.0	55.8	49.6	166.5	274.8	240.7	206.6	172.4	138.3	104.2	70.1	42.2	14.2	0.0	0.0	0.0	0.0
			-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
TOTAL ASSETS			6,318.1	7,017.4	7,245.7	7,168.3	7,125.0	7,037.7	6,997.6	6,856.7	6,767.5	6,799.7	7,166.1	7,613.3	8,305.8	9,296.4	10,095.7	11,234.3	12,576.7
			=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
Common Stock		1,425.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,489.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2	1,488.2
Retained Earnings		586.4	882.9	979.7	1,077.2	1,175.2	1,270.1	1,368.3	1,470.0	1,575.4	1,684.6	1,797.5	1,914.5	2,035.6	2,161.3	2,291.3	2,425.9	2,565.4	2,709.7
		-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Total Common Equity		2,011.6	2,371.1	2,467.9	2,565.4	2,663.4	2,758.3	2,856.5	2,958.2	3,063.6	3,172.8	3,285.7	3,402.7	3,523.8	3,649.5	3,779.5	3,914.1	4,053.6	4,197.9
Preferred Stock		800.1	762.1	751.4	737.8	720.9	722.0	702.1	682.2	662.3	642.4	622.5	602.6	582.7	578.8	749.9	877.8	1,070.7	1,290.6
Long Term Debt		2,287.7	2,180.7	2,087.7	2,570.7	2,709.7	2,456.7	2,430.7	2,403.7	2,254.7	2,169.7	2,125.7	2,096.7	2,067.7	2,304.7	2,978.7	3,485.7	4,232.7	5,134.7
Trust Liability		599.0	600.0	600.0	500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.0)	(1.7)	(12.8)	(25.3)	(38.6)
Short Term Debt		(273.0)	106.7	623.8	(0.2)	(0.5)	(0.1)	(243.4)	(436.1)	(592.3)	(766.8)	(871.9)	(684.8)	(326.9)	(18.4)	(15.1)	(1.2)	(0.6)	(0.1)
Def. Inc. Taxes		128.6	208.0	368.6	550.4	663.5	770.2	868.8	959.3	1,037.2	1,113.7	1,186.3	1,259.3	1,234.0	1,206.4	1,152.0	1,106.3	1,088.5	1,072.2
Def. ITC		85.4	89.6	118.6	322.2	411.7	418.5	423.5	430.6	431.5	436.1	451.7	489.7	532.0	588.1	653.4	726.0	815.2	920.3
			-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
TOTAL LIABILITIES			6,318.2	7,018.0	7,246.3	7,168.7	7,125.6	7,038.2	6,997.9	6,857.0	6,767.9	6,800.0	7,166.2	7,613.3	8,306.1	9,296.7	10,095.9	11,234.8	12,577.0
Other Liabilities			(0.1)	(0.6)	(0.6)	(0.4)	(0.6)	(0.5)	(0.3)	(0.3)	(0.4)	(0.3)	(0.1)	.0	(0.3)	(0.3)	(0.2)	(0.5)	(0.3)
			-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
TOTAL LIAB, DEBT & EQUITY			6,318.1	7,017.[illegible]	7,245.7	7,168.3	7,125.0	7,037.7	6,997.6	6,856.7	6,767.5	6,799.7	7,166.1	7,613.3	8,305.8	9,296.4	10,095.7	11,234.3	12,576.7
			=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
% Common			39.38%	37.79%	40.25%	43.71%	46.46%	49.71%	52.75%	56.86%	60.80%	63.65%	62.81%	60.26%	56.05%	50.45%	47.37%	43.44%	39.66%
% Preferred			12.66%	11.51%	11.58%	11.83%	12.16%	12.22%	12.16%	12.29%	12.31%	12.06%	11.12%	9.97%	8.89%	10.01%	10.62%	11.47%	12.19%
% Long Term Debt & Trust			46.19%	41.15%	48.18%	44.47%	41.38%	42.30%	42.86%	41.84%	41.58%	41.18%	38.70%	35.36%	35.35%	39.74%	42.03%	45.09%	48.15%
% Short Term Debt			1.77%	9.55%	.00%	-0.01%	.00%	-4.24%	-7.78%	-10.99%	-14.69%	-16.89%	-12.64%	-5.59%	-0.28%	-0.20%	-0.01%	-0.01%	.00%
TOTAL			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LILCO Resources Trust Investment			11.5	20.2	106.6	110.5	125.3	99.7	96.4	86.4	77.3	65.1	89.6	77.7	61.3	88.5	72.3	48.9	78.9
LILCO 9 Mile 2 Trust Investment			142.8	395.4	604.6														
LILCO NMP2 Nuc Fuel Trust			6.1	7.9	10.0	19.8	17.8	25.2	21.7	15.8	16.6	10.1	13.3	6.2	0.0	0.0	0.0	0.0	0.0
Total LILCO Trust Investment			160.4	423.5	721.2	130.3	143.1	124.9	118.1	102.2	93.9	75.2	102.9	83.9	61.3	88.5	72.3	48.9	78.9
Change in Trust Investment				263.1	297.7	(590.9)	12.8	(18.2)	(6.8)	(15.9)	(8.3)	(18.7)	27.7	(19.0)	(22.6)	27.2	(16.2)	(23.4)	30.0
Change in Trust Investment in Cashflow				269.4	298.5	505.5	14.0	(17.2)	5.4	(14.5)	(6.6)	(16.9)	29.7	(16.8)	(20.1)	30.0	(13.1)	(19.9)	33.9
						Not same?													
Deprec. Reserve	input		(780.5)	(869.9)	(1,067.9)	(1,307.6)	(1,553.1)	(1,804.9)	(2,062.1)	(2,332.7)	(2,609.4)	(2,894.0)	(3,185.9)	(3,487.9)	(3,792.8)	(4,114.4)	(4,518.9)	(4,938.5)	(5,412.9)
Shoreham Retrofit	input			22.7	44.6	48.2	46.4	21.7	26.1	27.1	25.9	31.1	32.9	30.8	37.0	39.2	36.7	44.1	46.7
Nine Mile Retrofit	input				13.0	14.0	14.0	15.0	8.0	8.5	9.0	9.5	10.1	10.7	11.3	12.0	12.8	13.5	14.3
Construction + Trust Expend			754.3	814.4	371.5	201.9	256.4	217.8	283.0	184.9	243.6	373.0	715.3	800.1	1,054.7	1,351.4	1,235.0	1,585.4	1,850.0
Change in Plant and CWIP				733.9	353.5	47.4	95.9	200.6	254.2	166.9	225.6	354.9	697.4	782.1	1,031.4	1,333.4	1,211.8	1,567.2	1,826.8
Dollars not going into Plant and CWIP				80.5	18.0	154.5	160.5	17.2	28.8	18.0	18.0	18.1	17.9	18.0	23.3	16.0	23.2	18.2	23.2
Change in Deferred Debit				55.8	(6.2)	116.9	108.3	(34.1)	(34.1)	(34.2)	(34.1)	(34.1)	(34.1)	(27.9)	(28.0)	(14.2)	0.0	0.0	0.0
Chnge in Dep Res - Other				24.2	24.3	37.9	52.1	52.1	52.1	52.1	52.1	52.2	52.1	46.0	51.2	32.2	23.3	17.9	23.3
Dollars not going into Plant and CWIP				80.0	18.1	154.8	160.4	18.0	18.0	17.9	18.0	18.1	18.0	18.1	23.2	18.0	23.3	17.9	23.3

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Company Decom Results

InService Synchronize	10/1/85 1985	7/1/85 1985	Delta	Overall Delta	Differ
Year					
1985	716.0	416.0	200.0	165.8	34.2
1986	831.0	798.0	(33.0)	(39.2)	6.2
1987	787.8	756.0	(31.8)	(35.0)	3.2
1988	748.8	718.0	(30.8)	(26.9)	(3.9)
1989	711.8	681.9	(29.9)	(24.1)	(5.8)
1990	674.7	645.9	(28.8)	(25.6)	(3.2)
1991	638.7	610.9	(27.8)	(22.9)	(4.9)
1992	603.8	576.9	(26.9)	(22.3)	(4.6)
1993	568.8	542.9	(25.9)	(21.7)	(4.2)
1994	533.8	508.9	(24.9)	(21.3)	(3.6)
1995	508.0	483.9	(24.1)	(21.1)	(3.0)
1996	491.4	467.9	(23.5)	(20.3)	(3.2)
1997	474.8	452.0	(22.8)	(19.8)	(3.0)
1998	456.2	436.0	(20.2)	(17.7)	(2.5)
1999	441.6	420.1	(21.5)	(17.5)	(4.0)
2000	425.0	404.1	(20.9)	(16.6)	(4.3)
2001	408.4	388.2	(20.2)	(16)	
2002	391.8	372.3	(19.5)	(16)	
2003	375.2	356.3	(18.9)	(15)	
2004	358.6	340.4	(18.2)	(14)	
2005	341.9	324.4	(17.5)	(14)	
2006	325.3	308.5	(16.8)	(13)	
2007	308.7	292.5	(16.2)	(12)	
2008	292.1	276.6	(15.5)	(12)	
2009	275.5	260.6	(14.9)	(11)	
2010	258.9	244.7	(14.2)	(10)	
2011	242.3	228.7	(13.6)	(10)	
2012	225.7	212.8	(12.9)	(9)	
2013	209.1	196.8	(12.3)	(8)	
2014	192.5	180.9	(11.6)	(8)	
2015	129.2	76.1	(53.1)	(49)	
NPV at 12.5%	4,391.1	4,385.0	(6.1)	(7.7)	

assum $4M D

NPV at 2000 - 93.7
@ 1984 = $14.2 million

Fuel
$50M in 1985 :
$44.4 NPV

ATTACHMENT 5

386

L742533 Total 386 pages
Exhibit Index: page 70

APR 2 1984

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

MANUALLY SIGNED COPY

1.

FORM 10-K
Annual Report Pursuant to Section 13 or 15 (d) of
the Securities Exchange Act of 1934

ORIGINAL
R 29-261

For the fiscal year ended December 31, 1983 Commission File Number 1-3571

LONG ISLAND LIGHTING COMPANY
(Exact name of registrant as specified in its charter)
Incorporated pursuant to the Laws of the State of New York

Internal Revenue Service - Employer Identification Number 11-1019782

385

250 Old Country Road, Mineola, New York 11501
516-228-2890
(Address and telephone number of principal executive offices)

SECURITIES AND EXCHANGE COMMISSION
FEE RECEIVED
MAR 30 1984
OFFICE OF APPLICATIONS & REPORTS SERVICES

Securities registered pursuant to Section 12(b) of the Act:

Title of each class so registered:

Common Stock ($5 par)

Preferred Stock ($100 par cumulative):

Series B, 5 %	Series I, 5 3/4%, Convertible	Series K, 8.30%
Series E, 4.35%	Series J, 8.12%	Series S, 9.80%

Preferred Stock ($25 par cumulative):

Series O, $2.47	Series T, $3.31	Series V, $3.50	Series X, $3.50
Series P, $2.43	Series U, $4.25	Series W, $3.52	

General and Refunding Bonds:

9 7/8% Series Due 1984	12 5/8% Series Due 1992
13 1/2% Series Due 2013	

Name of each exchange on which each class is registered: The New York Stock Exchange and the Pacific Stock Exchange are the only exchanges on which the Common Stock is registered. The New York Stock Exchange is the only exchange on which each of the other securities listed above is registered.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No ____

The aggregate market value of the Common Stock of the Company, none of which is owned by an affiliate, at December 31, 1983, was $1,080,245,747

Common Stock ($5 par) - Shares outstanding at December 31, 1983: 104,120,072

The Company's proxy statement for its Annual Meeting of Shareowners to be held on May 16, 1984 has been incorporated by reference into Part III of this Form 10-K to provide information required in Item 10, Item 11, Item 12, and Item 13.

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Part I.

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Part II.

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LIST OF ABBREVIATIONS

AFC..............allowance for funds used during construction
ALJ..............administrative law judge
ASLB.............Atomic Safety and Licensing Board
BRC..............Bokum Resources Corporation
CPB..............New York State Consumer Protection Board
D&P..............Duff and Phelps
DEC..............N.Y. State Department of Environmental Conservation
DOE..............United States Department of Energy
FEMA.............Federal Emergency Management Agency
FERC.............Federal Energy Regulatory Commission
Fitch............Fitch Investor's Service, Inc.
Moody's..........Moody's Investors Service Inc.
MSA..............Metropolitan Statistical Area
Niagara Mohawk...Niagara Mohawk Power Corporation
NRC..............Nuclear Regulatory Commission
NYPA.............New York Power Authority
NYSEG............New York State Electric & Gas Corporation
NYSERDA..........New York State Energy Research and Development Authority
PSC..............Public Service Commission of the State of New York
SEC..............Securities and Exchange Commission
S&P..............Standard and Poor's Corporation
Shoreham or the
Shoreham Unit...Shoreham Nuclear Power Station

A LISTING OF ABBREVIATIONS FREQUENTLY
USED IN THIS REPORT MAY BE FOUND
IMMEDIATELY AFTER THE TABLE OF CONTENTS

Item 1: Business

The Company: Long Island Lighting Company (the Company) was incorporated in 1910 under the Transportation Corporations Law of New York and supplies electric and gas service in Nassau and Suffolk Counties and the Rockaway Peninsula in Queens County, all on Long Island, New York. The mailing address of the Company is 250 Old Country Road, Mineola, New York 11501 and its general telephone number is 516-228-2890.

Territory: The Company's service territory covers an area of approximately 1,230 square miles. The population of the service area, according to 1980 U.S. Census data and the 1983 Company estimate, is almost 2.7 million persons, reflecting a slight decline since the 1970 census. This is a larger population than in each of 21 of the 50 states. This includes about 99,000 persons who reside in Queens County within the City of New York. Nassau and Suffolk Counties together constitute one of the more than 300 Federally-designated MSA's. According to statistical information available from the United States Department of Commerce, the Nassau-Suffolk MSA is the third highest in per capita income, and (as set forth in a publication of Sales and Marketing Management's Survey of Buying Power) ranks in the top twelve such areas, including metropolitan New York, Los Angeles and Chicago, in population, total income and retail sales. About 70% of all workers residing in Nassau-Suffolk are employed within the two counties. The unemployment rate in the bi-county area is now and is anticipated to continue to be substantially below the rates for the State of New York and the United States as a whole.

The area served is predominantly residential, but the Company receives approximately one-half of its electric revenues from commercial and industrial customers. Although electronics and aerospace are the largest manufacturing industries in the area, about 85% of total employment is non-manufacturing. Industrialization is gradually increasing in Suffolk County which, with three times the land area and only one-fourth the population density of Nassau County, remains the leading agricultural county in New York State in terms of value of agricultural product.

Segments of Business: The percentages of total revenues and operating income before income taxes derived from electric and gas operations for each of the last five years are shown in the following table:

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	Percentage of Total Revenues		Percentage of Operating Income Before Income Taxes	
	Electric	Gas	Electric	Gas
1979	82	18	86	14
1980	81	19	87	13
1981	84	16	91	9
1982	81	19	89	11
1983	80	20	90	10

For additional information with respect to the Company's electric and gas financial results and operations, see Item 6, Selected Financial Data and Note 8 of the Notes to Financial Statements.

Austerity: In early March, the Company announced an austerity program designed to produce in excess of $100 million in cash savings in 1984 with minimal impact on service to the Company's customers. The major elements of the program are the elimination of 741 positions at the Company through termination and attrition, as well as an additional cutback of 246 jobs with outside contractors; salary cutbacks of 20% for officers and 5 to 10% for management personnel; a 50% reduction in directors' fees; and an 11% cutback in the Company's 1984 capital budget.

On March 8, 1984, the CPB and others filed a motion with the PSC requesting, among other things, that the cash "savings" resulting from the Company's austerity program be immediately flowed through to customers in the form of rate reductions. The motion also requests the PSC to order the Company to cease paying dividends on its Preferred Stock and to direct the Company to initiate "negotiations" with its bond holders to attempt to lessen its debt service obligations. The Company has opposed the motion.

Rates: On January 24, 1983 the PSC authorized rate increases to provide $16.8 million in additional annual electric revenues and $24.7 million in additional annual gas revenues. The new rates became effective on January 26, 1983. The PSC approved a 15.5% return on average common equity. The increase in electric rates was attributable to the PSC's authorizing the Company to recover an amount equal to the increased revenue requirements associated with the change from "flow-through" accounting to "normalization" accounting. This change was required in order to preserve certain tax benefits under the Federal Economic Recovery Tax Act of 1981 (ERTA). The new electric rates discussed above would have resulted in a decrease of approximately $3.2 million without the ERTA revenues.

On February 9, 1983, the PSC granted the Company's request, effective April 1, 1983, to provide for the effects of the increased level of tax expenses and revenue requirements which resulted from the enactment of the Temporary Metropolitan Transportation Business Tax Surcharge Bill (the MTA Tax). The MTA Tax imposes a surcharge on the taxes utilities are required to pay on gross revenues, gross earnings and excess dividends (as defined in this legislation). In effect, this increased the Company's level of tax expense and revenue requirements for 1983 by approximately $12 million.

On May 27, 1983, the Company filed requests with the PSC to increase annual electric rates by $366.3 million and annual gas rates by $11.8 million for the twelve-month period ending March 31, 1985. In addition, the Company requested that $90.6 million (on an annualized basis) of the $366.3 million be granted in the form of a temporary electric rate increase subject to refund. In both cases, the Company requested a 15.9% return on common equity and an overall return on rate base of 13.25% for the twelve-month period ending March 31, 1985. The PSC authorized interim rate relief, subject to refund, effective September 15, 1983, equivalent to $90.6 million on an annual basis and designed to provide approximately $43.4 million in additional revenues by March 31, 1984.

Hearings on the application for permanent electric rates were postponed due to slippage in the commercial operation date of the Shoreham Unit and its resultant impact on the Company's original filing. The Company updated its original filing on December 9, 1983. The updated filing envisions a rate year of October 1, 1984 through September 30, 1985 and requests permanent rate relief totaling $281 million. This amount includes $93 million which will be realized from the interim rate relief by September 30, 1985, and an additional $188 million. This additional amount approximates an 11.6% increase above the interim rates. The interim rate relief will remain effective pending a final determination by the PSC on the Company's application for permanent rates.

Cross-examination of the Company's updated direct case has concluded. A coalition consisting of the County of Suffolk, the Town of Hempstead and the CPB has recommended a decrease in permanent electric rates of $116 million below the level of rates in effect prior to September 15, 1983. The Staff of the PSC has recommended that the Company receive a rate increase of $101 million above the level of rates currently in effect, including $98 million of cash flow rate relief.
Cross-examination of the direct cases of opposing parties is scheduled to commence on March 26, 1984. The Company anticipates that a decision on its application for an increase in permanent electric rates will be rendered by September 30, 1984.

For ratemaking purposes the updated Company filing does not reflect a Shoreham in-service date in the rate year. Should Shoreham go into service during the rate year, the Company proposes that the costs of operating Shoreham such as depreciation, operating taxes, operation and maintenance costs and return on investment would be accumulated in a deferred account. Fuel savings associated with the nuclear facility would be similarly deferred.

On December 20, 1983, the PSC issued an order adopting the Administrative Law Judge's Recommended Decision which, in turn, approved a settlement of the gas case by the Company and all active parties. Gas rate relief in the amount of $3.9 million annually became effective on January 1, 1984. This will provide total rate relief of $5.6 million by March 31, 1985, the end of the rate year originally contemplated in the proceeding. On April 1, 1985, the order provides for an increase in the annualized amount of rate relief from $3.9 million to $5.6 million. Provision has also been made for a second stage filing in the summer of 1984 to cover the then known levels of property taxes and wages. An option for a third stage filing in 1985 for increases in property taxes and wages was also approved in the event the Company has not filed a gas rate case by the time of its third stage filing.

In August 1982, the PSC initiated a proceeding to inquire how best to treat, for rate-making purposes, the entry of the Shoreham nuclear plant into service. On November 3, 1982, the Company proposed a plan to recover fully its investment in Shoreham, moderating, however, the full revenue requirements in the first three years of Shoreham's operation, and providing revenues higher than would be received pursuant to conventional rate-making policies in subsequent years. The Company's proposal would generate less internal cash in the first three years of Shoreham's operation than would conventional rate-making and, consequently, require more permanent financing in that period than would otherwise be required.

Other parties in the case, including the PSC Staff and a coalition of intervenors of which the CPB is part (the Coalition), submitted proposals which also stress the importance of maintaining the financial viability of the Company while moderating the rate increase due to Shoreham. However, both the PSC Staff and the Coalition conclude that the rate increases can be moderated more in the early years than in the Company's proposal and therefore the full collection of revenues can be deferred somewhat longer. The Staff proposal phases in the Shoreham rate increases over four years as opposed to the Company's three. The Coalition phase-in is in most part accomplished in five years, but results in a substantially larger deferral of longer duration.

The proceedings have been suspended by the PSC to provide time for resolution of some of the uncertainties concerning Shoreham and the Company's financial situation. Thus the record remains open and different rate moderation proposals may be considered in the future.

The Company, of course, cannot predict what form of rate relief may ultimately be approved by the PSC nor the extent to which the underlying assumptions of any such plan can be met. A rate moderation proposal to limit rate increases due to the Shoreham plant was considered by the New York State Legislature in 1982 but failed to come to a vote because of procedural reasons. Similar legislation was passed in the 1983 Legislative Session but vetoed by Governor Cuomo. Several proposals relating to the Company's rates, Shoreham and possible State action are presently pending in the 1984 Legislative Session. See Nuclear Generating Stations.

Since 1979, the PSC has authorized the Company to increase its electric and gas rates on an annualized basis as follows:

Type of Relief	Effective Date	Requested (Millions)[1]	Granted (Millions)[1]
Electric	5/04/79	152.5	$ 31.4
Gas	5/04/79	25.4	18.1
Electric	5/10/80	36.1	34.15
Electric	5/29/81	232.4	187.1[2]
Gas	11/01/81	11.9	11.3
Electric	1/26/83	148.0	16.8
Gas	1/26/83	35.0	24.7
Electric (temporary)	9/15/83	90.6	90.6
Gas	1/01/84	11.8	3.9[3]

1 As part of the decisions granting the requests for relief which became effective on May 4, 1979, May 10, 1980, May 29, 1981 and November 1, 1981, the Commission also provided for second stage filings for additional wage expenses and additional property taxes to the extent these were not known at the time of the initial decisions. Through second-stage filings, the Company increased electric rates by $4.9 million, $5.4 million, $9.05 million and $4.0 million on August 24, 1978, February 8, 1980, February 14, 1981, and May 7, 1982, respectively; and increased gas rates by $1.5 million on February 8, 1980 and $2.7 million on September 22, 1982. These amounts are included in the figures shown in the last column above. Second stage increases in February 1980 also included recovery of area development expenses.

2 Includes interim relief equivalent to $90 million on an annual basis which was granted effective November 27, 1980.

3 Does not include amounts recoverable under later filings approved in the December 20, 1983 PSC decision discussed above.

The Company has filed separate petitions with the PSC requesting rate relief to recover its share of the costs incurred for the now abandoned New Haven and Jamesport generating projects.

In December 1981, an ALJ issued a recommended decision to the PSC, finding that the Company and NYSEG, co-owners of the New Haven project, acted prudently in proceeding with the project. The ALJ recommended that the PSC authorize NYSEG and the Company to continue to

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accrue AFC on the project costs until recovery through rates begins, and to amortize and recover such costs, including carrying charges on any unamortized balance, over a period to be established in separate rate cases. No action has been taken by the PSC on this matter to date.

In a separate proceeding, the PSC had authorized the Company and NYSEG to continue to accrue and accumulate AFC on their respective shares of the expenditures for the Jamesport nuclear plant until, in effect, issues concerning the then proposed coal-fired plant at Jamesport are resolved. The Company's plans for a coal-fired plant have also been abandoned. The Company recently filed a petition seeking full recovery of all costs of the Jamesport project.

The Company cannot predict what the final outcome will be on the applications for amortization and rate recovery of the Jamesport or New Haven expenditures. See Abandoned Generating Projects

Capital Requirements and Capital Provided: Information as to Capital Requirements, Liquidity and Capital Provided appears in Item 7 of this Report.

Financing: In 1983, the Company raised $911 million through external financing. The Company's original 1984 financing plan called for the sale of an aggregate of approximately $700 million of debt and equity securities. In January 1984, the Company sold five million shares of common stock providing gross proceeds of $52.5 million and in February 1984 the Company realized gross proceeds of $10.4 million through its dividend reinvestment plan. However, given the various adverse factors now impacting the Company, little or no assurance can be given regarding the Company's ability to raise additional funds in 1984 and in future years in order to meet its construction and other capital requirements and operational needs. In view of this situation, in order to conserve cash, the Company has announced that it will reduce its non-fuel related operations and maintenance expenditures, and achieve other cash savings totaling approximately $100 million in 1984 without significantly affecting customer service, that it has suspended construction payments for its share of Nine Mile Point 2 (See Notes 4 and 7 of Notes to Financial Statements), and that it will omit future common stock dividends during the rest of 1984 or until its financial condition is sufficiently strong for dividends to be restored. The Company can give no assurance that such measures will be sufficient in the circumstances, nor can it now predict what other measures it may take. After giving effect to the suspension of payments for Nine Mile Point 2, its recently implemented austerity program and the omission of common dividends, but before giving effect to additional financing or rate relief, or to other cash conservation measures, the Company believes that it has on hand sufficient cash and short-term investments to continue the Company's operations until the fall of 1984.

The book value of the Common Stock at December 31, 1983 was \$19.29. When Common Stock is sold at a price below book value, the interest of existing shareowners in the Company's net assets is diluted.

Resignation of Trustees: Citibank, N.A. has resigned from its position as Trustee under the Company's Indenture of Mortgage and Deed of Trust (the First Mortgage). Effective February 29, 1984, the Company accepted the resignation of Citibank, N.A. and appointed J. Henry Schroder Bank & Trust Company, successor Trustee under the First Mortgage.

Manufacturers Hanover Trust Company, Trustee under the General and Refunding Indenture has advised the Company that it too intends to resign from its position as Trustee. The Company will propose a successor Trustee to be appointed pursuant to the provisions of the G&R Indenture.

Coverage Requirements in the G&R Mortgage: The Company's G&R Mortgage, its primary long-term debt financing instrument, which is a lien upon substantially all of the Company's properties, is junior to the lien of the Company's Indenture of Mortgage and Deed of Trust (the First Mortgage). The G&R Mortgage provides that G&R Bonds may be issued on the basis of property additions only if the Company's income for any twelve consecutive calendar months within the fifteen calendar months preceding the issuance of G&R Bonds, equals at least two times the stated annual pro forma interest payable on all G&R Bonds and First Mortgage Bonds to be outstanding immediately after the issuance of such additional G&R Bonds (the G&R Mortgage Interest Coverage). Pledged Bonds are not included in this calculation. Thus, the Company's ability to sell additional G&R Bonds is dependent, in part, upon the earnings and prevailing secured debt interest rates at the time of sale. The issuance of G&R Bonds to provide a portion of required future permanent financing is also dependent upon the Company continuing to obtain additional revenues, including those from gas and electric rate increases and from other sources, to meet these tests. Based on earnings for the twelve months ended December 31, 1983, the Company could issue approximately \$73 million of G&R Bonds at an assumed interest rate of 16%.

Under the provisions of the G&R Mortgage, the Company may not issue any additional bonds under the First Mortgage other than bonds (the Pledged Bonds) which are required, concurrently with the issuance of each new series of G&R Bonds, to be deposited with the Trustee of the G&R Mortgage. During the last several years, limitations in the First Mortgage which prohibit the issuance of First Mortgage Bonds on the basis of Shoreham nuclear plant expenditures prior to receipt of an operating license have, in effect, restricted the issuance of Pledged Bonds. The coverage requirements of the First Mortgage and the Company's ability to issue additional Pledged Bonds do not restrict the Company's ability to issue additional G&R Bonds. Of the \$1,055 million of First Mortgage Bonds outstanding at December 31, 1983, \$535 million were Pledged Bonds representing 45% of the \$1,196 million of G&R Bonds outstanding.

Coverage Requirements in the Certificate of Incorporation: The Company's Certificate of Incorporation provides that the Company may not

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issue additional Preferred Stock unless the net earnings of the Company available for payment of interest on its debt after depreciation and all taxes for any twelve consecutive calendar months within the fifteen calendar months preceding the month of issuance are at least 1.50 times the aggregate of the annual interest charges and dividend requirements on the debt and Preferred Stock to be outstanding immediately after the issuance of such Preferred Stock (the earnings ratio). Additional Preferred Stock may be issued beyond amounts permitted under the earnings ratio with the approval of at least two-thirds of the votes of the holders of the outstanding Preferred Stock. Based on earnings for the twelve months ended December 31, 1983, the Company could issue approximately $84 million of Preferred Stock at an assumed interest rate of 18%.

Issuance of Preference Stock, which is junior to the Company's Preferred Stock, but senior to its Common Stock with respect to declaration and payment of dividends and right to receive amounts payable on any dissolution, does not require satisfaction of a net earnings test or any other coverage requirement, unless established by the Board of Directors for one or more series of Preference Stock, prior to the issuance of such series. No Preference Stock has been issued by the Company.

Other Debt: The Company's G&R Mortgage, the First Mortgage and the Certificate of Incorporation do not contain any limitations upon the issuance of debt secured by liens which are junior to the above mortgages or upon the issuance of unsecured debt.

The Company has outstanding approximately $67 million principal amount of promissory notes, securing a like amount of tax exempt Pollution Control and Industrial Development Revenue Bonds issued by NYSERDA for Company projects (Pollution Control Revenue Bonds). The Company also has authority from the FERC to issue up to $400 million of unsecured short-term debt in the form of notes to banks and commercial paper. The Company has no current arrangements for borrowings under this authorization. See Note 5 of the Notes to Financial Statements.

A revolving credit agreement provides the Company with commitments from a number of domestic banks for loans of up to $250 million. The agreement is effective through December 1988, with provision for four annual extensions until December 1992. At December 31, 1983, the entire $250 million was outstanding under this agreement. A $150 million revolving credit agreement with foreign banks was signed in mid-1982. At December 31, 1983, the entire $150 million was outstanding under this agreement. A $30 million term loan agreement was effected in January 1983 for a 3-year period and was fully borrowed at December 31, 1983. A $25 million term loan agreement was effected in June 1983 for a 5-year period and was fully borrowed at December 31, 1983. A $50 million term loan agreement was effected as of July 1983 for a 5-year period and was fully borrowed at December 31, 1983.

The Company's financing trusts were created at the Company's request primarily to provide project-related unsecured debt financing --

the Resources Trust for the Company's nuclear fuel program and the Construction Trust for the Company's 18% share of Nine Mile Point Unit 2. Funds for the Company's share of nuclear fuel for Nine Mile Point Unit 2 are provided through the Construction Trust as well. Title to the nuclear fuel for Shoreham is held by the Resources Trust. With the exception of Pollution Control Facilities, title to the 18% share of Nine Mile Point Unit 2 is held by the Construction Trust. The Company maintains control and responsibility for its nuclear fuel program. Niagara Mohawk manages and controls the construction program for Nine Mile Point Unit 2, as the agent for the cotenants of that project. The Company recently advised Niagara Mohawk that it was suspending construction payments for this project. See Nuclear Generating Stations. As of December 31, 1983, the total borrowings under the Construction Trust and the Resources Trust were $500 million and $200 million, respectively, $20 million of which matures in 1984. No additional credit from lenders is available under the Trusts. Pursuant to the Tri-Counties Resources Trust Revolving Credit Agreement, outstanding loans currently maturing in September 1986 would have been automatically extended to September 1987. However, all of the bank lenders have given notice that as permitted by their agreement, they will not so extend the maturity date. See Notes 4 and 7 of the Notes to Financial Statements.

Following the suspension of construction payments for Nine Mile Point 2, the Company and counsel for the banks which are lenders to the Construction Trust agreed to amend the Trust agreements to provide that the failure to make construction payments will not constitute a default prior to April 27, 1984 or as extended by the banks, and to increase the limitations contained in the Trust agreements to cover prior advances by the Company in excess of $500 million, but to exclude from such limitations future advances by the Company for the purpose of enabling the Trust to make interest payments under the Credit Agreement. The amendments require approval of the PSC. The Company cannot predict what action the PSC will take. Furthermore, the Company cannot predict whether the banks will grant any extensions beyond April 27, 1984, or what other action, if any, the banks might take at that time. If a default occurs, payment of the $500 million of indebtedness to the banks under the Construction Trust agreements would become subject to a right of acceleration exercisable by the banks. A default in the Construction Trust agreements, unless cured, could by reason of cross-default provisions in instruments governing other Long-term Debt of the Company, give rise to rights of acceleration of maturities of such debt. See Note 4 of the Notes to Financial Statements.

Ratings of Securities: Following the Company's announcement in late December 1983 that the absence of favorable developments in the near future could affect the level or continuation of subsequent dividends on the Company's Common Stock, Moody's, in January 1984 lowered its ratings on all of the Company's securities except the Preferred Stock which was reduced on March 9, 1984. In Moody's view, since December 1983, when it reduced the Company's ratings on all of the Company's fixed income securities, the Company's prospects for continued financial flexibility and for resolution of the Shoreham safety plan impasse have worsened. In

January 1984, S&P removed the Company's securities from its "CreditWatch." In February 1984, D&P reduced its rating of the First Mortgage Bonds from 10 to 11 and on March 19, 1984, placed all of the Company's securities on its Watch List. The ratings of the Company's securities are currently under review by Fitch.

The current ratings of the Company's principal securities and its commercial paper by Moody's Fitch, S&P and D&P, are as follows:

	Moody's	Fitch	S&P	D&P
First Mortgage Bonds*	Ba2	BBB	BB+	11
General & Refunding Bonds*	Ba3	BBB-	BB	12
Pollution Control Revenue Bonds (unsecured)	Ba3	**	BB	**
Preferred Stock***	"b3"	BB+	BB-	13
Commercial Paper	Not Prime	F-3	**	**

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*Fitch is the only rating agency which still considers the First Mortgage Bonds and General and Refunding Bonds as investment grade securities.

**Not Rated

***The Company's Preferred Stock is no longer considered investment grade by any of the four rating agencies.

<u>Electric Service and Property</u>: The Company's aggregate summer generating capability of approximately 3,721,000 kilowatts is provided by its five oil-fired steam electric generating stations and a number of gas turbine and diesel supplemental generating units. Certain units may also be fired with natural gas when it is available on an economic basis. The Company also has four interconnections which permit energy to be transferred between the Company and members of the New York and New England Power Pools. Utilizing these interconnections, the Company also purchases firm capacity from the Fitzpatrick Nuclear Unit of NYPA, a member of the New York Power Pool. In 1983, utilizing these interconnections, approximately 23% of the Company's energy requirements were purchased from other utilities, including NYPA, in order to displace the use of costly oil. In addition, the Company sold power equivalent to approximately 4% of its energy requirements.

The maximum demand on the Company's system during 1983 was 3,108,000 kilowatts on September 7, 1983. The maximum system demand to date was 3,143,000 kilowatts on July 21, 1980.

By agreement with the New York Power Pool, the Company is required to maintain a reserve generating capacity equal to at least 18% of its forecasted peak load. The Company expects to have a reserve margin of 18% for the year 1984 before Shoreham begins commercial operation, based upon the Company's most recent forecast. Operation of the Shoreham nuclear plant would increase the reserve margin by 25%.

The Company's forecasts of system sales and system energy requirements, including peak loads, are under continuous review. In 1983 system kilowatt-hour (kWh) sales were 5.0% higher than 1982. A significant factor in this increase was the prolonged hot summer in 1983. The average annual growth rate for the five-year period ended December 31, 1983 was 1.1%. The Company presently estimates system kWh sales of electricity to customers in 1984 will be 0.9% above those in 1983. In 1988, these sales are estimated to be 1.0% higher than actual sales in 1983. This would result in an approximate average annual growth rate of 0.2% between 1983 and 1988. From 1983 to 1990, kWh sales are expected to grow at an average annual rate of 1.6%.

The Company owns the Shoreham Nuclear Power Station on Long Island, and holds an 18% interest in the Nine Mile Point Unit 2 nuclear generating project, under construction by Niagara Mohawk. As of February 9, 1984, the Company advised Niagara Mohawk and the other participants in the project that it would not continue making payments for the project construction costs. Information on the status of these projects appears under Nuclear Generating Stations and in Note 7 of the Notes to Financial Statements.

An engineering consulting firm retained by Suffolk County, New York has concluded that acquisition by Suffolk County of the Company's distribution and transmission facilities within the County and of a pro rata portion of the Company's generating facilities (including a portion of such facilities located outside Suffolk County) presents "attractive possibilities" and recommends further investigation into such acquisition. The consulting firm also concluded that acquisition of gas facilities by Suffolk County is not economically viable.

The capital required to finance the acquisition is estimated by the consulting firm to vary between $969 million and $3.5 billion, depending on, among other things, the valuation method used, estimates of consequential damages and whether the County would be liable to the Company for all or part of the cost of the Shoreham facility. The Company believes that the estimated range reflects grossly inadequate compensation for its facilities and for the severance and consequential damages which the Company would sustain as a result of such acquisition.

Suffolk County has not indicated what action will be taken concerning the findings of the report, which was first made public in June 1983. Should the County government determine to acquire the Company's facilities, a proposition must be submitted to and approved by the County's voters in a public referendum. If the proposition were approved, and if the County's right to condemn the facilities were sustained by the Courts, the amount of the award to the Company for the properties acquired and severance and consequential damages would be determined in proceedings in the New York State Courts.

Fuel Supply: The availability and cost of fuel is affected by factors beyond the control of the Company such as the international oil market, environmental regulations, conservation measures and the availability of alternative fuels.

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Oil: Oil is the principal fuel burned in the Company's electric generating stations. The Company was able to reduce its requirements for oil in 1983 through purchase of power from other systems and by burning natural gas. The Company's system electric requirements for the last five years were provided as follows:

	Percentage of System Requirements		
	Oil[1]	Gas[1]	Purchased Power[2]
1979	67	8	25
1980	60	14	26
1981	62	17	21
1982	64	16	20
1983	62	15	23

1 Generated on the Company's own system.
2 Generated at more economical nuclear, coal, oil and hydroelectric units owned by other electric systems and transmitted to the Company over the interconnections discussed under Electric Service and Property.

For information concerning federal and other regulatory environmental limitations on fuel oil burned by the Company, see Environment: Air.

Most of the fuel oil used by the Company is high-sulfur residual oil which is imported from Venezuela and the Caribbean. Low-sulfur residual oil is also used. Oil consumption for the Company's system electric energy requirements in 1983 (exclusive of requirements for sales to other systems) was 14.9 million barrels compared to 14.5 million barrels in 1982 and 14.4 million barrels in 1981 respectively. The average cost of fuel oil, determined for the fuel adjustment clause in the Company's electric rate schedules through which changes in fuel costs are passed on to its customers, was $26.63 per barrel in 1983, compared to $26.64 per barrel in 1982, and $27.50 per barrel in 1981. The Company's fuel oil is supplied by four suppliers, no one of which normally provides more than one-half of the total requirements.

Coal: The Company no longer burns coal at any of its generating stations. The Company has applied to the DEC for permits to convert certain of its oil-fired units to coal. See Coal Conversion Projects.

Gas: Since the end of the natural gas shortage in the late 1970's the Company has burned significant quantities of natural gas in its electric generating units in order to displace the use of more expensive oil. For additional information on such use of natural gas, see Fuel Supply: Oil. For information relating to the supply of natural gas, see Gas Service, Supply and Property.

Nuclear: Uranium ore must be highly processed before it can be used in nuclear generating plants. This process is referred to as the nuclear fuel cycle. Generally, the nuclear fuel cycle consists of (1) the mining and milling of uranium ore to yield uranium concentrates, (2) the conversion of uranium concentrates to uranium hexafluoride, (3) the enrichment of the uranium hexafluoride, (4) the conversion of the uranium hexafluoride to uranium dioxide and the fabrication of fuel assemblies into which the uranium dioxide is incorporated, (5) the utilization of the nuclear fuel in the generating station reactor and (6) the appropriate storage or disposition of spent fuel, including the reprocessing of spent fuel to recover unused uranium and plutonium or its disposal at a Federal repository. The Company has substantial commitments for nuclear fuel.

The Company has purchased uranium concentrates sufficient to operate the Shoreham Unit through 1987 and conversion services sufficient to operate through 1989. The Company has a 30-year contract with the DOE for enrichment services. Fabrication services for the first core and the first four reloads will be provided by the General Electric Company, and as part of the litigation settlement referred to below, Westinghouse Electric Corporation (Westinghouse) has agreed to fabricate fuel assemblies for Shoreham for an eight-year period starting with the fifth reload.

Reprocessing facilities for spent nuclear fuel in the United States are owned by the federal government and are used for the reprocessing of spent fuel generated by the United States military. There are presently no reprocessing facilities in the United States for spent fuel from utility companies. Although the current federal administration has reversed the prior administration's policy of deferring the reprocessing of spent fuel from power reactors, it is unclear at this time whether private industry will proceed with the development of reprocessing facilities.

The "Nuclear Waste Policy Act of 1982" establishes a schedule for the federal government to develop and operate a repository for the disposal of spent fuel and high level waste which will be funded through a user-fee. The current fee based on nuclear generation is one mil per kilowatt hour, payable quarterly. The Company anticipates this cost will be recovered in rates. The Company has a contract with the DOE providing for the disposal of spent fuel from Shoreham beginning in 1998. Shoreham's spent fuel storage pool has the capacity to store all spent fuel anticipated to be discharged from the reactor through the year 2003.

The Company has transferred certain of its rights to nuclear materials to the Trusts, as described in Note 4 of the Notes to Financial Statements.

On February 9, 1984, the Company suspended its payments in support of the construction of Nine Mile Point Unit 2. See Nuclear Generating Stations. To date, the Company has paid approximately $7 million (excluding carrying costs) of its 18% share of the first core fuel costs. This investment covers 80% of the uranium requirements, 67%

of the conversion requirements, 30% of the enrichment requirements and 5% of the fabrication costs of the Company's share of the first core.

In 1976 and 1978, the Company made long-range commitments with BRC to purchase 10 million pounds of uranium concentrates. The contracts for uranium concentrates required advance payments of $20 million by the Company. BRC did not deliver the uranium concentrates as agreed and also is in default under the provisions of a Mine and Mill Development Financing Agreement pursuant to which the Company provided BRC with additional funds to complete the development of a uranium mine and to construct an ore-processing mill. BRC's indebtedness pursuant to that Agreement is $51.1 million. The Company also provided BRC with additional funds for its operations.

On June 12, 1981, the Company and several other creditors of BRC petitioned the U.S. Bankruptcy Court for the District of New Mexico for a reorganization of BRC under Chapter 11 of the U.S. Bankruptcy Code. An order granting the petition for bankruptcy was filed on December 21, 1981, affirmed by the U.S. District Court, New Mexico on appeal by BRC in July 1982, and subsequently affirmed by the U.S. Court of Appeals for the Tenth Circuit. In December 1983, the Bankruptcy Court dismissed three of four counterclaims initially asserted by BRC in the foreclosure action instituted in U.S. District Court for the Eastern District of New Mexico and discussed below. BRC has filed objections to and an appeal from this decision. The Company has filed its answering brief. BRC originally counterclaimed that the Company breached a fiduciary duty to BRC and its shareowners to provide it with sufficient moneys to complete the mine and mill, exercised control over the operations of BRC, fraudulently induced BRC to enter into the several agreements with the Company and interfered with BRC's efforts to sell its common stock to others. The issues in the fourth BRC counterclaim, which seeks recovery of approximately $45 million in compensatory damages and $50 million in punitive damages, have not yet been resolved.

While the Company believes that both its claims against BRC and its defenses against the remaining BRC counterclaim are meritorious, no assurance can be given as to the outcome of this litigation.

The Company commenced a foreclosure action against BRC in November 1980 in the United States District Court for the District of New Mexico following BRC's defaults under the Mine and Mill Development Financing Agreement and under a $1 million promissory note. Both the Agreement and the note are secured by mortgages and assignments of leases to the mineral ore body and mill site. The foreclosure complaint also alleged defaults under a series of unsecured promissory notes for $1.7 million. BRC raised several affirmative defenses to the Company's claims and four separate counterclaims against the Company. These claims and counterclaims were subsequently removed to the bankruptcy proceedings described above.

The Company's $20 million advance payment to BRC for uranium concentrates, and substantially all moneys loaned or otherwise provided

BRC to develop the mine, to construct the mill, and to protect and preserve the properties, have been secured by assignments, mortgages or security agreements on the mining leases to the main ore body and on the mill site.

The mine and mill are located in Marquez, New Mexico. The uranium mine shaft has been sunk to approximately 1,835 feet of its anticipated depth of approximately 2,100 feet. As part of a plan to preserve the properties pending the conclusion of the litigation discussed below or the sale of the BRC properties, the water pumping equipment was removed, resulting in anticipated water intr..ion in the mine shaft. The mill has been mothballed. The mill is virtually completed but cannot be operated until certain ore tailings treatment facilities have been constructed. The required environmental permits for the construction of the ore tailings facilities were granted in 1980. BRC is in the process of applying for renewals of these permits before their expiration in January 1985. Completion of the mine, the mill and the ore tailings facilities would require a substantial additional investment.

At December 31, 1983, the Company's claims against BRC totaled approximately $84 million. Additionally, interest capitalized on the advance payments totaled approximately $27.2 million at December 31, 1983. See Note 7 of the Notes to Financial Statements. In addition to the Company's claims against BRC, approximately $4.9 million in secured and unsecured claims filed by other creditors are pending. Some of these creditors are claiming priority over LILCO's claims. The claims by Stearns-Roger, Incorporated and Ram Constructors, Inc. against BRC were settled in August 1983.

On February 22, 1982, BRC began an action against the Company, in Cibola County District Court, New Mexico, for breach of the 1976 and 1978 uranium concentrates purchase contracts. BRC seeks approximately $44 million in compensatory damages for the Company's refusal to accept past due deliveries of uranium concentrates, and approximately $251 million in compensatory damages for nonacceptance of future deliveries, less its cost of purchasing such uranium concentrates, on the theory that the Company has wrongfully denied any further obligation to accept future deliveries of uranium concentrates from BRC. BRC also seeks $50 million in punitive damages in connection with these claims. The Company believes that it has meritorious defenses to BRC's actions. This litigation and all other litigation involving BRC and its creditors, including the Company, has also been removed to the Bankruptcy Court.

The eventual disposition of the Company's loans and advances to BRC and the viability of BRC as a source of nuclear fuel depend on many factors, including the market price for uranium. At present, the Company believes that the cost to mine and mill uranium from the BRC properties substantially exceeds the spot market price of uranium concentrates. The "spot" market price referred to below, is one indicator of the condition of the uranium market.

The Exchange Value of uranium concentrates, published by Nuclear Exchange Corporation (NUEXCO) since August 1968, has fluctuated widely since 1975. The NUEXCO Exchange Value (commonly referred to as the "spot" price) reflects NUEXCO's judgment of the price at which significant quantities of uranium concentrates could be sold as of the last day of each month. The highest and lowest Exchange Values during the period from September 1975 to December 1983 were $43.40 during May, June and July 1978 and $17.00 in August and September 1982. At December 31, 1983, the Exchange Value was $22.00. This had fallen to $17.50 as of February 29, 1984.

The Company believes that there must be a substantial increase in the domestic market price of uranium above 1978 levels in order to permit the Company to recover its loans and advances to BRC in the long term. The domestic market price of uranium is affected by many factors including actions taken by the governments of uranium producing countries with respect to restrictions on imports, exports and production of uranium, and the present and future requirements of utility companies for additional nuclear fuel. The domestic uranium market has deteriorated markedly since late 1979 and has remained relatively depressed. Market conditions for uranium are expected to improve after existing uranium surpluses are depleted, but no assurance can be given that price levels will rise to a point where the operation of the mine and mill, either as an integrated unit or separately, will be economically viable. Other factors that may affect the viability of the mine and mill include the substantial cost of completing the mine, the costs to complete the mill and tailings facilities, operating costs, and the existence of a market for toll milling.

The Company initially entered into its contracts with BRC as a result of the failure of Westinghouse Electric Corporation to deliver uranium concentrates under contracts with the Company. A settlement agreement in 1981 terminated the Company's breach of contract action against Westinghouse. Under favorable assumptions, the value of the Company's share of the settlement, which would be realized over a 15-year period, is estimated at $63 million. It is the Company's view that this settlement is related to the Company's loans and advances to BRC and should be utilized as an offset to any potential loss on the BRC transaction. Westinghouse also claims a total of $63 million from NYSEG and the Company as damages for cancellation of certain nuclear project related contracts. See Abandoned Generating Projects. If a loss should be realized, the Company anticipates that it will apply to the PSC to recognize such relationship for rate-making purposes. To the extent that the moneys advanced or loaned to BRC or the interest capitalized on non-interest bearing advances cannot be applied as a credit against the purchase of nuclear fuel from BRC, returned to the Company upon the sale or refinancing of the BRC properties, recovered through litigation or offset by the Westinghouse litigation settlement proceeds, the Company will apply to the PSC for appropriate rate relief. The Company believes its loans and advances to BRC were prudent and should be recovered from ratepayers. The Company has pending before the PSC two proceedings respecting amounts being advanced by the Company for the maintenance of the BRC properties and the Company's litigation expenses. While the Company believes that the PSC should act favorably, it cannot predict what action the PSC may take.

Due to the many contingencies upon which the outcome of the BRC transactions and the related litigation are dependent, the Company cannot determine accurately either the probability of its realizing a loss on the BRC transactions or the amount of that loss if it should occur. While under the most adverse circumstances that loss could be material, the Company believes that based upon its analysis of the facts and legal claims presented, the loss, if any, by itself will not be material.

The lawsuit begun in 1981 by Adele H. Charal, a shareowner of the Company, on behalf of herself and other shareowners similarly situated, in the United States District Court for the Eastern District of New York has been settled. Charal claimed that the Company, certain of its officers and directors and certain of the underwriters of the Company's 1978 Common Stock offering, had violated Sections 11 and 12 of the Securities Act of 1933, as amended, by their alleged failure to disclose material information concerning the contracts and financial arrangements between the Company and BRC. Charal claimed damages of approximately $18 million and other relief. The litigation was settled for $1.3 million, which includes plaintiff's counsel fees.

On January 14, 1981, Douglas S. MacKay, a shareowner of the Company, commenced a derivative action against the Company and certain of its officers and directors in New York Supreme Court, Nassau County, alleging gross negligence and breach of fiduciary duty on the part of the individual defendants arising out of the contracts and financial arrangements between the Company and BRC described above, and seeking damages and other relief. On June 30, 1981, Gertrude Wolfson, a shareowner of the Company, commenced a derivative action against the Company and certain of its officers and directors in New York Supreme Court, New York County, alleging wrongful acts and breach of fiduciary duty on the part of the individual defendants arising out of the contracts and financial arrangements between the Company and BRC, and seeking damages and other relief. The Company is named as a nominal defendant in both actions. These two derivative actions have been consolidated and are pending in Supreme Court, New York County. At this time, although no assurance can be given as to the outcome of either of these lawsuits, the Company believes that they will not have a material adverse effect on the Company.

Abandoned Generating Projects:

In the 1970's, the Company and NYSEG had sought regulatory approval for the construction of nuclear plants at Jamesport and New Haven, New York. The application for New Haven was denied by a New York

State Board on Electric Generation Siting and the Environment (Siting Board) in 1979. The Siting Board which considered the Jamesport application approved a coal-fired rather than nuclear plant, and NYSEG withdrew from the project. The Company received a postponement from the Siting Board in order to study its options and alternatives and seek new partners. The Company was unsuccessful in finding other partners. Finally, in November 1983 a New York appellate court nullified the certificate authorizing a coal plant and dismissed the Company's application. The Company did not appeal this decision.

The Company's share of the Jamesport nuclear and coal-related costs, net of estimated tax effects of $21 million, was approximately $75 million at December 31, 1983.

The Company's share of the abandoned New Haven Nuclear project costs, net of estimated federal income tax effects of $14 million, was $43 million at December 31, 1983.

The Company has applied to the PSC for recovery of the costs associated with New Haven. An Administrative Law Judge of the PSC has concluded that the Company's costs were prudently incurred and recommended that the Company receive authorization to recover in rates its costs associated with the project and to receive a return on the unamortized balance of those costs. No decision has been issued by the PSC on the New Haven application. A similar application was recently filed for recovery of all of the Company's Jamesport costs.

Pursuant to a litigation settlement agreement between Westinghouse and the Company involving nuclear fuel purchases, Westinghouse will make a payment of $10 million to the Company after resolution of the issues associated with cancellation of the contract for the Jamesport Nuclear Steam Supply Systems. One-half of any such payment will be paid to NYSEG, as a participant in the Jamesport nuclear project. Negotiations on the cancellation costs are continuing. Westinghouse is claiming approximately $63 million in cancellation costs for the Nuclear Steam Supply Systems, in addition to payments already made, which claim the Company is disputing. If there are any cancellation costs, NYSEG and the Company would share them equally.

Coal Conversion Projects: The Company filed applications for permits from federal, state and local authorities to convert two of the four oil-fired units at its Port Jefferson generating station to burn coal. Public hearings on the Company's application under the State Environmental Quality Review Act were held in 1983 and further hearings are necessary on solid waste disposal issues.

Estimates for such conversion prepared in 1982 ranged from $370 million to $665 million depending on the kind of coal used, the type of air pollution equipment required and the terms of federal, state and local permits. Present fuel cost projections indicate that the cost of conversion would exceed benefits. The Company does not intend to take further action on these projects at this time and has asked that the hearings be postponed indefinitely.

Nuclear Generating Stations: Construction work on nuclear facilities and operation of nuclear generating stations are subject to issuance of construction permits and operating licenses by the NRC and to the granting by other governmental agencies of required approvals. There can be no assurance that such licenses and permits will be received. In the event any of the required approvals and permits are denied, the Company would apply to the PSC for rate relief to recover its expenditures for nuclear related facilities which cannot be utilized for other purposes from its customers. Although the Company anticipates that the PSC would grant rate relief, no assurance can be given that rate relief sufficient to cover all or substantially all of such expenditures would be granted.

The economics, safety and siting of nuclear facilities are presently the subject of, among others, proposed restrictions pending in Congress and in numerous states. Should these issues be determined adversely to owners of nuclear facilities, existing or under construction, modifications resulting in the expenditure of substantial sums of money may be required.

Construction of the Shoreham Nuclear Power Station is virtually completed with the exception of the installation of emergency power sources. The construction permit for the Shoreham Unit expired on December 31, 1983. The Company made timely application for its extension. Pending action by the NRC on the Company's application for the extension, the construction permit is automatically extended. To date, no party has opposed the request for extension. The Company believes the NRC will grant the requested extension.

The cost of the Shoreham Unit, based on commercial operation beginning July 1, 1985, is currently estimated at approximately $4.1 billion. In the Company's opinion, July 1, 1985 is the earliest date that commercial operation could commence. Approximately $3.2 billion of this amount had been expended through December 31, 1983.

The Company expects that gross expenditures for Shoreham, including AFC, will be approximately $632 million in 1984 before reflecting the Company's recently implemented austerity program and $263 million in the first six months of 1985, before any credits for preoperational test electric generation. The Company is unable at this time to state when the plant might go into commercial operation, if ever. Additional delays beyond July 1, 1985 are estimated to cost an additional $40 to $50 million each month, almost wholly for carrying charges, including financing charges, insurance, taxes, interest and overhead expenses. The Company believes that all Shoreham related costs including AFC are prudent and recoverable from current or future revenues. However, some uncertainties do exist with respect to total recoverability of

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Shoreham costs as a result of the issues set forth below which include disallowance, whether resulting from imprudency or otherwise, and economic viability. The Company is monitoring all of these matters and will monitor any future related matters in determining whether it continues to be appropriate to capitalize all or a portion of Shoreham related costs. The actual monthly carrying charge depends upon, among other factors, the outcome of the Company's pending application for rate relief. Because of the continuing difficulties in obtaining an operating license for Shoreham, the prospect exists for further delays and uncertainties, further increases in its costs and severe financial strains for the Company.

The Company has received a favorable partial initial decision from an ASLB on substantially all issues other than the adequacy of the Company's offsite radiological emergency response plan (including the issue of the authority of the Company to implement such plan) and the adequacy of the emergency power sources. The appeal from this decision is pending before an Atomic Safety and Licensing Appeal Board.

The emergency power sources would provide backup power to shut the plant down in the unlikely event that a loss of outside power supply was accompanied by a serious plant accident. In that event, successful operation of Shoreham's emergency power sources would be required to achieve a safe shut down.

The initial power sources are three emergency diesel generators. Essentially all of the major moving parts of these generators were replaced after cracks were discovered in the original crankshafts in August 1983. The three generators have been rebuilt and testing has resumed. Delays in testing have been experienced due to additional defects. A schedule for hearings respecting the adequacy of the rebuilt emergency diesel generators will not be set by the ASLB before mid-May 1984 at best. The Company expects that, by that time, discovery in that proceeding will have concluded, and the testing, design review and quality revalidation of the rebuilt emergency diesel generators will be completed. The Company cannot predict when hearings on the rebuilt emergency diesel generators will begin or be completed. The NRC has expressed its concern with diesels made by the same manufacturer located at other nuclear plants as well as at Shoreham and is conducting an investigation of the problems. The Company has applied for approval but cannot predict whether such approval will be granted, to load fuel and begin low power operation principally relying on emergency sources of power other than the rebuilt emergency diesel generators. Governor Cuomo of New York and all other intervenors have taken the position that an approved offsite emergency response plan is a prerequisite to fuel loading.

The Company is also proceeding with the installation of three additional emergency diesel generators from another manufacturer. These new additional emergency diesel generators are schedule to be installed in a new specially constructed building and tested by August 1985, at an aggregate cost of approximately $91 million, almost all of which will have been expended before the end of 1984. The approval of the ASLB respecting their use is expected to be required. The Company may be unable to obtain the necessary financing or adequate rates or to conserve sufficient cash to meet its operating and capital requirements pending the completion, installation and testing of the new generators.

The Company also faces serious problems in obtaining approval of an offsite emergency response plan. Such approval is a condition to obtaining a full power operating license from the NRC. Suffolk County and Governor Cuomo have taken the position that an emergency response plan is not possible and have steadfastly refused to participate in offsite emergency response planning, opposing every effort of the Company to obtain licensing. The Company's authority to implement an offsite radiological emergency response plan has been raised in a suit filed in N.Y. Supreme Court, Albany County by Governor Mario Cuomo of New York and in N.Y. Supreme Court, Suffolk County by Suffolk County. Both actions were commenced separately on March 8, 1984. The Company is the sole defendant in each lawsuit. Governor Cuomo's lawsuit seeks a declaratory judgment that the Company lacks the legal authority to undertake its offsite emergency response plan. The Suffolk County lawsuit seeks a declaratory judgment that the Company's plan is unlawful and illegal under the Constitution and the laws of New York State. The Company disagrees with both the Governor and Suffolk County, and will vigorously oppose them in this litigation. While the Company has developed its own emergency response plan and believes this plan will adequately provide for the safety of the public, there can be no assurance that such plan will be accepted in the licensing proceedings or that an operating license will ultimately be issued. Hearings on the offsite emergency response plan began on December 6, 1983, and are expected to continue well into 1984.

FEMA reviewed the Company's offsite emergency response plan and submitted a report to the NRC in June 1983 respecting the plan. FEMA found the plan to be inadequate in certain respects and the Company submitted a revised plan. On March 15, 1984, FEMA issued a further report on the status of offsite emergency planning at Shoreham. The report identified no inadequacies in the current plan that cannot be cured by governmental involvement in the planning or by other measures.

The Company believes that it must engage additional operating personnel with acceptable nuclear reactor experience prior to operation of Shoreham and is undertaking to do so.

While Suffolk County opposes operation of the plant, the County at the same time levies taxes on the plant based on assessments apparently made on the assumption that the plant will eventually begin operating. Suffolk County, the Town of Brookhaven, and the Shoreham-Wading River School District (hereinafter referred to as the "County," the "Town," and the "School District," respectively) are the three beneficiaries of these taxes. The Company paid approximately $139 million in property taxes attributable to the Shoreham Nuclear Power Station during the tax years 1976-77 through 1978-79 and 1980-81 through 1982-83. On January 10, 1984, in lieu of making payment of approximately $26.2 million of property taxes attributable to Shoreham, the Company decided to deposit an amount equal to such taxes (not less than $26.2 million) with a third party pending resolution of litigation by the Company in New York Supreme Court, Suffolk County, seeking review and correction of the assessments of the Shoreham property for the tax years referred to above, and for the 1983-84 tax year. This action was taken because the Company believes that the County, the Town and the School District would be unable to refund the taxes paid if the Company is successful in the pending tax litigation. The Town and the New York State Attorney General have each commenced an action in the New York Supreme Court. The Attorney General's action requests sequestration of the $26.2 million and the Town's action seeks a judgment finding the Company liable for the $26.2 million. The Company's First Mortgage Indenture and its General and Refunding Indenture permit the payment of the taxes to be deferred pending good faith litigation challenging the tax assessments. The Company believes that it is in compliance with the applicable provision of the Indentures. In the event the Company is not successful in its tax litigation, the Company will pay the taxes from the funds on deposit which the Company believes will be adequate for such purposes.

The PSC is currently investigating the prudency of the costs incurred by the Company in the construction of Shoreham. Hearings with respect to filed testimony are scheduled to begin in May 1984 before an ALJ. On March 19, 1984, the Company filed a motion requesting a six-month extension. A prehearing conference has been scheduled for March 29, 1984 to decide this issue.

The Staff of the PSC filed its testimony respecting the prudency of the Shoreham expenditures on February 10, 1984. Based upon $3.846 billion assumed by the Company in its pending electric rate case to be the cost of Shoreham if it becomes operational in January 1985, the PSC Staff testimony recommends that no more than $2.296 billion of the Shoreham costs be allowed in rate base. The Staff would exclude $104.8 million of the engineering costs as excessive, $295.8 million of construction labor costs as unreasonable, $610.3 million attributable to avoidable schedule delays, $539.3 million attributable to the emergency diesel generator problems and all costs in excess of $3.846 billion if operation of Shoreham is delayed beyond January 1985. The CPB, Suffolk County, and Long Island Citizens in Action, three of the intervenors in the prudency investigation, in their filed testimony allege that "a strong presumption is raised that any expenditures on Shoreham in excess of $1.9 billion through 1983 are the result of imprudence." The Company could be required under certain circumstances to write down the value of its assets in the event the PSC disallows a portion of the Shoreham costs from the Company's rate base. The effect of a disallowance on the Company's financial condition and operating results could, under certain circumstances, jeopardize the Company's ability to meet its financial obligations. The Company cannot now determine the amount, if any, of such disallowance. The Company believes that its direct testimony, filed in 1981 and supplemented in 1983, together with its rebuttal testimony to be filed, supports its view that the costs of Shoreham have been prudently incurred. In this connection on February 8, 1984, the Company filed in this proceeding a report prepared by Arthur D. Little, Inc. for the Company containing findings based on its independent assessment of the Company's management of Shoreham. The review by Arthur D. Little, Inc. was based on the same information contained in documents which the Company has produced in discovery proceedings brought by the PSC over the course of its investigation of the prudency of the management of Shoreham, as well as information provided by the Company to the PSC, its consultants and other interested parties in a series of interviews held by them with the management of the Company and its contractors. Arthur D. Little, Inc. concluded "that LILCO's decisions and related management processes were prudent under the circumstances that prevailed at that time." Notwithstanding the Company's belief that all of the costs of Shoreham were prudently incurred, the Company's Chairman has indicated that, as part of a proposal that would ameliorate the impact of including all of the Shoreham costs in its rate base, the Company might be willing to forego rate recovery which would otherwise result from inclusion in rate base and cost of service of up to $500 million of Shoreham's cost in return for cooperation from Suffolk County or New York State in bringing the unit into operation. Even if the Company were not allowed to include such amount in its rate base and cost of service, it believes that a write-down of Shoreham costs through a charge to income would not be required by generally accepted accounting principles.

The PSC is also conducting a proceeding focusing on the rate treatment to be applied to the Shoreham investment when it begins commercial operation. See Rates.

The Company's Chairman has stated that the abandonment of Shoreham is one option under consideration by the Company to reduce its cash requirements. Governor Cuomo and other government officials have suggested that Shoreham be totally abandoned or indefinitely mothballed. Unless the PSC grants to the Company prompt and adequate rate increases, any such outcome could well have a serious adverse financial impact on the Company and could jeopardize the continued financial viability of the Company.

On June 23, 1982, Suffolk County began a class action in New York Supreme Court, Suffolk County, on behalf of itself and all ratepayers of the Company against the Company, and several of the contractors on the Shoreham project. The County sought monetary relief and injunctive relief to prohibit operation of Shoreham pending an independent design review and complete physical inspection of the Shoreham plant's safety systems. The action was removed to the U.S. District Court for the Eastern District of New York where a motion to dismiss was granted. This was affirmed by the U.S. Court of Appeals for the Second Circuit on January 25, 1984.

On June 6, 1983 the U.S. Supreme Court upheld the NRC's generic regulation concerning the environmental impacts of the uranium fuel cycle for nuclear generating plants. This had been the basis for the Lloyd Harbor Study Group's petition for review of the Shoreham construction permit. In light of the decision by the U.S. Supreme Court, the U.S. Court of Appeals for the District of Columbia Circuit, on July 22, 1983, dismissed the Lloyd Harbor Study Group's petition.

Thirteen shareowner suits have been filed against the Company, certain present and former directors, and certain officers of the Company since the PSC Staff filed its testimony in the pending proceeding to review the prudence of the Shoreham project expenditures. All of the actions have been brought in the United States District Court for the Eastern District of New York and were filed in February and March of 1984. The Company is named a defendant in all of these actions.

Most of these actions have been brought for alleged violations of the federal securities laws - the Securities Exchange Act of 1934 (the Exchange Act), Rule 10b-5 promulgated by the SEC under the authority of the Exchange Act and the Securities Act of 1933 (the Securities Act).

The Seidel, Muldrow and Steinberg actions have been brought as shareowners' derivative actions; all other actions were brought as class actions.

If any of the plaintiffs in the class actions prove that damages should be awarded, that amount would be distributed to the members of the plaintiff classes. In the case of the three shareowners' derivative suits, the amount would be recovered on behalf of the Company.

Plaintiff Hildegard Schaul is suing as a holder of Preferred Stock. All other plaintiffs are Common Stock shareowners. A more detailed discussion of these actions follows:

Charles R. Pierce, the Company's former Chairman and Chief Executive Officer and Wilfred O. Uhl, the Company's President and a Director, have been named in an action brought by Richard Weiland. Weiland alleges violations of Sections 10(b) and 20 of the Exchange Act and Rule 10b-5. Ira Joel Cohen, in a separate action, also names Pierce and Uhl as defendants, and alleges violations of Section 11 of the Securities Act, Sections 10(b) and 20 of the Exchange Act, and Rule 10b-5.

Eva Mumken's action was brought against Messrs. Pierce, Uhl, Thomas H. O'Brien, Senior Vice President-Finance, Michael Czumak, Controller, and Edward Eacker, Treasurer, and Price Waterhouse, independent accountants for the Company. Also named as defendants are Blyth Eastman Paine Webber Incorporated, Prudential Bache Securities, Inc., E. F. Hutton & Company Inc., Lehman Brothers Kuhn Loeb Incorporated, and Phibro-Salomon Brothers Inc. These defendants or, in certain instances, their predecessors, served as underwriters in various offerings of the Company's Common Stock. Humken alleges violations of Sections 11 and 12 of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5.

Reba Seidel's action has been brought against Directors Fortunoff, Goldberg, Paterson, Talmage, Catacosinos, Giffen, Pyne and Vineyard, Messrs. Pierce and Uhl, O'Brien, Winfield F. Fromm, a former Director of the Company, and Director John D. Maxwell, now deceased. Plaintiff Seidel alleges mismanagement in the construction of the Shoreham Nuclear Power Station and mismanagement of the Company's 18% participation in the Nine Mile Point 2 nuclear plant project. She relies in part on the recently filed testimony of the Staff of the PSC in a PSC investigation of the prudence of Shoreham project expenditures. The plaintiff seeks to recover as damages the excess of the cost to complete Shoreham over its original estimate, as well as the Company's expenditures for Nine Mile Point 2.

The suit brought by Joseph Silver and Lois Silver is substantively the same as the Weiland action. Messrs. Pierce and Uhl are defendants.

Alvin M. Feder has begun an action against Messrs. Pierce, Uhl and O'Brien. The Feder case alleges violations of Section 10(b) of the Exchange Act and Rule 10b-5.

George Bronheim has begun an action against Messrs. Pierce, Uhl, O'Brien, Czumak, Catacosinos, Fortunoff, Fromm, Giffen, Goldberg, Maxwell, Pyne and Talmage and Mrs. Vineyard. Blyth Eastman Paine Webber Incorporated, E. F. Hutton & Company Inc., Lehman Brothers Kuhn Loeb Incorporated, Prudential-Bache Securities are also named as defendant representatives of a class consisting of all of the underwriters which participated in the Company's November 1982 public offering of Common Stock. The Bronheim case asserts claims under Sections 11 and 15 of the Securities Act.

The two separate complaints filed by Donsky, Levin & Dashevsky, Profit Sharing Plan P.C. and Elaine Garfinkel, naming Messrs. Pierce, Uhl, O'Brien, Czumak, Eacker, and Price Waterhouse as defendants, are substantively the same complaint. The Donsky and Garfinkel actions are based on Sections 10(b) and 20 of the Exchange Act, Rule 10b-5 and violations of common law.

The defendants in the action brought by Barnett Stepak are the same as those in the Donsky and Garfinkel cases. Stepak claims violations of Section 11 and 12 of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5.

In the action by Hildegard Schaul, Directors Catacosinos, Fortunoff, Giffen, Goldberg, Mackay, Paterson, Talmage and Vineyard are named as defendants. Prudential-Bache Securit[illegible] Inc., Blyth Eastman Paine Webber Incorporated, E.F. Hutton & Company Inc. and Lehman Brothers Kuhn Loeb Incorporated are also named as defendant re[illegible]ntatives of a class consisting of all of the underwriters which parti[illegible]ted in the Company's August 1983 public offering of Preferred Sto[illegible] [illegible]chaul is based solely on Section 11 of the Securities Act.

Roberta Muldrow's complaint names Messrs. Pierce, Uhl, O'Brien, Czumak, Eacker, present directors Catacosinos, Fortunoff, Giffen, Goldberg, Paterson, Pyne, Talmage and Vinevard, and Senior Vice President James W. Dye, Jr. as defendants. The defendants in David Steinberg's suit are Directors Paterson, Catacosinos, Talmage, Giffen, Goldberg, Froum, Pyne, Vinevard, and Uhl, former Director Pierce, and Messrs. O'Brien, Czumak, Eacker and Dye. In the Muldrow and Steinberg suits, the plaintiffs allege violations of Sections 10 and 14 of the Exchange Act and Rules 10b-5 and 14(a) promulgated thereunder. Plaintiffs Muldrow and Steinberg claim that certain of the Company's proxy statements were misleading and failed to disclose material facts and that the individual defendants disseminated false and misleading reports, press releases and financial statements and manipulated the securities market and committed acts of fraud, negligence, breach of trust and mismanagement. The Muldrow and Steinberg complaints seek to recover, as damages, the difference between the original estimate of the cost of the Shoreham Unit and the actual amount expended and to be expended for its completion and demand judgment for an accounting and for a rescission of certain benefits and contributions, made for and on behalf of the individual defendants, to executive compensation plans.

In general, the plaintiffs in the class actions allege that over a period of years, the defendants, either individually or in concert, failed to make adequate disclosures respecting the cost of Shoreham and the management of the construction of the unit, made materially false and misleading statements, and, in some cases, artificially inflated the Company's net income by the inclusion of a portion of the allowance for funds used during construction. The allegations of mismanagement appear to be based either upon reports appearing in newspapers or statements appearing in the testimony of the PSC filed in the prudence investigation of Shoreham. The plaintiffs, in their respective lawsuits, seek damages determined to have been sustained by them and the other class members. The classes alleged to be represented in the separate lawsuits vary: in the lawsuits alleging violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, the longest class period alleged is between January 1, 1978 and February 10, 1984; in the lawsuits alleging violations of Sections 11 and 12 of the Securities Act of 1933, the classes include certain purchasers of Common Stock through the Company's Automatic Dividend Reinvestment Plan, the purchasers of 8 million shares of Common Stock through a public offering in November 1982 and the purchasers of 4 million shares of Preferred Stock through a public offering in August 1983.

The Company is still in the process of analyzing the claims made in the class actions and derivative lawsuits. The Company will oppose the litigation.

On February 9, 1984, the Company suspended periodic payments for its 18% share of construction costs of Nine Mile Point 2, a nuclear generating unit under construction near Oswego, New York by Niagara Mohawk Power Corporation as agent for the cotenants. The cotenants of Nine Mile Point 2, in addition to the Company and Niagara Mohawk, are NYSEG, Rochester Gas & Electric Corporation and Central Hudson Gas & Electric Corporation.

The Company has also announced that it held discussions with the other cotenants respecting the Company's continued participation in the Unit. The Company has learned that the other co-tenants have commenced discussions as to appropriate courses of action with a view toward completion of Nine Mile Point 2 consistent with its present schedule. The Company has also learned that the other cotenants have discussed the possible consequences of abandonment of Nine Mile Point 2, if an arrangement cannot be agreed upon. Niagara Mohawk has notified the Company that it considers the Company to be in default of its obligations to the other cotenants and has demanded payment. Niagara Mohawk has also advised the Company that it may institute litigation against the Company and that such litigation could result in encumbering, diminishing or eliminating the Company's interest in Nine Mile Point 2. The outcome of the Company's suspension of construction payments cannot now be predicted. See Notes 4 and 7 of Notes to Financial Statements.

Niagara Mohawk is currently reviewing the costs and schedule for Nine Mile Point 2, last estimated to be \$4.2 billion with commercial operation in late 1986. This estimate assumed direct construction expenditures of \$418 million in 1984. However, the Company has been advised by Niagara Mohawk that such construction expenditures in 1984 are now expected to reach \$615 million. The Company's share of the total estimated construction expenditures in 1984 is approximately \$114 million, of which approximately \$11.5 million had been paid prior to the decision to suspend payments. The Company's 1984 financing costs for Nine Mile Point 2 are estimated at approximately \$65 million. The cost of the Company's share of Nine Mile Point 2 at December 31, 1983, before giving effect to \$85 million of federal income tax effect resulting from the interest portion of such cost, was \$585 million. The \$585 million consists of \$362 million for direct construction costs, \$7 million for nuclear fuel for the Unit and \$216 million of financing costs before reduction for any income tax effects of the interest portion of such costs. Of the \$585 million of total costs, \$570 million has been financed through the Construction Trust. On March 29, 1984 Niagara Mohawk advised the Company as to the results of the current review. See <u>Note 11, Subsequent Event (unaudited)</u> of the Notes to Financial Statements.

The energy program proposed by Governor Cuomo on February 15, 1984, the outcome of which is uncertain, would include actions to limit the Company's investment in Nine Mile Point 2, the development of options for the cotenants to assume the Company's share of Nine Mile Point 2, involvement of the New York Power Authority in the unit and a phase-in of the costs of the facility.

In July 1981, the PSC released an audit report on the Nine Mile Point Unit 2 project prepared by Theodore Barry & Associates (TB&A), a consultant selected by the PSC to provide an independent assessment of the project. Among other matters reviewed by TB&A were the reasonableness of the cost and schedule estimates for project completion. TB&A concluded that the cotenants' construction estimate was reasonable and that a 1986 commercial operation date was possible, but in their opinion, schedule slippage of a year was likely and future regulatory and economic uncertainties exist which could add significantly to the ultimate cost and the time required for completion of the project. A PSC staff report released in September 1981 estimated the total cost of Nine Mile Point Unit 2 will be approximately $4.9 billion based on a 1987 commercial operation date, rather than the cotenants' current estimate of approximately $4.2 billion and a 1986 commercial operation date. Excluding financing costs, the PSC staff estimated the construction cost at $2.9 billion. The cotenants' currently estimate the construction cost at $2.65 billion. The staff report concluded that completion of the plant would be more economic than construction of new coal plants. Following the release of the staff report, the PSC entertained a proceeding to investigate the financial requirements and economic impact of completing the project.

In April 1982, the PSC concluded that continued construction of the plant was warranted. The PSC also adopted an Incentive Rate of Return Plan (IROR) to provide an added inducement for timely and efficient completion of the plant. The Company had opposed the adoption of any IROR. The IROR establishes a system of rewards or penalties based upon whether the plant is completed above or below a target cost set by the PSC.

The IROR will be applicable to all prospective Nine Mile 2 costs, including allowance for funds used during construction that are required to complete and bring the facility into service; the target completion cost will be $4.6 billion. The cotenants and other parties will have the opportunity, at the time rates are set that include Nine Mile 2 expenditures, to request modification of the target figure for increased or decreased expenditures resulting from extraordinary events. In addition, if in any future rate proceeding the PSC makes any ratemaking adjustments which are inconsistent with the PSC's present AFC assumptions, the target figure will be adjusted accordingly. The IROR will only apply to the equity portion of capitalization. It will be calculated by applying a constant sharing factor of twenty percent to the change in revenue requirement occasioned by any cost overrun or underrun from the target figure. The twenty percent sharing factor will then be allocated among the cotenants and applied against their respective returns on common equity to either increase or decrease such returns. The target (normal) rate of return for each cotenant will be set in the cotenant's rate case immediately preceding plant completion. Any IROR-induced reduction in the return on common equity applicable to prospective investments in the plant will not exceed one-half of the normal rate of return and any reward or penalty resulting from the IROR will be implemented through a one-time adjustment to each cotenant's rate base or through an equivalent amortization to income.

In addition to the various IROR proposals, the PSC established an on-site independent monitoring team of experts to follow the progress of construction. The PSC also gave notice to the cotenants that it would adopt a strict standard in reviewing the prudence of costs incurred for completion of the project.

The CPB and a coalition of various government officials, citizen groups, environmental, research, and other associations requested the PSC to reconsider its decision. The Environmental Defense Fund also requested reconsideration by the PSC and argued that the plant should not be completed. The PSC denied the requests. In December 1982, a coalition of public officials and public and private associations led by the New York State Consumer Protection Board and the State Attorney General filed a petition in New York State Supreme Court, Albany County, seeking to annul the PSC decision which found that continued construction of Nine Mile Point Unit 2 was warranted and to stay further construction at the plant. The proceeding was transferred to the New York Appellate Division, Third Department. In November 1983 the Appellate Division confirmed the determination by the PSC and dismissed the petition.

Nuclear Plant Insurance: Insurance coverage during construction of a nuclear generating unit for possible physical damage is provided by All-Risk Property Damage policies issued by American Nuclear Insurers and by the Mutual Atomic Energy Reinsurance Pool. The Company has obtained $460 million of such coverage for the Shoreham Unit. At December 31, 1983, the Company's construction expenditures for the Shoreham Unit were approximately $3.2 billion, and the insurable value of the plant, excluding nuclear fuel on site, was approximately $1.8 billion. The Company has separate coverage for worker's compensation and third-party liability claims arising from activities at the Shoreham Unit. Property damage coverage, including damage resulting from nuclear contamination, of $460 million and in greater amounts, if available, is contemplated when the Shoreham Unit loads nuclear fuel and becomes operational.

Third-party bodily injury and property damage coverage arising out of a nuclear occurrence at Shoreham of up to $560 million is available from American Nuclear Insurers and from the owners of operating nuclear reactors in the U.S. These owners, currently numbering 84, may be assessed up to $5 million per nuclear accident, but not in excess of $10 million per year, under the provisions of the Price Anderson Act.

At Nine Mile Point, the owners of Units 1 and 2 currently have insurance coverage of $460 million for possible physical damage as well as coverage during construction for worker's compensation and third-party liability claims. The Company has no interest in Nine Mile Point Unit 1 which is owned and operated solely by Niagara Mohawk. At December 31, 1983, the Company's share of the construction expenditures for Nine Mile Point Unit 2, excluding nuclear fuel was approximately $570 million, before giving effect to tax effects related to the interest portion of the total costs. The insurable value of the Company's share at December 31, 1983 was approximately $284 million. The owners of Nine Mile Point Unit 2, including the Company, anticipate that property damage coverage and third-party liability insurance, comparable to that available for the Shoreham Unit, will be obtained for Nine Mile Point Unit 2 at the appropriate time.

The Company has received approval from the PSC to participate in a mutual insurance corporation, Nuclear Electric Insurance Limited (NEIL). NEIL, a Bermuda corporation, will provide insurance coverage for the extra expense of obtaining replacement power due to prolonged outages (more than six months) of nuclear facilities. This expense is not covered by existing insurance. The policy essentially provides up to a maximum of $2.5 million per week. Reimbursement would then be available for one year at 100%, and one additional year at 50%, of the weekly indemnity. The Company would apply for a $2.5 million weekly indemnity. The annual cost of the coverage would be approximately $1.5 million for each single nuclear unit site. The Company anticipates that this cost will be recoverable in rates.

Environment: The Company is subject to federal, state and local laws and regulations dealing with air and water quality and other environmental matters. It is not possible to ascertain with certainty if or when the various required governmental approvals for which applications have been made will be issued; whether, except as noted below, additional facilities or modifications of existing or planned facilities will be required; or, generally, what effect existing or future controls may have upon Company operations. Except as set forth herein, no material proceedings have been commenced or, to the knowledge of the Company, are contemplated by any federal, state or local agency against the Company, nor is it a defendant in any material litigation with respect to any matter relating to the protection of the environment.

In 1984 and 1985, the Company anticipates expenditures of $9.5 million and $5.2 million, respectively, for environmental projects. Of these amounts, $6.5 million and $.27 million represent the 1984 and 1985 costs of environmental facilities for the Company's nuclear units.

Water: Under the Federal Clean Water Act (the Act), the Company is required to obtain a permit to make any discharge into the waters of the United States. Permits were received from the Environmental Protection Agency (EPA) in 1975 for then existing generating stations as well as for the facility under construction at Shoreham. The Company objected to, and EPA stayed, several requirements concerning limitations on thermal and chemical discharges.

These permits expired on various dates in 1980. The DEC has jurisdiction to grant renewals. As discussed below, the DEC has issued final determinations in the form of "second round" permits for some facilities and intends to issue such determinations for the remaining facilities. The conditions of the existing permits that have not been stayed will continue in effect until the DEC issues final determinations.

With respect to the Company's existing units, "second-round" permits have been received for the Northport Power Station and the Port Jefferson Power Station which allow the continued use of the existing circulating water systems which have been determined to be in compliance with State Water Quality Standards. The permits also allow for the continued use of the existing chemical treatment systems. The Company has also received a "second-round" permit for Shoreham which will allow it to operate with the once-through cooling water system that has been constructed at the site. The Company anticipates that the second-round permits for the remaining units will also contain certain provisions that will allow the Company to operate its facilities with the existing cooling water systems and chemical treatment facilities.

Air: Federal, state and local regulations affecting new and existing electric generating plants govern emissions of sulfur dioxide, oxides of nitrogen, particulate matter and the visibility of emissions. The sulfur content, by weight, of the fuel oil being burned by the Company in compliance with an EPA-approved Air Quality State Implementation Plan (Implementation Plan) administered by the DEC does not exceed 0.3% at its New York City facilities; 1.0% at Port Jefferson Units 1 and 2, 2.8% at Northport Units 1, 2 and 3 and 2.8% at Port Jefferson Units 3 and 4, and 0.75% at Northport Unit 4, all in Suffolk County; 0.37% at the Glenwood and E. F. Barrett Units in Nassau County.

The major portion of expenses resulting from compliance with the federal, state and local regulations mentioned above is the cost of low-sulfur fuel oil. (See Fuel Supply: Oil and Fuel Supply: Gas). Substantially all amounts paid by the Company for fuel oil are recouped through the Company's electric rate schedules.

Special limitations of the Implementation Plan permitting the use of 2.8% sulfur content fuel oil at Northport Units 1, 2 and 3 and Port Jefferson Units 3 and 4 are effective through September 24, 1984. The Company has applied to DEC for a further extension of these special limitations. The energy program proposed by New York Governor Cuomo on February 15, 1984 supports continuation of these special limitations.

On August 26, 1982, the Company filed an application with the DEC for permission to continue to burn, for an additional three years, 1.5%

sulfur content fuel oil at the Company's E. F. Barrett generating plant and 1.0% sulfur content fuel oil at the Company's Glenwood generating plant. The DEC has not acted on this application. The special limitations expired on March 6, 1983. These Units are now using the more expensive 0.37% sulfur oil or natural gas.

<u>Gas Service, Supply and Property</u>: For the twelve months ended December 31, 1983, the Company sold approximately 47,566,000 dekatherms of gas. Sales to firm customers represented approximately 89% of total gas sales and 90% of the related gas revenues. Approximately 63% of total gas revenues was derived from residential customers and 27% from firm commercial customers. Almost all of the remaining 10% was derived from sales to interruptible customers. Residential and commercial space heating customer sales account for almost 72% of all gas sales and represent 49% of all gas customers. The average cost of natural gas delivered to the Company from its suppliers (including such gas withdrawn from storage) was $4.10 per dekatherm for the twelve months ended December 31, 1983. The Company experienced a record system demand of 416,656 dekatherms on January 17, 1982.

The Company's natural gas supply is provided by the purchase of firm gas from three domestic interstate pipeline suppliers - Transcontinental Gas Pipe Line Corporation (Transco), Texas Eastern Transmission Corporation (Texas Eastern) and Tennessee Gas Pipeline Company (Tennessee) - under long-term contracts with nominal expiration dates through 2000. Such contracts and continuity of service thereunder after expiration are now subject to the jurisdiction of FERC. The Company also purchases storage service from these pipelines to meet the higher customer demands during the winter period.

The Company has approximately 1.0 million dekatherms of long-term storage service from a gas storage field in upstate New York operated by Honeoye Storage Corporation in which the Company has a 23 1/3% equity interest. Consolidated Edison Company of New York, Inc. and The Brooklyn Union Gas Company also have equity interests in Honeoye Storage Corporation.

In recent years the Company has obtained additional natural gas from a number of supply sources on a best efforts basis. The Company is negotiating with a number of corporations to secure additional gas supply for the Summer 1984 period.

Subsequent to the end of the natural gas shortage in the 1970's, the Company has, on five occasions since 1978, applied for and received from the PSC permission to sell additional quantities of natural gas. The last such increase authorized an annual firm system requirements level of 48 billion cubic feet (equivalent to 48.9 million dekatherms). Since the end of 1978, the number of residential gas space heating customers has increased by 39,700, or 29%, most of whom had previously used gas for other purposes. Because the Company's firm gas requirements were

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approaching the level of 48 billion cubic feet, the Company has been restricting applications for service from new and certain existing nonresidential customers. In March 1984, the Company filed proposed tariff changes to allow attachment of small nonresidential space heating gas loads. There are no projected curtailments of the Company's contractual entitlements from its pipeline suppliers for the 1983-1984 heating season.

The Natural Gas Policy Act of 1978 provides for decontrol of the price of certain gas beginning in 1985. Such decontrol will probably impact upon the price and supply of gas. However, the Company cannot predict the effect of decontrol upon earnings.

The Company has a liquefied natural gas (LNG) plant with a storage capacity equivalent to about 620,000 dekatherms of gas and vaporization facilities which add 103,800 dekatherms per day to the peak capability of the system. This plant utilizes gas delivered from the Company's pipeline suppliers. The Company also has propane facilities, designed to produce 42,300 dekatherms per day for peaking requirements. Storage tanks for all of these peaking facilities were substantially filled to capacity at the beginning of the 1983-1984 heating season. The Company has sufficient gas supplies and gas under contract to satisfy its firm customers during the balance of the present heating season.

The Company is also an equity owner of Boundary Gas, Inc., a corporation formed with 13 other gas utility companies to act as a purchasing agent for the importation of natural gas from Canada. Boundary Gas will not be an operating utility and will not construct any facilities. The Company's original equity share was 12.9% and its share of the total deliveries requested by Boundary was 8.4 million dekatherms per year.

In 1982, ERA issued an order certifying that the proposed import of Canadian gas by Boundary Gas is in the national and regional interest, and that the price is reasonable. On January 27, 1983, the NEB issued an order which, among other things, granted export licenses for approximately 50% of the volume requested by Boundary Gas and four interstate pipelines serving the northeastern United States.

Subsequent to the NEB order, the Company reduced its share of the Boundary Gas to an equity participation of 2.7% and an annual volume of about 0.9 million dekatherms. The reduction was taken up by other participants.

FERC hearings relative to the importation of Canadian gas by Boundary and the installation by Tennessee of additional transmission pipeline facilities to deliver the gas began on December 14, 1982. In mid-1983, FERC consolidated all related import projects utilizing Niagara, New York, as the point of importation. The parties involved in the consolidated proceedings successfully negotiated a Phase I settlement which was filed with FERC on December 17, 1983, and approved by it on January 26, 1984. The Company will not receive any gas from Phase I. A Phase IA settlement was filed on March 16, 1984. The Company would receive 2,500 dekatherms per day of pipeline gas from Consolidated Gas Supply Corporation beginning about November 1, 1984 subject to approval by FERC. Hearings before FERC on Phase II, which includes the Company's purchase of gas from Boundary Gas, are expected to begin later in 1984.

The Company has joined with other New York State gas distribution companies in an exploration and development program in the Gulf Coast area. From this effort, five commercially successful gas wells have resulted. Gas produced under this program is being sold to nearby pipeline companies.

The PSC is investigating the Company's practices involving safety checks of inactive gas lines. If the PSC determines that a penalty should be assessed for violations of the Natural Gas Safety Code, the penalty could be as high as $5 million.

Regulation and Accounting Controls: The Company is subject to regulation by the PSC with respect to rates, issuance and sale of securities, adequacy and continuance of service, safety and siting of certain facilities, accounting, conservation of energy, management effectiveness and other matters. To insure that its accounting controls and procedures are consistently maintained, the Company has created a program which is monitoring these controls and procedures. The Audit Committee of the Company's Board of Directors, as part of its responsibilities, periodically reviews this monitoring program.

The Company is also subject in certain of its activities, including accounting, to the jurisdiction of the DOE and FERC.

Construction and operation of the Company's nuclear facilities are subject to regulation by the NRC.

Employee Relations: At March 30, 1984, the Company had approximately 5420 employees. Approximately 2570 of these employees belong to Local 1049 and approximately 1300 belong to Local 1381 of the International Brotherhood of Electrical Workers (A.F.L.-C.I.O.). Current contracts with the unions expire in June of 1984. Negotiations on new contracts will begin within the next few months.

By order dated June 3, 1981, in an action entitled Joseph Bailey, III, et al. v. Long Island Lighting Company, the United States District Court for the Eastern District of New York conditionally certified a class of plaintiffs in a racial discrimination suit which has been pending before the Court since 1978. This order is subject to future review by the Court, including a review which could decertify the class. The complaint alleges discriminatory employment practices by the Company beginning in 1973. The Company believes it has meritorious defenses to this action but cannot presently determine the extent, if any, of its potential liability.

Item 2. Properties

The location and general character of the principal properties of the Company are described under the headings "Business - Electric Service and Property" and "Business - Gas Service, Supply and Property" under Item 1, Business, above.

Item 3. Legal Proceedings

Certain material legal proceedings in which the Company is a party or which may affect the Company's property are disclosed under Item 1 Business.

In addition to those proceedings, the following legal proceedings are pending:

Kroll v. LILCO: A group of electric space heating customers of the Company commenced an action in July 1977 in the New York State Supreme Court, Nassau County, alleging that the Company had fraudulently induced them to convert their houses from oil space heating systems to electric space heating systems. The plaintiffs are collectively seeking $0.6 million for alleged compensatory damages and $6 million as punitive damages. The Company has served its answer to the complaint denying the allegations of fraud and misrepresentation and does not believe there is any merit to this action.

Rubin v. LILCO

On January 5, 1984 Judge John R. Bartels of the United States District Court for the Eastern District of New York dismissed plaintiff Geraldine Rubin's class action complaint against the Company and the underwriters of the Company's offering in 1980 of its Series T Preferred Stock. The suit was commenced in March 1983 alleging that shares of Series T Preferred Stock had been purchased in reliance upon an allegedly false and misleading description of the tax status of the stock set forth in the prospectus.

Judge Bartels held that all of plaintiff's claims were "frivolous" and ordered that attorneys fees incurred by the Company and the underwriters be assessed against plaintiff and her attorney. Plaintiff has noticed an appeal.

People Who Care, Ltd., et al. v. LILCO, et al.

In February 1983 a New York State Supreme Court Justice dismissed a lawsuit that would have prohibited the Company from declaring or paying dividends on its common or preferred stocks and would have suspended the interim electric rate increase granted by the PSC last year. The proceeding was brought as a class action by a business association and several commercial and residential ratepayers against the Company and the PSC. This dismissal is subject to appeal.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Part II.

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Information respecting stock exchanges on which the Company's Common Stock is traded and the high and low sales prices for such stock appears in Table 11 of Item 6, Selected Financial Data.

At December 31, 1983, the Company had 180,291 holders of record of Common Stock.

Information respecting dividends on the Company's Common Stock, including the frequency and amount of such dividends during the past two years, is set forth in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

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Item 6. Selected Financial Data

Summary of Operations*

Table 1

	1983	1982	1981	1980	1979	1978	1973
Total revenues ($000)	$1,787,851	$1,633,517	$1,664,832	$1,276,938	$1,045,498	$896,971	$432,585
Total operating income ($000)							
Before federal income taxes	$ 368,079	$ [illegible]143	$ 313,916	$ 255,918	$ 168,466	$192,2[illegible]	$93,521
After federal income taxes	$ 258,989	$ [illegible]	$ 225,888	$ 194,628	$ 170,984	$160,768	$84,172
Income for common stock ($000)	$ 21[illegible]	$ [illegible]	$ 198,902	$ 164,915	$ 129,812	$111,306	$45,150
Average common shares outstanding (000)	102,[illegible]	92,4[illegible]	77,988	65,138	53,366	45,670	22,370
Earned per common share	$ 2.6[illegible]	$ 2.7[illegible]	$ 2.55	$ 2.53	$ 2.43	$ 2.44	$ 2.02
Dividends paid per share	$ 2.02	$ 1.96	$ 1.90	$ 1.82	$ 1.74	$ 1.68¼	$ 1.45
Book value per share at year end	$19.29	$18.65	$[illegible]3.78	$18.94	$18.88	$19.12	$18.27
Common shareowners at year end	160,291	161,127	159,124	159,878	151,752	143,267	93,340
Ratio of earnings to fixed charges	[illegible]	2.42	2.37	2.14	2.20	2.56	2.86
Ratio of earnings to fixed charges and preferred dividends	1.98	1.90	1.87	1.74	1.77	1.93	2.04

*See Table 10 of Selected Financial Data for [illegible] capitalization. See also Note [illegible] to Financial Statements.

Electric Operating Income – thousands of dollars

Table 2

	1983	1982	1981	1980	1979	1978	1973
Revenues							
Residential	$ 674,190	$ 606,384	$ 634[illegible]	$ 478,618	$ 400,936	$346,307	$165,661
Commercial and industrial	694,038	635,350	6[illegible]	479,486	393,040	337,521	149,004
Street and highway lighting	17,320	16,779	17,[illegible]	13,594	12,709	12,743	10,025
Other public authorities	21,136	15,305	27,740	21,885	15,240	13,615	5,815
Other utilities	1,066	717	822	196	564	921	283
Other	3,278	5,899	6,416	7,094	5,949	4,885	512
System revenue	1,411,028	1,290,523	1,353,137	1,000,873	827,938	717,992	331,320
Power pools	24,919	29,952	49,582	38,930	32,860	20,347	7,224
Total Operating Revenue	1,435,947	1,3[illegible]5	1,402,719	1,039,666	860,798	738,339	338,544
Expenses							
Operations — fuel and purchased power	845,211	808,101	719,845	531,062	389,622	294,911	90,371
Operations — other	146,350	177,202	118,870	98,017	89,071	78,328	48,852
Maintenance	58,066	58,525	57,746	47,587	43,587	37,046	23,500
Depreciation	55,849	54,203	53,108	50,235	47,872	45,217	30,936
Operating taxes	201,842	173,638	167,535	142,589	128,496	118,047	69,725
Federal income tax — current	(16,774)	(3,770)	(1,843)	(9,652)	(7,816)	1,110	5,021
Federal income tax — deferred and other	104,772	62,816	83,621	15,129	18,933	24,249	2,436
Total Expenses	1,195,908	1,[illegible]0,885	1,159,[illegible]2	[illegible]	709,76[illegible]	5[illegible]8,948	27[illegible],94[illegible]
Electric Operating Income	$ 240,039	$ 219,630	$ 203,837	$ [illegible]	$ 151,033	$139,391	$ 67,604

Gas Operating Income (in thousands of dollars)

Table 3

	1983	1982	1981	1980	1979	1978	1973
Revenues							
Residential — space heating*	$186,753	$ 161,[illegible]	$ 134,407	$ 117,228	$ 93,077	$ 88,168	$ 48,297
— other	36,144	31,794	28,028	26,556	23,861	21,298	14,293
Non-residential firm — space heating*	61,877	55,486	45,500	37,729	31,145	30,033	15,745
— other	32,134	29,684	21,318	18,483	15,005	12,464	7,499
Total firm sales revenue	316,958	275,758	229,253	199,996	163,068	151,763	85,834
Interruptible	32,760	35,161	30,757	35,395	19,810	7,090	4,554
Total system sales revenue	349,728	310,919	260,010	235,391	182,898	158,861	90,388
Other utilities	—	—	—	—	—	—	2,093
Total sales revenue	349,728	310,919	260,010	235,391	182,898	158,861	92,471
Other revenue	2,176	2,083	2,103	1,881	1,802	1,771	1,470
Total Operating Revenue	351,904	313,002	262,113	237,272	184,700	160,632	93,941
Expenses							
Operations — fuel	208,828	180,925	145,507	130,664	88,794	70,396	28,643
Operations — other	46,085	43,253	39,397	34,190	29,573	26,056	18,330
Maintenance	11,022	10,218	10,507	9,916	8,619	7,574	6,28[illegible]
Depreciation, depletion and amortization	7,781	7,395	6,957	6,433	6,188	5,975	5,247
Operating taxes	38,392	34,144	31,444	29,327	25,210	23,113	17,179
Federal income tax — current	12,846	3,108	835	6,947	5,549	6,167	2,304
Federal income tax — deferred and other	(3,543)	6,796	5,415	(923)	816	(66)	(411)
Total Expenses	322,954	285,939	240,062	216,554	164,749	139,235	77,573
Gas Operating Income	$ 28,950	$ 27,063	$ 22,051	$ 20,718	$ 19,951	$ 21,397	$ 16,368

*In the heating classifications the revenues shown cover all gas used including nonheating use.

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Electric Operations

Table 4

	1983	1982	1981	1980	1979	1978	1973
Energy — millions of kWh							
Net generation	**11,703**	11,516	11,720	11,295	11,085	12,739	12,438
Power purchased and (sold) — net	**2,754**	2,197	2,091	2,719	2,636	980	[illegible]
Total system requirements	**14,457**	13,713	13,811	14,014	13,721	13,719	13,152
Company use and unaccounted for	**(1,308)**	(1,194)	(1,196)	(1,331)	(1,254)	(1,282)	(1,294)
System sales	**13,146**	12,519	12,615	12,683	12,467	12,437	12,258
Power pool sales	**494**	552	772	882	852	790	449
Total Sales	**13,643**	13,071	13,387	13,565	13,319	13,227	[illegible]
Peak Demand — net mW							
Station coincident demand	**2,553**	2,757	2,730	2,994	2,718	2,899	2,807
Purchased or (sold)	**556**	209	402	149	201	98	322
System Peak Demand	**3,109**	[illegible]	3,132	3,143	2,919	2,997	[illegible]
Capability at Time of Peak — net mW							
LILCO stations	**3,721**	3,721	3,721	3,721	3,842	3,842	3,199
Firm purchase or (sale)	**47**	46	56	62	108	126	9
Total capability	**3,768**	3,767	3,777	3,783	3,950	3,968	3,208
Fuel Consumed for Electric Operations							
Oil — thousands of barrels	**15,707**	15,360	15,665	15,428	16,671	21,017	21,695
Gas — thousands of dth	**22,747**	21,727	23,374	20,426	10,909	75	6,279
Total — billions of Btu	**122,019**	119,341	122,577	117,965	115,376	131,096	140,075
Dollars per million Btu	**$ 4.23**	$ 4.18	$ 4.50	$ 3.41	$ 2.56	$ 1.86	$ .65
Cents per kWh of net generation	**4.41¢**	4.33¢	4.79¢	3.57¢	2.67¢	1.92¢	.68¢
Heat rate — Btu per net kWh	**10,425**	10,363	10,459	10,456	10,480	10,304	10,474

Gas Operations

Table 5

	1983	1982	1981	1980	1979	1978	1973
Energy — thousands of dth							
Natural gas	**50,708**	51,135	50,224	50,489	46,799	44,611	49,766
Manufactured gas and change in storage	**100**	69	(62)	124	(4)	19	(69)
Total natural and manufactured gas	**50,808**	51,204	50,162	50,613	46,795	44,630	49,697
Sales to other utilities	—	—	—	—	—	—	(2,651)
Total system requirements	**50,808**	51,204	50,162	50,613	46,795	44,630	47,046
Company use and unaccounted for	**(3,240)**	(1,628)	(1,800)	(3,419)	(3,170)	(2,596)	(1,345)
System sales	**47,568**	49,576	48,362	47,194	43,625	42,034	45,701
Sales to other utilities	—	—	—	—	—	—	2,651
Total Sales	**47,568**	49,576	48,362	47,194	43,625	42,034	48,352
Maximum Day Sendout — dth	**381,024**	407,536	371,845	376,038	336,906	[illegible]	[illegible]
Capability at Time of Peak — dth per day							
Natural gas	**315,400**	310,100	308,800	308,800	307,200	303,500	304,500
LNG, manufactured or LP gas	**145,900**	155,200	142,300	142,300	142,300	142,300	150,300
Total Capability	**462,300**	465,300	451,100	451,100	449,500	445,800	[illegible]
Natural Gas Consumed							
Electric Operations — thousands of dth	**22,630**	18,307	15,294	12,221	2,726	75	6,279
Gas operations — thousands of dth	**51,771**	49,947	49,026	50,402	46,103	43,967	49,355
Total Natural Gas Consumed	**74,401**	68,254	64,320	62,623	48,829	44,042	55,634
Calendar Degree Days (51-year average 5,014)	**4,781**	4,754	4,851	5,151	4,622	5,441	4,618

Electric Sales and Customers

Table 6

	1983	1982	1981	1980	1979	1978	1973
Sales — millions of kWh							
Residential	**5,900**	5 557	5 581	5 655	5 599	5 559	5 540
Commercial and industrial	**6,797**	6 524	6 494	6 431	6 291	6 259	5 925
Street and highway lighting	**181**	182	180	188	188	188	182
Other public authorities	**252**	242	345	404	370	399	385
Other utilities	**19**	14	15	5	19	32	26
System sales	**13,149**	12 519	12 615	12 683	12 467	12 437	12 058
Power pool sales	**494**	552	772	882	852	790	449
Total Sales	**13,643**	13 071	13 387	13 565	13 319	13 227	12 507
Customers — monthly average							
Residential	**833,183**	825 740	818 879	812 898	806 325	798 288	754 396
Commercial and industrial	**86,687**	85 016	83 899	82 918	81 955	81 071	74 504
Others	**4,269**	4 368	4 683	4 185	4 137	4 014	2 707
Customers — total monthly average	**924,119**	915 124	907 461	900 001	892 417	883 373	831 607
Customers — total at year end	**926,336**	915 672	906 303	900 419	892 772	885 591	836 371
Residential							
kWh per customer	**7,081**	6 730	6 815	6 957	6 944	6 964	7 344
Revenue cents per kWh	**11.43¢**	10.95¢	11.37¢	9.46¢	7.16¢	6.27¢	2.99¢
Commercial and industrial							
kWh per customer	**78,409**	76 738	77 403	77 559	76 762	77 204	79 528
Revenue per kWh	**10.21¢**	9.80¢	10.29¢	7.46¢	6.25¢	5.39¢	2.52¢
System — Total revenue per kWh sold	**12.73¢**	10.31¢	10.73¢	7.89¢	6.64¢	5.77¢	2.75¢

Gas Sales and Customers

Table 7

	1983	1982	1981	1980	1979	1978	1973
Sales — thousands of dth							
Residential — space heating*	**25,397**	26 110	25 753	24 187	22 873	24 085	23 306
— other	**3,891**	3 677	3 506	3 654	3 496	[illegible] 386	3 326
Non-residential — firm — space heating*	**6,760**	9 282	9 042	[illegible]	8 228	8 621	6 739
— other	**6,518**	4 433	4 021	3 833	3 603	2 477	3 562
Total firm sales	**42,266**	43 502	42 332	39 543	38 200	39 526	38 932
Interruptible	**5,300**	[illegible]	[illegible]	7 251	[illegible]	[illegible]	[illegible]
Total system sales	**47,566**	[illegible]	[illegible]	47 194	43 625	[illegible]	[illegible]
Customers — monthly average							
Residential — space heating*	**178,250**	171 760	165 093	153 440	139 672	137 466	133 096
— other	**191,967**	194 142	198 336	206 331	217 172	219 062	224 352
Non residential — firm — space heating*	**19,959**	19 756	19 282	18 229	17 452	17 376	17 689
— other	**11,959**	11 963	[illegible]	[illegible]	12 658	[illegible]	13 779
Total firm customers	**400,135**	397 621	391 871	390 441	386 954	386 665	389 118
Interruptible	**308**	309	323	339	347	368	406
Customers — total monthly average	**400,443**	397 930	[illegible] 194	390 780	387 301	387 023	389 524
Customers — total at year end	**400,815**	398 572	[illegible]	392 723	387 310	386 091	[illegible]
Degree days — [illegible]	**4,596**	4 816	4 975	4 915	4 612	[illegible]	[illegible]
Residential							
dth per customer	**78.3**	81.4	80.7	77.4	73.9	77.1	74.4
Revenue per dth	**$ 7.83**	$ 6.50	$ 5.54	$ 5.16	$ 4.43	$ 3.98	$ 2.35
Non-residential — firm							
dth per customer	**418.6**	432.4	415.5	394.6	392.9	400.4	389.1
Revenue per dth	**$ 7.04**	$ 5.99	$ 5.12	$ 4.64	$ 3.90	$ 3.53	$ 1.89
System — total revenue per firm dth sold	**$ 7.45**	$ 6.34	$ 5.41	$ 5.01	$ 4.27	$ 3.84	$ 2.2[illegible]

*In the heating classifications the sales shown cover all gas used including nonheating use

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Operations and Maintenance Expense Details (in thousands of dollars)

Table 8

	1983	1982	1981	1980	1979	1978	[illegible]
Total payroll and employee benefits	$ 227,014	$ 207,511	$ 185,265	$168,137	$150,479	$139,234	$ 96,306
Less — Charged to construction and other	75,962	65,181	55,272	53,649	49,065	47,317	31,399
Charged to operations	151,052	142,330	129,993	114,488	101,414	91,967	64,907
Fuels — electric operations	516,097	498,744	560,856	402,696	295,428	244,546	91,537
Fuels — gas operations	209,626	180,925	145,507	130,664	88,734	70,395	28,643
Purchased power costs	128,217	106,126	123,958	134,876	108,772	43,564	[illegible]
Electric fuel cost adjustment deferred	897	3,229	35,031	(16,510)	(14,578)	6,801	(4,369)
Total Fuel and Purchased Power	854,837	789,026	865,352	651,726	478,416	365,307	119,214
All other	111,270	96,668	96,527	75,222	69,436	57,077	32,056
Total Operations and Maintenance	$1,117,159	$1,028,224	$1,091,872	$841,436	$649,266	$514,351	$215,977
Employees at December 31	5,847	6,012	5,777	5,669	5,563	5,442	5,477

Construction Expenditures (in thousands of dollars)

Table 9

	1983	1982	1981	1980	1979	1978	[illegible]
Electric							
Production (includes construction trust)	$ 804,538	$ 777,053	$ 517,971	$399,219	$362,689	$321,181	$ 86,045
Transmission	9,920	11,527	8,987	14,529	24,991	31,865	14,608
Distribution	40,617	37,742	33,951	32,835	28,867	26,103	34,920
General	1,190	5,190	3,872	3,265	1,617	2,716	1,389
Electric Total	856,265	831,592	564,781	449,848	419,164	381,865	136,962
Gas Total	17,468	20,728	22,536	21,114	13,345	6,144	6,902
Common Total	9,422	6,845	7,237	4,822	7,037	2,399	4,881
Total Construction Expenditures	$ 883,155	$ [illegible]	$ 594,554	$475,784	$439,546	$[illegible]	$[illegible]
Nuclear Fuel (includes Trusts)	$ 18,636	$ 27,296	$ 14,744	$ 23,145	$ 25,529	$ 21,845	$ —

Balance Sheet (in thousands of dollars)

Table 1[illegible]

	1983	1982	1981	1980	1979	1978	[illegible]
Assets							
Utility Plant	$6,422,520	$5,536,742	$4,662,402	$4,095,896	$3,611,962	$3,167,601	$1,565,492
Less — Accumulated depreciation, depletion and amortization	727,298	672,518	620,616	573,765	526,992	486,865	215,805
Total Utility Plant	5,695,222	4,864,224	4,041,786	3,522,131	3,084,970	2,680,736	1,266,687
Other Property and Investments	67,893	62,919	62,183	56,962	76,985	70,784	1,290
Current Assets	587,002	361,219	361,859	273,378	246,708	229,463	102,017
Deferred Charges							
Electric fuel cost adjustment deferred	62	2,959	4,188	39,219	22,709	8,131	4,369
Other	29,604	60,404	38,136	25,256	25,210	27,595	4,342
Total Assets	$6,383,583	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]
Capitalization and Liabilities							
Capitalization							
Long-term debt	$2,180,721	$1,602,777	$1,492,629	$1,264,677	$1,274,772	$1,175,662	$650,625
Unamortized premium and (discount) on debt	(8,198)	(5,605)	(2,349)	(39)	24	89	2,754
Preferred stock — redemption required	540,013	478,050	414,650	361,250	294,100	226,950	35,000
Preferred stock — no redemption required	221,119	157,070	158,083	158,968	160,090	163,499	147,030
Treasury stock, at cost	(1,772)	—	(569)	(186)	—	—	—
Common stock and premium	1,465,182	1,424,148	1,131,094	969,240	821,440	699,425	242,958
Capital stock expense	(56,278)	(50,335)	(42,107)	(33,140)	(30,136)	(26,221)	(7,226)
Retained earnings	580,115	[illegible]	429,295	391,113	346,201	311,838	174,552
Total Capitalization	4,940,892	4,1[illegible]7,911	2,59[illegible],716	3,1[illegible]	2,866,239	2,549,142	1,24[illegible]
Trust Obligations	71[illegible],[illegible]84	[illegible]	479,425	348,935	287,308	199,6[illegible]	—
Current Liabilities	481,074	46[illegible],759	361,193	457,903	247,715	211,583	15,334
Deferred Credits							
Accumulated deferred income tax reductions	222,502	156,385	106,795	43,821	55,698	55,731	13,444
Other	25,055	14,476	6,091	2,239	1,661	1,408	593
Total Deferred Credits	247,557	170,861	112,866	46,060	57,359	57,139	14,037
Reserves for Claims, Damages and Pensions	6,586	[illegible]	3,932	4,905	[illegible]	6,445	3,233
Total Capitalization and Liabilities	$6,387,583	$5,349,725	$4,558,152	$3,917,746	$3,419,562	$3,016,713	$1,3[illegible]

Common and Preferred Stock Prices

Table 11

The Common Stock of the Company is traded on the New York Stock Exch[illegible]ge and the Pacific Stock Exchange. The Preferred Stock $100 par value Series B, E, I, J, K, and S and the P[illegible]ferred Stock $25 par value, Series O, P, T, U, V, W and X of the Company, are traded on the New York Stock Exchange. Trading in the Preferred Stock, $25 par value, Series W commenced on May 23, 1983, on the New York Stock Exchange. Trading in the Preferred Stock, $25 par value, Series X commenced on October 12, 1983 on the New York Stock Exchange. The table below indicates the high and low sale prices on the New York Stock Exchange listing of composite transactions for the years 1982 and 1983.

	Common Stock		Preferred Stock							
			Series B 5%		Series E [illegible]		Series I [illegible]		Series J [illegible]	
Quarter	High	Low	High	Low	High	Low	High	Low	High	Low
1982										
First	15¼	13⅝	32¼	30¼	29	28	77¼	75¼	50	48¼
Second	15⅜	14⅛	32⅝	31⅛	30¼	27	80	79	58	51
Third	17⅜	14¼	38	31¼	33	27⅛	92	81¼	58¼	50
Fourth	18	16⅛	36	35	34¼	30¼	91¼	87⅞	62¼	55⅛
1983										
First	17⅜	15⅝	39¼	38	34	31⅛	98	92	64¼	58
Second	17¼	15⅛	40	37	36	32¼	94	86	68	58
Third	18⅛	14¼	38	34¼	34	30	94¼	79	80	58¼
Fourth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Preferred Stock									
	Series K [illegible]		Series O [illegible]		Series P [illegible]		Series S [illegible]		Series T [illegible]	
Quarter	High	Low	High	Low	High	Low	High	Low	High	Low
1982										
First	53¼	49	17	15¼	16⅛	15	—	—	22	20¼
Second	55¼	51	18¼	15⅝	16⅛	15⅛	85¼	83	21	20
Third	60	51¼	18	17	17⅛	15⅛	71¼	81	24	20
Fourth	63	58	21⅜	18¼	19⅜	17⅜	83	71¼	28	[illegible]
1983										
First	66⅝	61	21¼	19⅝	20¼	17¼	87⅞	78	28⅛	26
Second	80	80	21¼	18⅛	20	17⅛	84	80	26¼	24⅝
Third	61¼	57	19⅝	18¼	18⅛	16⅛	81	70	25	22⅞
Fourth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Preferred Stock							
	Series U [illegible]		Series V [illegible]		Series W [illegible]		Series X [illegible]	
Quarter	High	Low	High	Low	High	Low	High	Low
1982								
First	28	25¼	—	—	—	—	—	—
Second	29¼	25¼	—	—	—	—	—	—
Third	31¼	26¼	—	—	—	—	—	—
Fourth	32⅜	28	27⅜	24⅛	—	—	—	—
1983								
First	33	29	28⅛	25⅝	[illegible]	[illegible]	—	—
Second	32	29⅝	29⅛	24⅛	[illegible]	26	—	—
Third	31⅛	25⅛	26	24	26⅛	23⅛	—	—
Fourth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Series D-4.25% Preferred Stock is traded in the over-the-counter market. We have been advised of scattered trading at prices ranging between $23⅝ and $30[illegible] per share dur[illegible], 1983. The Series F, H, L, M, Q, and R Preferred Stock are held privately.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This analysis discusses matters of significance in the Company's Financial Statements, which follow, with regard to results of operations, capital requirements, and liquidity for the last three years.

Results of Operations

Earnings: Earnings per share have been increased in 21 of the past 25 years. Summary results for the most recent years are:

Earnings	1983	1982	1981
Income for Common Stock (Millions)	$227.2	$249.4	$196.9
Average Common Shares Outstanding (Millions)	102.5	92.5	78.0
Earned Per Average Common Share	$ 2.80	$ 2.70	$ 2.56

The increases in average common shares outstanding indicated in the above table reflect the sale to the public of a total of 16.1 million shares in January and November 1982, and 9.0 million shares in April 1981. In addition, they reflect continuing sales through the Company's Automatic Dividend Reinvestment and Employee Stock Purchase Plans totaling 3.5 million shares during 1983, 3.0 million shares during 1982, and 2.3 million shares during 1981. The increases in income for common stock, which include increases in LILCO non-cash allowance for funds used during construction (AFC), reflect the inflationary impact of higher costs of capital and additional capital raised.

In June 1983, the Public Service Commission (PSC) ordered the Company to change its recording of Shoreham related AFC from a net-of-tax basis to a gross basis effective as of February 1983. This change did not increase customers' bills, but did increase AFC, which resulted in a non-cash increase in income for common stock of $18.6 million, or 18¢ per share, in 1983. However, as a result of the interim rate increase order effective September 15, 1983, what otherwise would have been future non-cash AFC earnings generated as a result of the PSC's June order, were replaced by cash earnings in an amount equivalent to the amount granted as the interim rate increase. Accordingly, the Company estimates that $10.5 million of net after tax cash earnings were received in lieu of non-cash AFC earnings between September 15 and December 31, 1983.

Reflecting a long, hot summer, system kWh sales of electricity in 1983 were 5.0% above those in 1982, while system therm sales of gas were down 4.1%, principally as the result of mild winter and fall weather during 1983.

The ratio of earnings to fixed charges was 2.46 in 1983 compared with 2.42 in 1982, and 2.37 in 1981. The ratio of earnings to fixed charges and preferred dividends was 1.88 in 1983, compared with 1.90 in 1982, and 1.87 in 1981. Both ratios are computed in accordance with Securities and Exchange Commission rules.

Dividends: The dividend rate on the common stock has been raised annually for the last 25 years with the exceptions of 1974 and 1983. The quarterly dividend rate was raised from 46¼¢ to 48¼¢ per share in June 1981 and from 48¼¢ to 50¼¢ per share in June 1982.

In June 1983, the Board of Directors deferred its review of a possible increase in the common stock dividend rate until the outcome of continuing proceedings before various state and federal regulatory bodies is clarified. The February 1, 1984, common stock dividend was declared by the Board of Directors after an in-depth discussion of the political and regulatory uncertainties facing the Company's financial condition and prospects. On March 6, 1984, the Company announced that it would omit cash dividends on the common stock for the balance of 1984 or until such time as the Company's financial condition is sufficiently strong for dividends to be restored. (See "Revenues—Rate Increases" and "Capital Requirements and Liquidity." See also Note 7 of Notes to Financial Statements regarding dismissal of dividend litigation.)

Quarterly dividends were paid as follows during the last three years:

	Paid Per Share		
Payment Dates	1983	1982	1981
Feb 1	50¼¢	48¼¢	46¼¢
May 1	50¼¢	48¼¢	46¼¢
Aug 1	50¼¢	50¼¢	48¼¢
Nov 1	50¼¢	50¼¢	48¼¢
Total Paid	[illegible]	[illegible]	[illegible]

The Company estimates that for federal income tax purposes certain percentages of the dividends paid in 1983, 1982, and 1981 represented a return of capital and, therefore, may not be taxable as ordinary income. These percentages are 100% of the common stock and approximately 60% of the dividends paid on all series of preferred stock in 1983, 100% of the common stock and approximately 81% of the dividends paid on all series of preferred stock in 1982, and 63% of the common stock and none of the dividends paid on all series of preferred stock in 1981. Such estimates are subject to audit by the Internal Revenue Service. Whether or not any portion of the common or preferred stock dividends paid to date in 1984 or of future preferred stock dividends will constitute a return of capital is dependent upon, but is not limited to, future rate relief, the resultant earnings of the Company, the size of the Company's construction program, the amount of construction work in progress (CWIP) permitted in rate base, and changes in income tax laws.

The trends of earnings, dividends, and coverage of interest and fixed charges over the past six years are provided in the Summary of Operations, Table 1, in the section of this report entitled "Selected Financial Data." Information with regard to the electric and gas segments of the Company's business for the most recent three years is provided in Note 8 of the Notes to Financial Statements. Additional data for prior years for both electric and gas operations is contained in the various tables of "Selected Financial Data."

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Revenues: Total revenues, including revenues from the recovery of fuel costs, increased $154.3 million, or 9.4%, to $1,787.8 million in 1983 from $1,633.5 million in 1982. The decrease in 1982 from 1981 was $31.3 million, or 1.9%, primarily resulting from lower fuel costs. Revenues realized from sales of electricity and gas to the various classes of the Company's customers are shown in detail in Tables 2 and 3 of "Selected Financial Data." Both electric and gas revenues reflect monthly adjustments in rates as a result of changes, both up and down, in the cost of fuels for electric generation and the cost of gas.

The principal factors causing these changes in revenues were:

Factors Causing Change in Revenues (Dollars in Millions)	Increase or (Decrease) from Prior Year 83/82	82/81
(1) Fuels and Purchased Power	$ 65.8	$(78.3)
(2) Rate Increases	56.7	47.8
(3) Changes in Energy Sales and Other Changes	31.8	(7.8)
Total	$154.3	$ (31.3)

Additional information about these factors:

(1) Fuels and Purchased Power: Changes between periods in the costs of electric fuels, purchased power, and gas fuels were influenced primarily by (a) the mix of fuels used and (b) changes in the cost of fuels. Largely as a result of the relative stability of the costs of electric fuels and purchased power, customers paid essentially the same price per kilowatthour for electricity in 1983 as they did in 1981.

(a) During 1983 and 1982, the Company was able to displace 38% and 36%, respectively, of the oil it would otherwise have used to generate electricity by burning gas and purchasing power from other utilities. Burning gas displaced 3.7 million barrels of oil in 1983 and 3.6 million barrels in 1982. Purchased power displaced 5.4 million b[illegible] 1983 and 4.5 million barrels in 1982. The Com[illegible]s that these and related interchange actions sav[illegible]stomers a total of $77.2 million in 1983 and [illegible] 1982 compared to the estimated cost of g[illegible] equivalent amount of power on the LILCO [illegible] with oil. In addition, electric customers saved $[illegible]lion during 1983 and $48.5 million during 1982 as a result of burning higher sulfur oil through the Company's Environmental Quality Control System. As a result of sharing in the economies of burning gas to generate electricity, gas customers saved $11.6 million in 1983 and $10.0 million in 1982.

The mix of fuels and purchases of power for providing the Company's electric system energy requirements during 1983, 1982, and 1981 were as follows:

Fuel Mix	1983	1982	1981
Oil	62%	64%	62%
Gas	15	16	17
Purchases	23	20	21
Total	100%	100%	100%

(b) The costs of electric and gas fuels in 1983, 1982 and 1981 were:

Fuels and Purchased Power* (Dollars in Millions)	1983	1982	1981
Electric Fuels	$516.8	$501.4	$588.2
Purchased Power	128.4	106.7	131.6
Gas	209.6	180.9	145.5
Total	$854.8	$789.0	$865.3

*Includes fuel cost adjustment deferred

The average unit prices of fuels in 1983, 1982, and 1981 were as follows:

Average Unit Price*	1983	1982	1981
For Electric Operations ¢/kWh			
Fuels consumed for net generation	4.42¢	4.35¢	5.02¢
Purchased Power	3.95¢	3.88¢	4.60¢
For Gas Sendout—$/dth	$4.13	$3.53	$2.90

*Includes fuel cost adjustment deferred

Additional fuel data for prior years is contained in Tables 4 and 5 of "Selected Financial Data."

(2) Rate Increases: Total revenues net of the above fuel costs increased $88.5 million, or 10.5%, in 1983 to $933.0 million and $45.0 million, or 5.6%, in 1982 to $844.5 million.

Rate increases of $56.7 million provided a portion of the total $88.5 million increase in revenue net of fuels in 1983. The $31.8 million balance of the increase was due to a gain of $40.3 million from increased electric sales and a decrease of $8.5 million in gas sales. Revenues resulting from rate increases of $47.8 million provided all of the total $45.0 million increase in revenue net of fuels in 1982.

On February 26, 1982, the Company filed with the PSC requests to increase annual electric and gas rates. Pursuant to these requests, the PSC permitted the Company to increase annual electric and gas revenues $16.8 million and $24.7 million, respectively, effective January 26, 1983. The increased electric rates included approximately $20 million for the change from "flow-through" accounting to "normalized accounting" required to preserve certain tax benefits of the Economic Recovery Tax Act of 1981.

On May 27, 1983, the Company filed with the PSC requests to increase annual electric and gas rates. The Company also requested a temporary electric rate increase subject to refund. Pursuant to these requests, the PSC permitted the Company a temporary electric rate increase, subject to refund, of $90.6 million on an annual basis, effective September 15, 1983. On December 19, 1983, the Company submitted updated testimony to the PSC requesting $188.5 million in addition to the interim electric rate increase to become effective October 1, 1984. The PSC permitted the Company a permanent gas rate increase of $3.9 million annually, effective January 1, 1984. This annual relief is intended to provide $5.6 million in additional revenues by March 31, 1985, and will be increased to $5.6 million annually effective April 1, 1985.

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(3) Changes in Energy Sales and Other Changes: Changes in energy sales to customers result from changes in (a) the number of customers and in (b) the level of consumption by customers, which, in turn, may be influenced by differences in weather conditions.

(a) Electric Sales: These changes resulted in a $31.8 million increase in electric revenues in 1983 from 1982 and a $2.8 million decrease in 1982 from 1981. A significant portion of the increase in electric sales in 1983 was due to a prolonged hot summer. The changes in the factors between current and prior comparable periods were as follows:

Customers and Average Use	% Increase or (Decrease) from Prior Year	
	83/82	82/81
(a) Average Number of Customers		
Residential	**0.9%**	0.8 %
Commercial & Industrial	**2.0**	1.3
(b) Average kWh Use Per Customer		
Residential	**5.2**	(1.3)
Commercial & Industrial	**2.2**	(0.8)

Consumption by residential customers accounts for approximately 45% of the Company's annual system kWh sales of electricity. This is one of the highest proportions of such sales in the electric utility industry, and contributes to relatively stable operations of the Company.

Electric Sales (Millions of kWh)	**1983**	1982	1981
System Sales			
Residential	**5,910**	5,557	5,581
Commercial & Industrial	**6,787**	6,521	6,494
Other	**452**	438	540
Total System Sales	**13,149**	12,519	12,615
Power Pool Sales	**494**	552	772
Total Sales	**13,643**	13,071	13,387

Total kWh sales to residential, commercial and industrial customers were essentially the same in 1982 as in 1981, but increased 5.1% in 1983 over 1982.

(b) Gas Sales: Approximately 72% of the Company's annual system dekatherm (dth) sales of gas results from consumption by space heating customers. Accordingly, total gas system revenues and sales are heavily influenced by seasonal temperature variations between periods and the availability of gas for sale to interruptible customers.

The average dth use of gas by space heating customers decreased 5.8% in 1983 from 1982 compared with the 4.6% decrease in the number of degree days between the years. However, this decline was partially offset by a 2.5% increase in the average number of gas space heating customers, resulting in a 3.5% decrease in total sales of gas to firm space heating customers. Sales of gas to firm non-space heating customers were up 0.1% in 1983 over 1982. Sales to interruptible customers decreased 12.8%. The average dth use of gas by space heating customers decreased 2.1% in 1982 from 1981 compared with the 3.2% decrease in the number of degree days between the years. However, the average number of gas space heating customers increased 3.9% resulting in a 1.7% increase in total sales of gas to firm space heating customers. Sales of gas to firm non-space heating customers were up 6.9% in 1982 over 1981. Sales to interruptible customers rose 1.6%.

Gas Sales (dth in Millions)	1983	1982	1981
Firm System Sales			
Space Heating	**34.2**	35.4	34.8
Non-Space Heating	**8.1**	8.1	7.6
Total Firm	**42.3**	43.5	42.4
Interruptible	**5.3**	6.1	6.0
Total System Sales	**47.6**	49.6	48.4
Degree Days Billed (Normal 5,074)	**4,596**	4,815	4,975

Additional energy sales data for prior years is contained in Tables 6 and 7 of "Selected Financial Data."

Operations and Maintenance Expenses: Total operations and maintenance expenses exclusive of fuels and purchased power increased $23.1 million, or 9.7%, in 1983 to $262.3 million and $12.7 million, or 5.6%, in 1982 to $239.2 million. Nearly 58% in 1983 and 60% in 1982 of these total costs represented employee wages and benefits.

Most of the increase in 1983 over 1982 in operations and maintenance expenses exclusive of fuels and purchased power was due to higher labor and materials costs, with the balance due largely to higher administrative and general costs including employee pensions and benefits, legal services, regulatory related expenses and research and development. Most of the increase in 1982 over 1981 in operations and maintenance expenses exclusive of fuels and purchased power was due to higher labor and materials costs, with the balance attributable to expenses for pensions, medical and disability plans, self-insurance and research and development. Information concerning the effects of inflation on the Company's operations is contained in Note 10 of the Notes to Financial Statements. Additional expense data is contained in Table 8, of "Selected Financial Data."

Other Items: Federal income taxes in 1983 were $17.0 million higher than in 1982. In 1982, federal income taxes were $11.2 million lower than in 1981. Changes in federal income taxes are due principally to variations in net income before income taxes, recognition of investment tax credits, and items capitalized for financial statement purposes that are allowed as current deductions on the Company's tax returns. (See Notes 1 and 6 of the Notes to Financial Statements.)

Other items such as depreciation, operating taxes, interest expense (both long-term and short-term) and preferred dividend requirements in aggregate increased $95.6 million, or 16.5%, to $674.9 million in 1983, from $579.3 million in 1982, substantially offset by an $83.5 million increase in total AFC. The increase in these items in 1982 over 1981 was $47.8 million, or 9.0%, more than offset by a $53.3 million increase in total AFC. Increases in depreciation generally result from the addition of plant in service. Increases in operating taxes are largely due to higher property taxes resulting from the addition of new plant and increased property tax rates. State and local gross income and franchise taxes vary with revenues. Increases in interest charges and preferred stock dividends result primarily from the sale of additional securities and from increased Trust borrowings which were used to finance the Company's construction and nuclear fuel programs. Interest charges on Trust obligations are capitalized and vary with changes in the lending rates of the Trust's credit banks. Such charges are offset by AFC related to Trust interest so there is no effect on the net income of the Company.

AFC is a non-cash credit to income that represents the cost of borrowed funds for construction purposes and a reasonable rate upon a utility's other funds when so used. The amount of AFC (including interest on Trust obligations which corresponds to AFC) fluctuates from period to period with changes in the cost of money, the level of construction activity, the amount of CWIP included in rate base, and modifications in regulatory policy. The amount of electric CWIP included in rate base (on which the Company is allowed to earn a cash return in lieu of non-cash AFC) was increased effective May 29, 1981, from $300 million to $400 million. The average amount of electric CWIP allowed in rate base was $400.0 million in 1983, $400.0 million in 1982 and $358.3 million in 1981, including the $355.0 million related to Shoreham in 1983, $355.0 million in 1982 and $309.2 million in 1981.

LILCO AFC (excluding AFC related to Trust interest) totaled $284.6 million in 1983, $201.4 million in 1982, and $148.0 million in 1981, representing 99%, 81%, and 74% of income for common stock in each year, respectively. Included in income for the years 1983, 1982, and 1981, respectively, were $6.2 million, $5.4 million, and $5.3 million of AFC related to the New Haven project and $9.8 million, $8.4 million, and $8.4 million of AFC for nuclear and coal related costs for the Jamesport project. (See Note 7 of the Notes to Financial Statements.) In June 1983, the PSC ordered the Company to accrue, with certain restrictions and limitations, Shoreham-related AFC since February 1, 1983, on a gross basis as opposed to the net-of-tax basis in use since 1976. For further discussion of the effect of this adjustment on earnings see Results of Operations—Earnings.

Capital Requirements and Liquidity

Financial Objectives: The electric utility industry is one of the most capital intensive industries in the world. Very large amounts of capital must be obtained to construct new generating facilities to meet customer demands for energy. To provide this capital, electric utilities customarily issue short-term debt, which is repaid periodically with the proceeds from the sale of permanent securities and from funds provided through internal cash generated from operations. A general objective in the industry is that internal cash generation from operations (as described under Capital Provided) should provide about 50% of the total funds required for construction. LILCO's financial corporate objectives also include: (1) retirement of all short-term debt at least once a year; (2) in the normal course of events, a maximum amount of short-term debt outstanding not exceeding $100 million unless the Company has the clear ability to refinance completely such short-term debt with long-term securities; and (3) maintenance of capitalization ratios of (a) not over 50% long-term debt, including the Trusts, (b) 10-12.5% preferred and preference stock, and (c) 40-37.5% common stock and retained earnings.

In recent years, the Company has essentially met these objectives, with the exception of the level of internal cash generation from operations, discussed below.

(1) Short-term debt has been fully retired at least once in each of the last nine years including each year end except for 1980 when $100.0 million of bank loans under the Company's $250 million Revolving Credit Agreement and $18.0 million of commercial paper were outstanding. In mid-1983, adjusting to the political and regulatory uncertainties facing the Company, the down rating of its securities to below investment grade, and the withdrawal of its commercial paper ratings, the Company modified its objectives to eliminate the use of all short-term debt and to maintain a total of cash and short-term investments of between $200 million and $300 million. Toward this objective, in 1983 the Company borrowed the full $400 million available under its domestic and Eurodollar Revolving Credit Agreements on a long-term basis. The Company had cash and short-term investments excluding investments in the Trusts totaling $275.4 million at the end of 1983 and $27.0 million at the end of 1982.

The Company's objective in 1984 is to balance its cash receipts and disbursements rather than maintaining a set level of short-term investments.

(2) During 1983, 1982, and 1981, the maximum aggregate amount of short-term bank loan and commercial paper borrowings at any one month-end was $212.7 million at June 1983, $104.8 million at August 1982, and $187.1 million at February 1981. The daily averages of total bank loan and commercial paper borrowings were $71.7 million, $26.8 million, and $95.8 million, respectively, in 1983, 1982, and 1981. The approximate weighted average interest rates (excluding the effects of compensating balances and commitment fees) on revolving credit and commercial paper borrowings were 10.2%, 12.4%, and 18.2%, respectively, in 1983, 1982, and 1981. (See Note 5 of the Notes to Financial Statements.)

(3) At December 31, 1983, 1982 and 1981, the Company's capitalization ratios were:

Capitalization Ratios at December 31	1983	1982	1981
Debt (includes Trusts)	51.1%	46.6%	47.9%
Preferred Stock and Preference Stock)	13.4	13.5	14.2
Common Stock and Retained Earnings	35.5	39.9	37.9
Total	100.0%	100.0%	100.0%

Capital Requirements: The Company's ability to continue its planned construction program, including the completion of Shoreham, depends upon the ability of the Company to continue to obtain the funds required. While the Company believes that there are currently markets for high yield utility securities, such as those of the Company, the Company cannot at this time predict with certainty whether it will be able to obtain all of the capital required to complete its planned 1984 construction requirements and other capital requirements. Providing the funds to meet the Company's capital requirements in 1984 and thereafter will be dependent upon the Company's ability to conserve cash, timely receipt of adequate additional rate relief, and its ability to access the capital markets.

The estimated capital requirements provided shown in the table that follows, are based on the following assumptions: (1) Shoreham is reflected in rates effective July 1, 1985, (2) the Company is able to continue to provide the capital required.

Total capital requirements for 1983 and those estimated for 1984 and 1985 are as follows:

Capital Requirements (Dollars in Millions)	Actual 1983	Estimated 1984 (1)	Estimated 1985
LILCO Construction Requirements			
Electric			
Shoreham	$633	$632	$263
Pre-Operational Credit	—	(1)	(43)
Shoreham Retrofits	—	4	21
Nine Mile Point 2 (including Fuel) (2)	88	14	2
—Capitalized Trust Interest	60	66	71
Nuclear Fuel (2)	—	3	—
—Capitalized Trust Interest	14	16	17
Other production	25	27	28
Other	61	52	67
Total Electric	872	812	424
Gas	17	16	14
Common	11	12	14
Total LILCO construction (incl. AFC)	900	840	452
Less AFC	(285)	(305)	(149)
Total LILCO construction (Excl. AFC)	615	535	303
Refunding Requirements			
Senior Securities	119	145	104
Resources Trust	1	20	16
Construction Trust	—	—	—
Total Refunding Requirements	120	165	120
Total Capital Requirements	$735	$700	$423

(1) Before reflecting austerity reductions.
(2) See Notes 4 and 7 of the Notes to Financial Statements.

Each one month delay beyond July 1, 1985, in beginning commercial operation of Shoreham is estimated to add $40 to $50 million, including approximately $26 million of AFC, to the cost of the plant. For additional data on construction expenditures for prior years, see Table 9 of "Selected Financial Data."

Capital Provided and Liquidity: The capital provided in 1983 was as follows:

Capital Provided (Dollars in Millions)	Actual 1983
External Financing — Long-term	
Debt	$685
Preferred stock	172
Common stock — ADRP, ESPP	53
Total	910
Trusts	107
Total External — Long-term	1,017
Cash and Short-term Investments	(248)
Internal Cash Generation from Operations (1)	(78)
Other Internal Funds Generation (2)	44
Total Capital Provided	$735

(1) Includes:
(a) Retained earnings - net income less dividends on preferred and common stock.
(b) Depreciation
(c) Deferred and other federal income taxes
Less
(d) Allowance for funds used during construction
(2) Includes:
(a) Changes in working capital
(b) Other non-cash items (net)

Internal cash generation from operations provided negative 14% of total construction expenditures in 1983, negative 5% in 1982, and positive 5% in 1981. For this purpose, construction includes (1) LILCO construction less AFC plus (2) net construction expenditures of Tri-Counties Construction Trust for the Company's share of Nine Mile Point 2 less interest capitalized by the Trust plus (3) net expenditures of Tri-Counties Resources Trust for nuclear fuel less interest capitalized by the Trust.

The Company's original 1984 financing plan called for the sale of an aggregate of approximately $700 million of debt and equity securities. In January 1984, the Company sold five million shares of common stock providing gross proceeds of $52.5 million and in February 1984 the Company realized gross proceeds of $10.4 million through its dividend reinvestment plan. However, given the various adverse factors now impacting the Company, little or no assurance can be given regarding the Company's ability to raise additional funds in 1984 and in future years in order to meet its construction and other capital requirements and operational needs. In view of this situation, in order to conserve cash, the Company has announced that it would reduce its non-fuel related operations and maintenance expenditures and achieve other cash savings totaling approximately $100 million in 1984 without significantly affecting customer service, that it has suspended construction payments for its share of Nine Mile Point 2 (See Notes 4 and 7 of Notes to Financial Statements), and that it will omit future common stock dividends during the rest of 1984 or until its financial condition is sufficiently strong for dividends to be restored. The Company can give no assurance that such measures will be sufficient in the circumstances, nor can it now predict what other measures it may take. After giving effect to the suspension of payments for Nine Mile Point 2, its recently implemented austerity program, and the omission of common dividends, but before giving effect to additional financing or rate relief, or to other cash conservation measures, the Company believes that it has on hand sufficient cash and short-term investments to continue the Company's operations until the fall of 1984.

For information with regard to the Company's actions to recover its costs in the New Haven and Jamesport projects and to protect its investment in Bokum Resources Corporation, see Note 7 of the Notes to Financial Statements.

For additional data on the Company's capitalization and other Balance Sheet items, see Table 10 of "Selected Financial Data."

For quarterly data on the market prices of the Company's securities during the past two years, see Table 11 of "Selected Financial Data."

Item 8. Financial Statements and Supplementary Data

Statement of Income for each of the five years in the period ended December 31, 1983.

Balance Sheet at December 31, 1983, 1982 and 1981.

Statement of Shareowner's Equity for each of the five years in the period ended December 31, 1983.

Statement of Changes of Financial Position for each of the five years in the period ended December 31, 1983.

Notes to Financial Statements.

Financial Statement Schedules -
The following Financial Statement Schedules are submitted as part of Item 14, Exhibits, Financial Statements & Schedules and Reports on Form 8-K, of this Report. (All other Financial Statement Schedules are omitted because they are not applicable, or the required information appears in the Financial Statements or the Notes thereto.)

- Property Plant and Equipment (Schedule V)

- Depreciation, Depletion and Amortization of Property (Schedule VI)

- Short-Term Borrowing (Schedule IX)

- Supplementary Income Statement Information (Schedule X)

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Price Waterhouse

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JERICHO NEW YORK 11753
516 681 7114/212 825 0100

February 10, 1984
(Except as to Notes 4 and 7 which
are as of March 9, 1984)

To the Shareowners and
Board of Directors of
Long Island Lighting Company

We have examined the balance sheet of Long Island Lighting Company at December 31, 1983, 1982 and 1981, and the related statements of income, shareowners' equity and changes in financial position for each of the five years in the period ended December 31, 1983, appearing on pages 51 to 65. 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 discussed in Notes 4 and 7 of Notes to Financial Statements:

(a) The Company has experienced significant delays and substantial additional costs in completing construction of the Shoreham Nuclear Power Station and strong opposition to operation of the plant by the State of New York, the County of Suffolk, New York and others. These and other factors have significantly strained the Company's financial resources and ability to finance its operating and capital requirements in 1984 and subsequent years, including costs to complete Shoreham.

(b) On February 10, 1984, the Staff of the New York State Public Service Commission and intervenors filed direct testimony with the Commission in connection with its investigation of the prudency of the costs of the Shoreham project. The Staff and intervenors allege serious mismanagement and inefficiency throughout the project, and propose that no more than $1.9 billion to $2.3 billion of the plant's costs ($3.2 billion at December 31, 1983; $4.1 billion estimated final cost at July 1, 1985) be includable in the rate base for purposes of establishing electric revenue rates.

(c) On February 9, 1984, the Company suspended payments required by its cotenancy agreement with four other New York State utilities for financing its share of the Nine Mile Point 2 Nuclear Project. The agent for the cotenants has notified the Company that it considers the Company to be in default of its obligations and has demanded payment and that the Company's interests and those of Tri-Counties Construction Trust in Nine Mile Point 2, aggregating $585 million at December 31, 1983, may be encumbered, diminished or eliminated if the default is not cured. The covenants in their filings with the Securities and Exchange Commission have also indicated that the project may have to be abandoned.

(d) The banks which are lenders to the Construction Trust have indicated that the Company's suspension of payments for Nine Mile Point 2 raised the issue of whether the Trust Agreements had been violated. Proposed amendments to such Agreements provide that the failure to make such payments would not constitute a default on or prior to April 27, 1984 or during any subsequent period of 30 days approved by the lenders. The Company would become liable for the Trust's borrowings should a default occur and the banks accelerate the maturity of the loans. If either the Trust or the Company were unable to cure a default in the Construction Trust Agreements, other Long-term debt of the Company could become due and payable as a result of cross-defaults and resulting rights of acceleration of maturities of such debt.

(e) The Company has incurred costs of $118 million net of tax in connection with two abandoned nuclear projects and has related unsettled claims against it with respect to one of the projects. Further, the Company has made advances and loans to Bokum Resources Corporation of $111 million for uranium concentrates and expended $108 million for procurement of nuclear fuel for Shoreham and the Nine Mile Point 2 projects.

The Company cannot determine the outcome of the matters discussed in the preceding paragraph nor the effects on its financial position or results of operations. Further, it cannot give any assurance of its ability to meet its capital and operating cash requirements.

In our opinion, subject to the Company's continued financial viability and the effects on the 1983 financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainties referred to in the preceding paragraphs been known, the financial statements referred to above present fairly the financial position of Long Island Lighting Company at December 31, 1983, 1982 and 1981, and the results of its operations and the changes in its financial position for each of the five years in the period ended December 31, 1983, in conformity with generally accepted accounting principles consistently applied.

Price Waterhouse
PRICE WATERHOUSE

Price Waterhouse

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the prospectus constituting part of Amendment No. 1 on Form S-3 to the Registration Statement (No. 2-71152) relating to Long Island Lighting Company's Automatic Dividend Reinvestment Plan, and the Registration Statement on Form S-8 (No. 2-59858) relating to Long Island Lighting Company's Employee Stock Purchase Plan, and the Three Registration Statements on Form S-3 relating to the issuance of General and Refunding Bonds (No. 288577), Common Stock (No. 2-88578), and Preferred Stock (No. 2-88851), of our report dated February 10, 1984 (Except as to Notes 4 and 7 which are as of March 9, 1984) appearing on page 48 and page 49.

Price Waterhouse

PRICE WATERHOUSE

Jericho, New York
March 30, 1984.

Statement of Income

For Year Ended December 31 (in thousands of dollars)	1983	1982	1981	1980	1979
Revenues					
Electric	$1,435,947	$1,320,515	$1,402,719	$1,039,666	$ 860,798
Gas	351,904	313,002	262,113	237,272	184,700
Total Revenues	1,787,851	1,633,517	1,664,832	1,276,938	1,045,498
Expenses					
Operations — fuel and purchased power	854,837	789,026	865,352	651,726	478,416
Operations — other	182,435	170,455	158,267	122,207	118,644
Maintenance	60,887	68,743	60,253	57,507	52,206
Depreciation, depletion and amortization	63,410	61,598	60,065	56,668	54,060
Operating taxes	241,204	207,952	198,979	172,916	153,706
Federal income tax — current	(4,128)	(662)	(1,008)	(2,915)	(2,267)
Federal income tax — deferred and other	101,217	89,712	89,036	14,205	19,749
Total Expenses	1,518,862	1,386,824	1,438,944	1,082,310	874,514
Operating Income	258,139	246,693	225,888	194,628	170,984
Other Income and (Deductions)					
Allowance for other funds used during construction	205,441	157,923	113,648	80,993	58,086
Other income and (deductions)	7,270	334	(1,084)	5,002	4,129
Federal income tax credit — current	(4,128)	(662)	(1,128)	(2,965)	(2,417)
Federal income tax credit — deferred and other	36,198	41,660	29,855	24,910	17,855
Total Other Income and (Deductions)	244,781	199,255	141,291	107,920	77,553
Income Before Interest Charges	513,770	445,948	367,179	302,545	248,637
Interest Charges and (Credits)					
Interest on long-term debt	214,852	170,574	134,174	113,679	101,889
Other interest	13,244	9,434	19,631	12,710	7,119
Allowance for borrowed funds used during construction	(79,400)	(43,454)	(34,358)	(28,859)	(22,034)
Interest capitalized by trusts	84,274	69,784	69,876	42,730	25,496
Allowance for borrowed funds used during construction — trusts	(84,274)	(69,784)	(69,876)	(42,730)	(25,496)
Total Interest Charges and (Credits)	143,796	136,554	119,447	97,530	86,975
Net Income	364,574	309,394	247,732	206,018	161,662
Preferred stock dividend requirements	77,511	59,989	48,830	40,103	32,851
Income for Common Stock	$ 287,103	$ 249,405	$ 198,902	$ 164,915	$ 128,812
Average Common Shares Outstanding — (000)	102,434	92,475	77,998	65,136	53,366
Earned per Common Share	$ 2.80	$ 2.70	$ 2.55	$ 2.53	$ 2.41
Dividends Declared per Common Share	$ 2.02	$ 2.00	$ 1.92	$ 1.84	$ 1.76

See Notes to Financial Statements.

Balance Sheet

Assets

At December 31 (in thousands of dollars)		1983	1982	1981
Utility Plant	Electric	$1,752,490	$1,748,406	$1,705,033
	Gas	360,174	341,137	319,534
	Common	85,734	82,730	77,425
	Construction work in progress	3,467,211	2,812,119	2,153,332
	Nuclear fuel in process	23	115	36
	Construction and nuclear fuel in trusts	710,888	552,235	406,542
		6,422,520	5,536,742	4,662,402
	Less — Accumulated depreciation, depletion and amortization	727,298	672,518	620,616
	Total Net Utility Plant	5,695,222	4,864,224	4,041,786
Other Property and Investments	Nonutility property, principally at cost	2,816	2,823	2,863
	Investment in subsidiary companies at equity	637	608	547
	Other investments and deposits	64,240	59,488	58,773
	Total Other Property and Investments	67,693	62,919	62,183
Current Assets	Cash	3,301	8,838	10,073
	Temporary cash investments	272,074	18,200	42,200
	Special deposits	3,257	8,308	602
	Accounts receivable (less allowance for doubtful accounts of $4,289,000, $4,062,000 and $4,342,000)	169,947	155,689	155,6[illegible]
	Accrued revenue on accounts billed bimonthly	21,328	19,030	19,553
	Materials and supplies at average cost	31,575	31,964	27,736
	Fuel oil at average cost	40,211	71,208	68,602
	Gas in storage at average cost	43,918	46,945	36,145
	Prepayments	1,050	1,017	1,318
	Total Current Assets	587,002	361,219	361,8[illegible]
Deferred Charges	Electric fuel cost adjustment deferred	62	959	4,166
	Other	39,604	60,404	38,136
	Total Deferred Charges	39,666	61,363	[illegible]
	Total Assets	$6,389,583	$5,349,725	[illegible]

See Notes to Financial Statements

Capitalization and Liabilities

At December 31 (in thousands of dollars)		1983	1982	1981
Capitalization	Long-term debt	**$2,180,721**	$1,602,777	[illegible]
	Unamortized premium and (discount) on debt	**(8,198)**	(5,605)	(2,349)
		2,172,523	1,597,172	1,430,280
	Preferred stock — redemption required	**540,013**	478,050	414,650
	Preferred stock — no redemption required	**221,119**	157,070	158,083
	Treasury stock, at cost	**(1,772)**	—	(569)
	Total Preferred Stock	**759,360**	635,120	572,164
	Common stock	**520,600**	502,664	406,853
	Premium on capital stock	**994,542**	921,284	724,241
	Capital stock expense	**(56,276)**	(50,335)	(42,107)
	Retained earnings	**550,115**	501,806	439,285
	Total Common Shareowners' Equity	**2,008,969**	1,875,619	1,528,272
	Total Capitalization	**4,940,832**	4,107,911	3,590,716
Trust Obligations	(including $20,000,000 maturing in 1984)	**713,484**	598,335	439,425
Current Liabilities	Current maturities of long-term debt	**107,057**	107,052	72,048
	Current redemption requirements of preferred stock	**38,037**	11,600	11,600
	Accounts payable	**140,227**	175,431	152,930
	Accrued taxes (including federal income tax of $2,252,000, $2,307,000 and $2,307,000)	**84,821**	56,666	28,526
	Accrued interest	**81,413**	44,726	40,216
	Customer deposits	**12,231**	10,365	9,769
	Dividends payable	**67,408**	60,429	46,104
	Total Current Liabilities	**481,074**	466,769	361,193
Deferred Credits	Accumulated deferred income tax reductions	**222,502**	156,385	106,795
	Other	**25,055**	14,476	6,091
	Total Deferred Credits	**247,557**	170,861	112,886
Reserves for Claims, Damages and Pensions		**6,526**	5,849	3,932
Commitments and Contingencies		—	—	—
	Total Capitalization and Liabilities	**$6,389,583**	$5,349,775	[illegible]

See Notes to Financial Statements

Shareowners' Equity

[illegible]	Call Price Per Share December 31, 1983	Final	1983	1982	1981	1980	1979
Statement of Retained Earnings							
Balance January 1			$501,806	$439,285	$391,113	$346,001	$311,833
Add — Net income for the year			364,974	309,394	247,732	205,018	161,663
Less — Capital stock expense			38	—	1	1	1
Less — Cash dividends declared							
Preferred stock			78,998	60,009	49,289	39,701	32,215
Common stock			207,629	[illegible]	150,270	[illegible]	95,251
Balance December 31			$580,115	[illegible]	[illegible]	[illegible]	[illegible]
Common Stock Par Value $5 per Share							
Shares authorized			150,000,000	110,000,000	110,000,000	80,000,000	[illegible]
Shares issued and outstanding			104,120,072	100,572,587	81,370,597	69,981,436	60,223,283
Increase in shares outstanding			3,547,185	[illegible]	[illegible]	[illegible]	8,508,931
Increases in $5 Par Value			$ 17,736	$96,011	$56,945	$48,791	$44,044
Increases in Premium on capital stock			43,278	191,043	104,908	99,009	77,971
[illegible]			5,943	[illegible]	[illegible]	[illegible]	1,817
Preferred Stock							
Par Value $100 per Share, Cumulative							
Shares authorized			7,000,000	7,000,000	7,000,000	5,050,000	5,050,000
Shares issued and outstanding			3,397,311	3,527,203	3,333,330	3,700,675	3,770,403
Shares held in Treasury			24,375	—	—	—	—
5 [illegible]% Series B	$101.00	$101.00	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
4.25% Series D	102.00	102.00	7,000	7,000	7,000	7,000	7,000
4.35% Series E	102.00	102.00	20,000	20,000	20,000	20,000	20,000
4.35% Series F	102.00	102.00	5,000	5,000	5,000	5,000	5,000
5 [illegible]% Series H	102.00	102.00	20,000	20,000	20,000	20,000	20,000
5 [illegible]% Series I Convertible	100.00	100.00	4,119	5,070	6,083	6,968	8,090
8.12% Series J	104.00	101.00	25,000	25,000	25,000	25,000	25,000
8.30% Series K	105.37	100.29	30,000	30,000	30,000	30,000	30,000
7.42% Series L*	105.20	100.00	29,750	30,800	31,850	32,900	33,950
8.40% Series M*	115.00	100.00	35,000	35,000	35,000	35,000	35,000
7.50% Series Q*	100.00	100.00	26,800	33,600	38,400	43,200	48,000
8.50% Series R*	115.00	100.00	52,500	56,250	60,000	60,000	60,000
9.60% Series S*	115.00	100.00	75,000	75,000	75,000	75,000	75,000
Total Par Value $100			$342,169	[illegible]	[illegible]	[illegible]	[illegible]
Par Value $25 per Share, Cumulative							
Shares authorized			30,000,000	14,400,000	14,400,000	7,200,000	7,200,000
Shares issued and outstanding			18,280,000	11,760,000	8,806,200	6,310,000	3,400,000
Shares held in treasury			—	—	[illegible]	[illegible]	—
$2.47 Series Q*	$ 26.50	$ 25.25	$ 42,000	$ 44,000	$ 46,000	$ [illegible]	$ 50,000
$2.43 Series P	29.30	27.75	35,000	35,000	35,000	35,000	35,000
$3.31 Series T*	28.75	25.00	75,000	75,000	75,000	75,000	—
$4.25 Series U*	30.00	25.00	65,000	65,000	65,000	—	—
$3.50 Series V*	29.25	25.00	75,000	75,000	—	—	—
$3.22 Series W	32.00	27.50	65,000	—	—	—	—
$3.50 Series X*	29.25	[illegible]	100,000	—	—	—	—
Total Par Value $25			457,000	[illegible]	[illegible]	[illegible]	[illegible]
Less — Sinking fund requirements			38,037	11,600	11,600	7,850	7,850
Less — Treasury stock at cost**			1,772	—	[illegible]	[illegible]	—
Total Preferred Stock			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

See Notes to Financial Statements
*Redemption restricted, see Note 7
**Held to meet annual sinking fund requirements

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Statement of Changes in Financial Position

For Year Ending December 31 (in thousands of dollars)	1983	1982	1981	1980	1979
Source of Funds					
Operations					
Net income	$ 364,974	$ 309,794	$ 247,732	$ 206,018	$ 161,563
Principal noncash charges and credits to income					
Depreciation, depletion and amortization	63,415	61,603	60,070	56,668	54,060
Deferred and other federal income taxes	65,019	48,062	59,181	(10,705)	1,894
Allowance for funds used during construction	(284,841)	(201,377)	(148,006)	(109,852)	(80,120)
Other	14,344	14,766	8,473	9,145	9,023
Interest capitalized by trusts	64,274	69,784	69,876	42,730	26,496
Allowance for borrowed funds used during construction — trusts	(64,274)	(69,784)	(69,876)	(42,730)	(26,496)
Funds Provided from Operations	222,911	232,458	227,450	150,274	146,520
Long-term Financing					
Long-term debt	885,000	217,200	300,000	50,000	119,100
Preferred stock	171,769	76,121	65,399	75,114	75,000
Common stock	54,352	292,528	161,409	147,676	121,999
Trust obligations	115,149	158,910	90,490	61,628	97,706
Other					
Increase in short-term debt	—	—	—	93,164	24,836
Decrease in working capital (excluding short-term debt)	—	106,215	—	45,353	—
Gas cost adjustment	17,551	(4,934)	(6,410)	4,538	1,364
Other sources	20,195	12,405	16,128	25,365	2,456
Total Source of Funds	$1,286,937	$1,090,903	$ 854,466	$ 653,412	$ 548,980
Use of Funds					
Construction expenditures	$ 741,230	$ 742,789	$ 501,894	$ 422,473	$ 392,062
Nuclear fuel expenditures	(92)	79	23	13	(3,575)
Construction and nuclear fuel in trusts	158,033	145,693	87,593	76,448	[illegible]
Less — Allowance for funds used during construction (AFC)	284,841	201,377	148,006	109,852	80,120
Construction and nuclear fuel expenditures, less AFC	614,350	687,184	441,504	389,082	364,965
Dividends on preferred stock	78,594	60,009	49,289	39,70[illegible]	32,215
Dividends on common stock	207,829	186,864	150,270	120,206	95,284
Reduction of long-term debt	107,058	107,052	72,048	60,044	20,040
Preferred stock conversions and retirements	40,781	12,613	12,867	9,159	11,259
Decrease in short-term debt	—	—	118,000	—	—
Increase in working capital (excluding short-term debt)	211,478	—	17,191	—	13,749
Electric fuel cost adjustment deferred	(837)	(3,229)	(35,031)	16,510	14,578
Other investments and deposits	4,752	715	3,903	—	6,632
Capital stock expense	7,121	9,405	8,144	6,179	2,994
Cost of removal	4,041	3,658	3,797	4,638	2,367
Other uses	11,048	[illegible]	[illegible]	[illegible]	4,897
Total Use of Funds	$1,286,937	$1,090,903	$ 854,466	$ 653,412	$ 548,980
Increase (Decrease) in Working Capital (excluding short-term debt)					
Cash	$ (5,537)	$ (1,185)	$ 4,113	$ (2,715)	$ 1,405
Temporary cash investments	253,874	(24,000)	42,000	(3,280)	480
Special deposits	(4,751)	7,706	(577)	(10,848)	9,519
Accounts and notes receivable	14,258	69	13,098	26,668	(25,190)
Accrued revenue	2,298	(523)	3,436	2,250	2,827
Materials, supplies, gas in storage and fuel	(34,402)	17,595	26,660	14,635	28,022
Prepayments	43	(301)	151	(33)	187
Current maturities on long-term debt	(5)	(35,004)	(12,004)	(40,004)	(20,003)
Sinking fund requirements on preferred stock	(2,437)	—	(3,750)	—	(6,600)
Redemption of retired Preferred Stock Series O	(24,000)	—	—	—	—
Accounts payable	35,204	(22,500)	(42,024)	(13,923)	32,902
Accrued taxes	2,045	(28,140)	10,236	(5,290)	(1,064)
Accrued interest	(16,657)	(4,510)	(12,396)	(5,025)	(3,696)
Customer deposits	(1,308)	(1,097)	(1,163)	(726)	45
Current ... other	(7,059)	[illegible]	[illegible]	[illegible]	[illegible]
Net Increase (Decrease)	$ 211,478	$ [illegible]	$ 17,191	$ [illegible]	$ 13,749

See Notes to Financial Statements

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Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting records of the Company are maintained in accordance with the Uniform Systems of Accounts prescribed by the Public Service Commission of the State of New York (PSC) and the Federal Energy Regulatory Commission (FERC).

Utility Plant

Additions to and replacements of utility plant are recorded at original cost, which includes material, labor, overheads and an allowance for the cost of funds used during construction (AFC). The cost of renewals and betterments relating to units of property is added to utility plant. The cost of property replaced, retired, or otherwise disposed of is deducted from utility plant and, generally, together with dismantling costs less any salvage, is charged to accumulated depreciation. The cost of repairs and minor renewals is charged to maintenance expense. Mass properties (such as poles, wire and meters) are accounted for on an average unit cost basis by year of installation.

Allowance for Funds Used During Construction

The Uniform Systems of Accounts define AFC, which is not an item of current cash income, as the net cost of borrowed funds for construction purposes and a reasonable rate upon the utility's equity when so used. AFC is computed monthly using a rate permitted by FERC on that portion of construction work in progress (CWIP) which is not included in the Company's rate base. The Company previously computed AFC on its Shoreham Unit at a rate which reflected the income tax effect of the interest portion of AFC. However, effective February 1983, with in restrictions and limitations as ordered by the PSC to ct related rate treatment, AFC on certain construction costs, including costs of the Shoreham Unit, has been computed at a rate which does not reflect the income tax effect of the interest portion of AFC.

This change increased AFC, which resulted in a non-cash increase in income for common stock of $18.8 million, or 18¢ per share in 1983. However, as a result of the interim rate increase order effective September 15, 1983, what otherwise would have been future non-cash AFC earnings generated as a result of the PSC's June order, retroactive to February 1983, were replaced by cash earnings in an amount equivalent to the amount granted as the interim rate increase. Accordingly, the Company estimates that $10.5 million of net after tax cash earnings were received in lieu of non-cash AFC earnings between September 15 and December 31, 1983.

The average annual AFC rate, without giving effect to compounding or the reduced net of tax rate, was 12.83%, 12.68%, 11.52%, 10.54% and 9.99% for the years 1983 through 1979, respectively. The net of tax annual AFC rate, without giving effect to compounding, was 10.09%, 10.73%, 9.69%, 8.70% and 8.21% for the years 1983 through 1979, respectively.

In compliance with a FERC order, the Company allocates the portion of AFC relating to borrowed funds to the Interest Charges and (Credits) section of the Statement of Income.

Depreciation

The provisions for depreciation result from the application of straight-line rates to the original cost, by groups, of depreciable properties in service. The rates are determined by annual age-life studies of depreciable properties. Depreciation accruals were equivalent to 3.3% for electric and 2.4% for gas of respective average depreciable plant costs for the five years 1983 through 1979.

Revenues

Revenues are recorded when billed. Billings are rendered on a monthly or bimonthly cycle basis. The Company accrues estimated revenues for customers billed bimonthly in the month in which they are normally not billed.

The Company's tariffs for electric service include a fuel adjustment clause under which electric rates charged to most customers are adjusted to reflect changes in the average cost of fuels and of certain purchased power costs. The Company's tariffs for gas service contain a comparable clause.

Deferred Fuel Cost Adjustments

The Electric Fuel Cost Adjustment represents the difference between actual fuel costs and the fuel costs allowed in the Company's base tariff rates. The Company, to achieve a proper matching of costs and revenues, defers this difference along with the related income tax effects to those future periods in which it will be billed to customers. The Company's tariffs for gas service contain comparable adjustments. The Company believes that the PSC will continue to permit the recovery of deferred fuel costs.

Federal Income Taxes

The Company's general policy is to reflect as income tax expense the amount of income taxes currently payable, however, in certain instances authorized by the PSC, provision is made for income tax effects of the differences between net income before income taxes and taxable income, as disclosed in Note 6.

The major items which are part of the deferred tax provision are as follows:

- Income tax deductions for reduced depreciation lives permitted by the Revenue Act of 1971
- Income tax deductions for deferred fuel cost
- Income tax deductions for the Metropolitan Transportation Authority (MTA) tax surcharge
- Income tax deductions for interest on amounts financed through the Company's Tri-Counties Construction and Resources Trusts
- Income tax deductions for real property taxes and certain construction costs associated with Shoreham
- Income tax deductions associated with cancelled generating projects
- Income tax deductions for increased tax depreciation on post-1980 asset additions mandated by the Economic Recovery Tax Act of 1981
- Increases in investment tax credits under the Tax Reduction Act of 1975
- Normalization of investment tax credit under the Economic Recovery Tax Act of 1981

Investment tax credits allowable under the Revenue Act of 1971 are accounted for as a reduction of federal income tax expense. The basis of accounting for these credits was modified by PSC rate orders, the effect of which has been to recognize a cumulative total of $13,477,000 of additional credits for financial accounting and ratemaking purposes for the three years ended 1980. (See Note 6.) The balance is being amortized over 36 months beginning in June 1981. The utilization of such additional credits for tax purposes, however, continues to be subject to the provisions of the Internal Revenue Code.

Capitalization-Premiums, Discounts, and Expenses

Premiums or discounts and expenses related to the issuance of long-term debt are amortized over the lives of the issues. Capital stock expense related to that portion of preferred stock required to be redeemed is written-off as an adjustment to

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...ained earnings or, if redeemed below par value, as a gain on reacquired capital stock in Premium on capital stock. Such ...n was $1,334,000, $1,064,000, and $513,000 at the end of ...83, 1982, and 1981, respectively.

...serves for Claims, Damages and Pensions

...sses arising from claims against the Company, from extraordinary storm losses, and from certain equipment damage are ...ially self-insured. Provisions to the reserves are based upon ...erience, risk of loss, actuarial estimates, and/or specific ...ers of the PSC.

...te 2. Capital Stock

...the 150,000,000 shares of authorized common stock at ...cember 31, 1983, [illegible] shares were reserved for sale to ...ployees, 7,610,380 shares were committed to the Automatic ...dend Reinvestment Plan, and 233,348 shares were reserved ...conversion of the Series I Convertible Preferred Stock at ...05 per share. The Series I Convertible Preferred Stock is ...considered, under generally accepted accounting principles, to have a dilutive effect on earnings per share.

...demption of Series L, M, C, Q, R, S, T, U, V and X Preferred ...ock is provided for through varying sinking fund provisions. ...e aggregate amount of preferred stock required to be ...eemed in each of the years 1984 through 1988 is $38,038,000, ...,638,000, $13,638,000, $16,688,000, and $19,886,000, ...pectively. Dividends on the preferred stock are paid in preference to dividends on the common stock or any other stock ...king junior to the preferred stock.

... 1980 ... shareowners authorized a new class of non-...icip... Preference Stock, par value $1 per share, ranking ...ior to the Preferred Stock. No such shares are outstanding.

...te 3. Retirement Plans

...e Company maintains two pension plans. The total costs ...ated to the plans were $1[illegible],520,000, $15,340,000, $14,418,000, ...2,946,000, and $11,[illegible],000 for the years 1983 through 1979 ...which $5,092,000, $4,655,000, $3,901,000, $3,6[illegible]9,000, and ...344,000 were included in construction costs, respectively. ...e costs of the defined benefit retirement plan, which covers ...st employees, are determined as the amount needed to meet ...rent service costs and to amortize unfunded past service ...sts over a 30 year period. All pension costs are borne by the ...mpany. The Company makes annual contributions to the ...n equal to the amounts accrued for costs related to the plan.

...addition to the retirement plan, in 1981 the Company began ...viding, without contribution from such employees, supplemental death and retirement benefits for officers and other key ...cutives. Death benefits are currently provided by insurance. ...irement benefits, which are not available until 1986, have ...en recognized as expense but are unfunded.

...comparison of accumulated plan benefits and plan net assets ...the Company's retirement plans is presented below.

	January 1 1983	1982	1981
	(In thousands of dollars)		
...tuarial present value of accumulated plan benefits			
Vested	$248,571	$23[illegible],968	$214,726
Nonvested	9,615	[illegible]	[illegible]
[illegible]	$[illegible]186	$[illegible]	$[illegible]9
...t assets available for benefits	$[illegible]98	$[illegible]	$[illegible]22

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 6% for all years.

Note 4. Trust Obligations

The Company has arrangements with Tri-Counties Resources Trust and Tri-Counties Construction Trust to finance, respectively, the Company's nuclear fuel program and its share of the costs of construction of a nuclear plant, Nine Mile Point 2, and its fuel. Effective February 8, 1984, the Company suspended payments for its share of construction costs for Nine Mile Point 2. The Resources Trust and the Construction Trust are primarily financed by revolving credit loans which were fully utilized at December 31, 1983, and which, together with $20,000,000 of term loans maturing in 1984, provide for borrowings of up to $200,000,000 and $500,000,000, respectively. The Revolving Credit Agreements of both Trusts provide for borrowings principally at the prime interest rate prevailing from time to time or, if advantageous, at alternate borrowing rates based on the London Interbank Offering Rate or the Certificate of Deposit Rate.

The Company is obligated to purchase nuclear fuel owned by the Resources Trust, or heat from such fuel. Similarly, the Company is obligated to reimburse the Construction Trust for nuclear fuel and construction just prior to operation of Nine Mile Point 2. Upon termination of, or default by, either Trust, the Company is obligated to repay fully the obligations of the Trust.

Loans under the revolving credit agreement of the Resources Trust mature in September 1986. The present maturity date of Construction Trust loans is December 31, 1986 but, under certain circumstances, the loans may be payable according to a repayment schedule beginning not earlier than March 31, 1985, and ending not later than June 30, 1988. The Trusts may, if funds not immediately needed for such financing are available, make certain investments, including investments in the Company's promissory notes. The Trusts' total obligation of $713,484,000 at December 31, 1983, including accrued interest totaling $13,484,000, is comprised of $650,997,000 for financing construction and nuclear fuel expenditures and $62,487,000 invested in the Company for general corporate purposes. Funds needed to finance the Company's nuclear fuel program and the Trusts' interest payments are being provided by the Company. The total $713,484,000 obligation of the Trusts excludes amounts advanced by the Company to the Construction Trust in excess of the $500,000,000 provided by lending banks. At December 31, 1983, such advances, including accrued interest, totaled $70,013,000.

With respect to the suspension of construction payments for Nine Mile Point 2, the Company and counsel for the banks which are lenders to the Construction Trust disagreed as to whether the suspension of the construction payments was covered by the language in the Trust agreements. To resolve the ambiguity, the Company and the banks have agreed to amend the Trust agreements. The amendments provide that the failure to make construction payments will not constitute a default on or prior to April 27, 1984 or during any subsequent period of 30 days agreed to by banks holding two-thirds of the Construction Trust debt. With respect to advances by the Company to the Trust in excess of the $500,000,000 advanced by the banks, the banks have indicated that the advances violated provisions of the Trust agreements. It is the Company's view that such advances were not intended to be covered by the Trust agreements. The amendments increase the limitations contained in the Trust agreements to cover prior advances by the Company in excess of $500,000,000 and exclude future advances by the Company for the purpose of enabling the Trust to make interest payments under the Credit Agree-

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ment. The amendments require approval of the PSC. The Company cannot predict what action the PSC will take. Furthermore, the Company cannot predict whether the banks will grant any extensions beyond April 27, 1984 or what other action, if any, the banks might take at that time. If a default occurs, payment of the $500,000,000 of indebtedness to the banks under the Construction Trust agreements would become subject to a right of acceleration exercisable by the banks. A default in the Construction Trust agreements, unless cured, would, by reason of cross-default provisions in instruments governing other Long-term Debt of the Company, give rise to rights of acceleration of maturities of such debt.

The Trusts' average annual interest rates (excluding commitment fees) on average borrowings of $558,902,000, $500,198,000, $381,614,000, $314,350,000 and $231,500,000 (excluding loans from the Company) outstanding during the years 1983, 1982, 1981, 1980 and 1979 were 10.3%, 14.7%, 19.4%, 15.6% and 13.2%, respectively. Of the total average borrowings, $50,546,000, $45,889,000, $45,100,000, $45,100,000, and $35,018,000 related to general corporate purposes for the respective periods. The Trusts' interest costs on borrowings utilized to finance construction and nuclear fuel are reflected in the Company's Construction and Nuclear Fuel in Trust accounts and are deducted currently for tax purposes on the Company's tax return.

Note 5. Debt at December 31

The First Mortgage is a direct first lien on substantially all of the Company's properties. The lien of the G & R Mortgage on substantially all of the same properties is junior to the lien of the First Mortgage. All First Mortgage Bonds issued on and after June 1, 1975 (Pledged Bonds), are held by the Trustee of the G & R Mortgage as additional security for G & R Bonds and are excluded from long-term debt because they do not create [illegible] debt in the Company's capital structure.

The Company has a Revolving Credit Agreement with several banks providing for unsecured borrowings up to $250 million. The termination date is December 1988 with provisions for four annual extensions until December 1992. Borrowings will be at fluctuating alternative available interest rates, namely, a rate based on the prime rate, a rate based on the London Interbank Offering Rate or a rate based on rates charged by lenders for domestic certificates of deposit or time deposits. The commitment fee is ⅜ of 1% per year on the average daily unused portion of each bank's commitment. There are no requirements for compensating balances or fees in lieu thereof.

The Company also has a Eurodollar Revolving Credit Agreement with several foreign banks providing for unsecured borrowings up to $150 million through August 1985 including $75 million whose maturity has been extended, as provided in the agreement, to February 1986. Borrowings will be at a rate based on the London Interbank Offering Rate. The commitment fee is ⅜ of 1% per year on the average daily unused portion of each bank's commitment. There are no requirements for compensating balances or fees in lieu thereof.

At December 31, 1983 the Company had borrowed all of the $400 million of funds available under its Revolving Credit Agreement and its Eurodollar Revolving Credit Agreement.

In addition, the Company has outstanding $105 million of intermediate term notes with several banks at fixed interest rates averaging 12.72% per annum. Of these loans, $30 million matures in 1986, the remainder in 1988.

The Company has authority from FERC to issue up to a total of $400 million in unsecured short-term notes to banks and commercial paper. No commercial paper or short-term bank borrowings were outstanding at December 31, 1983, 1982 or 1981.

The Company has no current arrangements for borrowings under this authorization.

The annual First Mortgage depreciation fund and sinking fund requirements for 1983 are estimated at $7,151 million and $12 million, respectively. The Company expects to meet these requirements, due June 30, 1984, primarily by utilizing matured First Mortgage Bonds and bondable property additions.

Long-term Debt at December 31 (in thousands of dollars)

Rate of interest	Series	Due	1983	1982	1981
First Mortgage Bonds					
3⅜ %	E	1982	$ —	$ —	$ 20,000
3½	F	1983	—	25,000	25,000
3¼	G	1984	15,000	15,000	15,000
3⅜	H	1985	15,000	15,000	15,000
4⅜	I	1986	20,000	20,000	20,000
4½	J	1988	20,000	20,000	20,000
5	L	1991	25,000	25,000	25,000
4.40	M	1993	40,000	40,000	40,000
4⅝	N	1994	25,000	25,000	25,000
4.55	O	1995	25,000	25,000	25,000
5¼	P	1996	40,000	40,000	40,000
5½	Q	1997	35,000	35,000	35,000
8.20	R	1999	35,000	35,000	35,000
9½	S	2000	25,000	25,000	25,000
7¼	U	2001	40,000	40,000	40,000
7½	V	2001	50,000	50,000	50,000
7⅝	W	2002	50,000	50,000	50,000
8⅛	X	2003	60,000	60,000	60,000
9¼	Z	1982	—	—	50,000
† Pledged First Mortgage Bonds			53[illegible],000	615,000	595,000
			1,063,000	1,160,000	1,210,000
† Less — Pledged First Mortgage Bonds			535,000	[illegible]15,000	595,000
			520,000	545,000	615,000
Less — Current maturities			15,000	25,000	[illegible]
Total First Mortgage Bonds			505,000	520,000	545,000
General and Refunding Bonds					
9[illegible] % Series Due 1983			—	80,000	80,000
9[illegible] % Series Due 1984			90,000	90,000	90,000
9⅝ % Series Due 2006			70,000	70,000	70,000
8⅝ % Series Due 2006			50,000	50,000	50,000
8⅝ % Series Due 2007			85,000	85,000	85,000
9.70% Series Due 2008			75,000	75,000	75,000
9.75% Series Due 1999			98,000	98,000	10[illegible],000
1[illegible] % Series Due 2010			50,000	50,000	50,000
15.75% Series Due 1[illegible]			100,000	100,000	100,000
17⅝ % Series Due 2011			[illegible]0,000	50,000	50,000
16⅝ % Series Due 1991			50,000	50,000	50,000
18 % Series Due 2011			50,000	50,000	50,000
17 % Series Due 1991			50,000	50,000	50,000
17[illegible] % Series Due 2012			100,000	100,000	—
15[illegible] % Series Due 2012			10[illegible],000	100,000	—
12⅝ % Series Due 1992			7[illegible],000	—	—
13[illegible] % Series Due 2013			105,000	—	—
			1,196,000	1,098,000	900,000
Less — Current maturities			92,000	82,000	2,000
Total General and Refunding Bonds			1,104,000	1,016,000	898,000
Other Long-term Debt					
Authority Financing Notes 7[illegible]% to 8[illegible]% Due 2006–2012			66,675	66,675	49,475
Bank Notes 1[illegible]% to 14.18% Due 1986–1988			505,000	—	—
Promissory Note 8[illegible]% Due 1985			102	154	202
Less — Current Maturity			56	52	48
Total Other Long-term Debt			571,721	66,777	4[illegible]
Total Long-term Debt			$2,180,721	$1,602,777	$1,4[illegible]

The aggregate of the Company's long-term debt due in the next five years is $107,000,000 (1984), $53,000,000 (1985), $53,000,000 (1986), $24,000,000 (1987) and $444,000,000 (1988).

Note 6.

Note 7

Shoreha[illegible]

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6. Federal Income Taxes

...eral income tax amounts included in the Statement of Income differ from the amounts which result from applying the statutory income tax rate to Net Income before income tax. The reasons are as follows:

...ands of Dollars)	1983 Amount	1983 % of Pre-tax Income	1982 Amount	1982 % of Pre-tax Income	1981 Amount	1981 % of Pre-tax Income	1980 Amount	1980 % of Pre-tax Income	1979 Amount	1979 % of Pre-tax Income
...income tax per State-...income—current	$ (4,128)		$ (662)		$ (1,008)		$ (2,915)		$ (2,267)	
...in other income and ...ns—current	4,128		662		1,128		2,985		2,417	
...rrent	0		0		120		70		150	
...and other (See Note 1) ...ted tax depreciation	3,086		1,177		(1,987)		4,740		2,010	
...adjustments	(8,145)		2,150		(7,072)		5,330		1,502	
...ent tax credits—Tax ...on Act of 1975	57,748		34,611		32,568		38		2,385	
...capitalized by Trusts	4,838		2,006		18,038		—		—	
...m overheads	3,432		1,035		7,186		—		—	
...house settlement	(46)		(126)		(2,847)		—		—	
...d generating projects	531		—		(24,743)		31,080		—	
...et of net ...g loss	3,291		(3,338)		42,280		(45,390)		(782)	
...ax investment ...ts	5,582		12,582		5,911		(10,512)		(5,007)	
...charge tax	1,061		1,270		—		—		—	
...ems, net	(5,304)		(3,297)		(10,186)		4,029		1,786	
...ferred	65,019		48,052		59,181		(10,705)		1,894	
	65,019		48,052		59,301		(10,535)		2,044	
...me	364,574		309,394		247,732		205,018		161,663	
...before Taxes	$429,593		$357,446		$307,033		$194,383		$163,707	
...y Federal income tax	$197,757	46.0%	$164,425	46.0%	$141,235	46.0%	$ 89,416	46.0%	$ 75,305	46.0%
...ons in Federal income ...ting from										
...of tax depreciation ...ok depreciation	2,930	0.7	(2,771)	(0.8)	(2,402)	(0.8)	(2,808)	(1.4)	(4,147)	(2.5)
...ch ... not constitute ...ncome	(131,028)	(30.5)	(92,633)	(25.9)	(68,083)	(22.2)	(50,526)	(26.0)	(36,856)	(22.5)
...harg... ...ant but ...d currently	(3,679)	(0.9)	(3,873)	(1.1)	(2,973)	(1.0)	(12,106)	(6.2)	(11,567)	(7.1)
...y taxes deducted on a ...e basis	(5,626)	(1.3)	(6,291)	(1.8)	(4,428)	(1.4)	(4,655)	(2.4)	(961)	(0.6)
	—	—	—	—	1,832	0.6	(17,994)	(9.3)	(12,262)	(7.5)
...capitalized by Trusts	810	0.2	(12,384)	(3.7)	(9,758)	(3.2)	(11,632)	(6.0)	(9,811)	(6.0)
...ent tax credits	3,915	0.9	2,579	0.7	3,878	1.3	(361)	(0.2)	2,342	1.4
...ms, net										
...ederal income ...nse	$ 65,019	15.1%	$ 48,052	13.4%	$ 59,301	19.3%	$ (10,535)	(5.5)%	$ 2,044	1.2%

...originating timing differences included in the deferred income tax provision above are in part shown net of investment tax credit.

...mber 31, 1983, the Company had an investment tax credit carryforward for financial statement purposes, in accordance with PSC orders, of approximately $66,000,000 ...dance with the Company's accounting policy, the carryforward will be deferred when recognized. The amount of ITC carryforward available as credits to tax returns for ...er 1983 is $149,000,000. These credits expire by 1998. Furthermore, the Company has net operating losses of approximately $34,000,000 for tax return purposes which ...y 1997.

7. Commitments and Contingencies

...ham

...uction of the Shoreham Nuclear Power Station is virtually ...eted with the exception of the installation of emergency ...sources. The construction permit for the Shoreham Unit ...d on December 31, 1983. The Company made timely ...ation for its extension. Pending action by the Nuclear Reg...y Commission (NRC) on the Company's application for the ...sion, the construction permit is automatically extended. ...ompany believes the NRC will grant the requested ex...n.

...ost of the Shoreham Unit, based on commercial operation ...ning July 1, 1985, is currently estimated at approximately ...lion. In the Company's opinion, July 1, 1985 is the earliest ...hat commercial operation could commence. Approximately ...ion of this amount had been expended through December 31, 1983. The Company expects that gross expenditures for Shoreham, including AFC, will be approximately $632 million in 1984 before reflecting the Company's recently implemented austerity program and $263 million in the first six months of 1985. The Company is unable at this time to state when the plant might go into commercial operation, if ever. Additional delays beyond July 1, 1985 are estimated to cost an additional $40 to $50 million each month, almost wholly for carrying charges, including financing charges, insurance, taxes, interest and overhead expenses. The Company believes that all Shoreham related costs including AFC are prudent and recoverable from current or future revenues. However, some uncertainties do exist with respect to total recoverability of Shoreham costs as a result of the issues set forth below which include disallowance, whether resulting from imprudency or otherwise, and economic viability. The Company is monitoring all of these matters and will monitor any future related matters in determining whether it continues to be appropriate to capitalize all or a portion of Shoreham related

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is. The actual monthly carrying charge depends upon, among other factors, the outcome of the Company's pending application for rate relief. Because of the continuing difficulties in obtaining an operating license for Shoreham, the prospect is for further delays and uncertainties, further increases in costs and severe financial strains for the Company.

Company has received a favorable partial initial decision from an Atomic Safety and Licensing Board (ASLB) on substantially all issues other than the adequacy of the Company's offsite radiological emergency response plan (including the question of the authority of the Company to implement such plan) and the adequacy of the emergency power sources. The initial power sources are three emergency diesel generators. Essentially all of the major moving parts of these generators were replaced after cracks were discovered in the original crankshafts in August 1983. The three generators have been rebuilt, testing has resumed. Delays in testing have been experienced due to additional defects. A schedule for hearings respecting the adequacy of the rebuilt emergency diesel generators will not be set by the ASLB before mid-May 1984 at the earliest. The Company expects that by that time discovery proceedings will have been concluded, and the testing, design review and quality revalidation of the rebuilt emergency diesel generators should have been completed. The Company cannot predict when hearings on the rebuilt emergency diesel generators will begin or be completed. The NRC has expressed its concern with diesels made by the same manufacturer located at other nuclear plants as well as at Shoreham and is conducting an investigation of the problems. The Company intends to seek permission, but cannot predict whether such permission will be granted, to load fuel and begin low power operation, possibly relying on emergency sources of power other than the rebuilt emergency diesel generators. Governor Cuomo of New York and other intervenors have taken the position that an approved offsite emergency response plan is a prerequisite to fuel loading.

Company is also proceeding with the installation of three additional emergency diesel generators from another manufacturer. These new additional emergency diesel generators are scheduled to be installed in a new specially constructed building and tested by August 1985, at an aggregate cost of approximately $91 million, a major part of which will have been expended before the end of 1984. The approval of the ASLB respecting their use is expected to be required. The Company may be unable to obtain the necessary financing or adequate rates or to conserve sufficient cash to meet its operating and capital requirements pending the completion, installation and testing of the new generators.

Company also faces serious problems in obtaining approval of an offsite emergency response plan. Such approval is a condition to obtaining a full power operating license from the NRC. Suffolk County and Governor Cuomo have taken the position that an emergency response plan is not possible and have steadfastly refused to participate in offsite emergency response planning, opposing every effort of the Company to obtain licensing. On March 8, 1984 Governor Cuomo and Suffolk County began separate lawsuits in New York courts seeking, respectively, declaratory judgments that the Company lacks the legal authority to undertake its offsite emergency response plan and that the Company's plan is unlawful and void under the Constitution and the laws of New York State. The Company disagrees with both the Governor and Suffolk County and will vigorously oppose them in this litigation. While the Company has developed its own emergency response plan and believes this plan will adequately provide for the safety of the public, there can be no assurance that such plan will be accepted in the licensing proceedings or that an operating license will ultimately be issued. Hearings on the offsite emergency response plan began on December 6, 1983, and are expected to continue well into 1984.

The Federal Emergency Management Agency (FEMA) reviewed the Company's offsite emergency response plan and submitted a report to the NRC in June 1983 respecting the plan. FEMA found the plan to be inadequate in certain respects and the Company submitted a revised plan. A report respecting the Company's revised plan is expected to be filed with the NRC shortly by FEMA. The Company is unable to predict the contents of the FEMA report which will become part of the record of the Shoreham operating license proceedings.

The Company believes that it must engage additional personnel with acceptable nuclear reactor experience prior to operation of Shoreham, and is undertaking to do so.

On January 10, 1984, in lieu of making payment of approximately $26.2 million of property taxes attributable to Shoreham, the Company decided to deposit an amount equal to such taxes (not less than $26.2 million) with a third party pending resolution of litigation by the Company in New York Supreme Court, Suffolk County, seeking review and correction of the assessments of the Shoreham property for the tax years 1976-77 through 1978-79 and 1980-81 through 1983-84. This action was taken because the Company believes that Suffolk County, the Town of Brookhaven and the local School District would be unable to refund the taxes paid if the Company is successful in pending tax litigation respecting these overassessments. The County of Suffolk and the New York State Attorney General have each commenced an action in the New York Supreme Court. The Attorney General's action requests sequestration of the $26.2 million and the County's action seeks a judgment finding the Company liable for the $26.2 million. The Company's First Mortgage Indenture and its General and Refunding Indenture permit the payment of the taxes to be deferred pending good faith litigation challenging the tax assessments. The Company believes that it is in compliance with the applicable provision of the Indentures. In the event the Company is not successful in its tax litigation, the Company will pay the taxes from the funds on deposit which the Company believes will be adequate for such purposes.

The PSC is currently investigating the prudency of the costs incurred by the Company in the construction of Shoreham. Hearings with respect to filed testimony are expected to begin in May 1984 before an Administrative Law Judge. The Staff of the PSC filed its testimony respecting the prudency of the Shoreham expenditures on February 10, 1984. Based upon $3.846 billion assumed by the Company in its pending electric rate case to be the cost of Shoreham if it becomes operational in January 1985, the PSC Staff testimony recommends that no more than $2.296 billion of the Shoreham costs be allowed in rate base. The Staff would exclude $104.8 million of engineering costs as excessive, $295.8 million of construction labor costs as unreasonable, $610.3 million attributable to avoidable schedule delays, $539.3 million attributable to the emergency diesel generator problems and all costs in excess of $3.846 billion if operation of Shoreham is delayed beyond January 1985. The New York State Consumer Protection Board, Suffolk County, and Long Island Citizens in Action, three of the intervenors in the prudency investigation, in their filed testimony allege that "a strong presumption is raised that any expenditures on Shoreham in excess of $1.9 billion through 1983 are the result of imprudence." The Company could be required under certain circumstances to write-down the value of its assets in the event the PSC disallows a portion of the Shoreham costs from the Company's rate base. The effect of a disallowance on the Company's financial condition and operating results could, under certain circumstances, jeopardize the

ny's ability to meet its financial obligations. The Com-
nnot now determine the amount, if any, of such disal-
. The Company believes that its direct testimony filed
and supplemented in 1983, together with its rebuttal
ny to be filed in April 1984, supports its view that the
Shoreham have been prudently incurred. In this con-
on February 8, 1984, the Company filed in this pro-
a report prepared by Arthur D. Little, Inc. for the Com-
ntaining findings based on its independent assessment
Company's management of Shoreham. The review by
D. Little, Inc. was based on the same information con-
n documents which the Company has produced in dis-
proceedings brought by the PSC over the course of its
ation of the prudency of the management of Shoreham,
as information provided by the Company to the PSC, its
ants and other interested parties in a series of interviews
them with the management of the Company and its
tors. Arthur D. Little, Inc. concluded that LILCO's deci-
nd related management processes were prudent under
umstances that prevailed at that time. Notwithstanding
mpany's belief that all of the costs of Shoreham were
tly incurred, the Company's Chairman has indicated
part of a proposal that would ameliorate the impact of
ng all of the Shoreham costs in its rate base, the Com-
ght be willing to forgo rate recovery which would oth-
result from inclusion in rate base and cost of service of
500 million of Shoreham's cost in return for cooperation
ffolk County or New York State in bringing the Unit into
on. Even if the Company were not allowed to include
mount in its rate base and cost of service, it believes that
-down of Shoreham costs through a charge to income
not be required by generally accepted accounting
les.

SC is also conducting a proceeding respecting the rate
ent to be applied to the Shoreham investment when it
commercial operation. In this proceeding the PSC is
ing various proposals to moderate the impact on con-
s res from inclusion of Shoreham in the Company's
ase roposals would restrict the size of the rate
ses resulting from Shoreham's inclusion in rate base dur-
e first few years, contrary to conventional ratemaking
The Company's rate moderation plan is designed to
sh a level of rates over a period of time which is econom-
cceptable to the public and the Company. A rate moder-
roposal to limit rate increases due to the Shoreham plant
ns dered by the New York State Legislature in 1982 but
to come to a vote because of procedural reasons. Similar
tion was passed in the 1983 Legislative Session but
by Governor Cuomo. There are several proposals
the 1984 Legislature concerning the Shoreham plant
and possible State action.

ompany's Chairman has stated that, among other options
consideration by the Company to reduce its cash require-
is the abandonment of Shoreham. Governor Cuomo
her government officials have suggested that Shoreham
ally abandoned or indefinitely mothballed. Unless the
grants to the Company prompt and adequate rate in-
s, any such outcome could well have a serious adverse
al impact on the Company and could jeopardize the con-
financial viability of the Company.

bruary 1984, nine separate lawsuits were initiated as class
ns by holders of the Company's Common Stock and one
it was initiated as a class action by a holder of the Com-
s Preferred Stock, alleging violations of the Securities Act
33 and the Securities Exchange Act of 1934. Two addi-
lawsuits have been initiated as derivative actions. The
pany and certain of its officers are named in all of these
its. Several of the lawsuits also name certain of the Com-
s past and present directors, certain of the underwriters in
mmon Stock offerings and its independent accountants.

It is possible that additional suits may be brought. In general, in their respective complaints, the plaintiffs allege that one or more of the defendants, either individually or in concert, failed to make adequate disclosures or made false and misleading statements respecting the cost of Shoreham and the management of the construction of the Unit. The allegations of mismanagement appear to be based either upon reports appearing in newspapers or statements appearing in the testimony of the PSC filed in the prudency investigation discussed above. The plaintiffs, in their respective lawsuits, seek damages to be proved in the litigation. Because these actions have been so recently brought, the Company is still in the process of analyzing their merits. The Company will oppose the litigation.

Nine Mile Point 2

On February 9, 1984, the Company suspended periodic payments for construction of its 18% share of Nine Mile Point 2, a nuclear generating unit under construction near Oswego, New York by Niagara Mohawk Power Corporation as agent for the cotenants. The cotenants of Nine Mile Point 2, in addition to the Company and Niagara Mohawk, are New York State Electric & Gas Corporation (NYSEG), Rochester Gas & Electric Corporation and Central Hudson Gas & Electric Corporation.

The Company has also announced that it had held discussions with the other cotenants respecting the Company's continued participation in the Unit. The Company has learned that the other cotenants have commenced discussions as to appropriate courses of action with a view toward completion of Nine Mile Point 2 consistent with its present schedule. The Company has also learned that the other cotenants have discussed the possible consequence of an abandonment of Nine Mile Point 2 if an arrangement cannot be agreed upon. Niagara Mohawk has notified the Company that it considers the Company to be in default of its obligations to the other cotenants and has demanded payment. Niagara Mohawk has also advised the Company that it may institute litigation against the Company and that such litigation could result in encumbering, diminishing or eliminating the Company's interest in Nine Mile Point 2. The outcome of the Company's suspension of construction payments cannot now be predicted. (See Note 4 of Notes to Financial Statements.)

In a report issued in July 1981, consulting engineers selected by the PSC to provide an independent assessment of the Nine Mile Point 2 project concluded that scheduled slippage of a year beyond 1986 for the commercial operation of the plant is likely, and that future regulatory and economic uncertainties exist which could add significantly to the ultimate cost and the time required for completion of the project.

After extensive hearings on the financial requirements and economic impact of completing Nine Mile Point 2, the PSC concluded in April 1982 that continued construction of the nuclear plant was warranted. The PSC also adopted an Incentive Rate of Return Plan (IROR) to provide an added inducement for timely and efficient completion of the plant. The IROR establishes a system of rewards and penalties based upon whether the plant is completed above or below a target cost of $4.6 billion, set by the PSC.

Niagara Mohawk is currently reviewing the costs and schedule for Nine Mile Point 2, last estimated to be $4.2 billion with commercial operation in late 1986. This estimate assumed direct construction expenditures of $418 million in 1984. However, the Company has been advised by Niagara Mohawk that such construction expenditures in 1984 are now expected to reach $615 million. The Company's share of the total estimated construction expenditures in 1984 is approximately $114 million, of which approximately $11.5 million had been paid prior to the decision to suspend payments. The Company's 1984 financing costs for Nine Mile Point 2 are estimated at approxi-

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$65 million. The cost of the Company's share of Nine Point 2 at December 31, 1983, before giving effect to $85 of income tax effect resulting from the interest of such was $585 million. The $585 million consists of $302 million for direct construction costs, $7 million for fuel for the Unit and $276 million of financing costs reduction for any income tax effects of the interest portion of such costs. Of the $585 million of total costs, $570 million has been financed through the Construction Trust.

...nergy program proposed by the New York Governor on ...ary 15, 1984, the outcome of which is uncertain, could ...e actions to limit the Company's investment in Nine Mile 2, the development of options for the cotenants to ...e the Company's share of Nine Mile Point 2, involvement New York Power Authority in the Unit and a phase-in of ...sts of the facility.

...ar Fuel

...nditures for procurement of nuclear fuel, including ad... amounting to $47 million for the purchase of uranium ...ntrates from Bokum Resources Corporation (BRC), ...d $156 million at December 31, 1983. Estimates for ...ham discussed in this note do not include nuclear fuel.

...m Resources Corporation

...76 and 1978, the Company made long-range commit... with BRC to purchase 10 million pounds of uranium ...ntrates. The contracts for uranium concentrates required ...ce payment of $20 million by the Company. BRC did not ... the uranium concentrates as agreed and also is in ... under the provisions of a Mine and Mill Development ...cing Agreement pursuant to which the Company pro... BRC funds to complete development of a uranium mine ...o construct an ore-processing mill. BRC's indebtedness ...ant to that Agreement is $51.1 million. The Company also ...sed BRC with additional funds for its operations.

...nkruptcy court order granting a petition by the Company ...other BRC creditors for a reorganization of BRC under ...ter 11 of the U.S. Bankruptcy Code was filed on December ...081, affirmed by the U.S. District Court, New Mexico on ...l by BRC in July 1982 and affirmed by the U.S. Court of ...als for the Tenth Circuit on December 27, 1983.

...ecember 1983, the Bankruptcy Court dismissed three of ...counterclaims initially asserted by BRC in an action com...ced by the Company in November 1980 to foreclose its ...gages held on BRC's mine and mill properties. BRC has ...d that it will appeal this decision. The issues in the ... BRC counterclaim, which seeks recovery of approxi...y $45 million in compensatory damages and $50 million in ...ve damages, the LILCO mortgage foreclosure, the breach ...ntract suit begun by BRC against the Company in which ...seeks $295 million in compensatory damages and $50 ...n in punitive damages, and other suits involving BRC and ...editors, including a shareowner's derivative action against ...ompany, have not yet been resolved.

...e the Company believes that both its claims against BRC ...s defenses against the remaining BRC claims are meritori... no assurance can be given as to the outcome of the litiga... determining the Company's claims, the breach of contract ...n and BRC's counterclaim.

...Company initially entered into its contracts with BRC as a ... of the failure of Westinghouse Electric Corporation ...tinghouse) to deliver uranium concentrates. Since 1981 ...ompany has received total proceeds of approximately $29 ...on on account of settlement of its breach of contract litiga... against Westinghouse, after deduction of litigation expen-ses and payments to NYSEG toward its share of the settlement proceeds. Additional proceeds from this settlement are expected in the future. The PSC has approved accounting treatment which could ultimately provide ratepayers with the benefits of the Westinghouse settlement. It is the Company's view that the value of the Westinghouse settlement is related to the Company's investment in BRC and at the appropriate time, the Company anticipates that it will apply to the PSC to recognize such relationship. The Company cannot, however, predict the outcome of this application.

BRC has suspended all construction. The mill is virtually completed but construction of tailings disposal facilities would be required to comply with licensing requirements. As part of a plan to preserve the BRC properties, water pumps and equipment were removed from the partially completed mine resulting in some water intrusion in the shaft. The Company believes that a significant additional investment will be required to start up construction activity and to complete the mine and mill.

The eventual disposition of the Company's loans and advances to BRC and the viability of BRC as a source of nuclear fuel depend on many factors, including the market price for uranium. At present, the Company believes that the cost to mine and mill uranium from BRC's properties substantially exceeds the spot-market price of uranium.

The Company's ability to recover its loans and advances to BRC through liquidation of the BRC properties or by completing and operating the mine and mill properties is dependent upon an increase in the market price for uranium to levels substantially higher than the 1978 market price levels. The domestic uranium market has deteriorated markedly since late 1979 and has remained relatively depressed. Market conditions for uranium are expected to improve after existing uranium surpluses are depleted, but no assurance can be given that price levels will rise to a point where the operation of the mine and mill, either as an integrated unit or separately, will be economically viable.

At December 31, 1983, the Company's advances and loans to BRC totaled approximately $84 million. This includes $20 million of advances made through July 1978 for uranium concentrates and $4.3 million expended since mid-1980 for preservation and maintenance of BRC's mine and mill properties pending resolution of the bankruptcy proceedings discussed above. The Company ceased accruing interest on its loans to BRC after the filing of the bankruptcy petition. However, interest on the advance payments for the uranium concentrates has continued to be capitalized by the Resources Trust and totaled approximately $27.2 million at December 31, 1983. This amount is not included in the $84 million discussed above.

To the extent that the moneys advanced or loaned to BRC or the interest capitalized on non-interest bearing advances are not applied as a credit against the purchase of other nuclear fuel, returned to the Company upon the sale or refinancing of the BRC properties, recovered through litigation, or offset by the Westinghouse litigation settlement proceeds, the Company will apply to the PSC for appropriate rate relief. The Company believes its investments in BRC were prudent and should be recovered from ratepayers. The Company has pending before the PSC two proceedings respecting amounts being advanced by the Company for the maintenance of the BRC properties and the Company's litigation expenses. While the Company believes that the PSC should act favorably, it cannot predict the outcome of any proceedings before the PSC relating to BRC.

Two shareowners derivative actions, now consolidated, against certain of the Company's past and present directors and officers, claiming negligence and breach of fiduciary duties by these officers and directors in connection with the BRC trans-

actions, are ... be given a... Company ... effect on the ...

Through D... $2,922,000 ... and a class ... ties law v... BRC trans... was paid ... ent directo... $1,133,000 ... suant to its ... National U... This insura... Reinsuranc... Associated ... (AEGIS) p... by director... Company a... National U... vides fiduc... and officer... trustee, for ... Employee ... annual pre... through Au...

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pending. At this time, although no assurance can ... to the outcome of either of these lawsuits, the ... ieves that they will not have a material adverse ... e Company.

...ecember 31, 1983, the Company had expended ... defense of the two shareowners' derivative actions ... action settled in 1983 which alleged federal securi... ations with respect to disclosures concerning the ... ctions. Of this amount, approximately $1,500,000 ... behalf of certain of the Company's past and pres... rs and officers. The Company had recovered ... of the $2,922,000 through December 31, 1983, pur... directors and officers liability insurance with the ... ion Fire Insurance Company of Pittsburgh, PA. ... nce and insurance currently with the New England ... e Corp., the Buffalo Reinsurance Company, and ... Electric and Gas Insurance Services Limited ... ovide the Company with coverage for wrongful acts ... s and officers as well as indemnification for the ... ng its directors and officers. The insurance from the ... ion Fire Insurance Company and AEGIS also pro... ary liability coverage for the Company, its directors ... s, and any employee deemed to be a fiduciary or ... any alleged breach of fiduciary duty under the ... Retirement Income Security Act of 1974. The total ... mium for these coverages, which are effective ... gust 1985, is $136,000.

...many contingencies upon which the outcome of the ... ctions and the related litigation are dependent, the ... annot accurately measure either the probability of ... a loss on the investment in BRC, or the amount of ... it should occur. While under the most adverse cir... s the loss could be material, the Company believes ... ss, if any, by itself will not have a material adverse ... he financial condition of the Company.

...d Ge... ng Projects

...975 ... Company and NYSEG had sought regula... val for the construction of nuclear plants at James... ew Haven, New York. The application for New Haven ... by a New York State Board on Electric Generation ... the Environment (Siting Board). The Siting Board ... tered the Jamesport application approved a coal-... t an nuclear plant, and NYSEG withdrew from the ... e Company received a postponement from the Sit... in order to study its options and alternatives and seek ... rs. The Company was unsuccessful in finding other ... rany. In November 1983 a New York appellate court ... e certificate authorizing a coal plant, and dismissed ... any's application. The Company did not appeal this ...

...any's share of the Jamesport nuclear and coal-... sts, net of estimated tax effects of $21 million, was ... ely $15 million at December 31, 1983. In connection ... cellation of Jamesport, Westinghouse is claiming ... y $53 million in cancellation costs for the Nuclear ... ply Systems, in addition to payments already made, ... h the Company is disputing. If there are any cancel... s, NYSEG and the Company would share them ...

...pany's share of the abandoned New Haven nuclear ... sts, net of estimated federal income tax effects of $14 ... $42 million at December 31, 1983.

...any has applied to the PSC for recovery of the costs ... with New Haven. An Administrative Law Judge of ... has concluded that the Company's costs were pru... urred and recommended that the Company receive authorization to recover in rates its costs associated with the project and to receive a return on the unamortized balance of those costs. No decision has been issued by the PSC on the New Haven application. A similar application was recently filed for recovery of the Jamesport costs.

Other

The Company has entered into substantial commitments for fossil fuel and gas supply. The costs of fuel and gas supply are normally recovered from customers through provisions in the Company's rate schedules.

There are currently pending in the federal courts and before the New York State Division of Human Rights, complaints by employees alleging that the Company has discriminated against them on the basis of race. The Company believes it has meritorious defenses to these complaints, but it cannot predict the ultimate outcome of these matters.

Suffolk County retained Daverman & Associates, P.C. Architects and Engineers, to study the feasibility of establishing a county-owned electric and gas utility in Suffolk County. Daverman concluded that acquisition by Suffolk County of the Company's distribution and transmission facilities within the County and of a pro rata portion of the Company's generating facilities (including a portion of such facilities located outside Suffolk County) presents "attractive possibilities" and recommended further investigation into such acquisition. The consulting firm also concluded that acquisition of the Company gas facilities by Suffolk County is not economically viable.

The capital required to finance the acquisition has been estimated by Daverman to vary between $969 million and $2.5 billion, depending on, among other things, the valuation method used, estimates of consequential damages and whether the County would be liable to the Company for all or part of the cost of the Shoreham facility. The Company believes that the estimated range reflects grossly inadequate compensation for its facilities and for the severance and consequential damages which the Company would sustain as a result of such acquisition.

Suffolk County has not indicated what action will be taken concerning the findings of the report, which was first made public in June 1983. Should the County government determine to acquire the Company's facilities, a proposition must be submitted to and approved by the County's voters in a public referendum. If the proposition were approved, and if the County's right to condemn the Company's facilities were sustained by the Courts, the amount of the award to the Company for the properties acquired and severance and consequential damages would be determined in proceedings in the New York State Courts. The Company will continue to monitor closely any developments.

In February 1984 a New York State Supreme Court Justice dismissed a lawsuit that would have prohibited the Company from declaring or paying dividends on its common or preferred stocks and would have suspended the interim electric rate increase granted by the PSC last year. The proceeding was brought as a class action by a business association and several commercial and residential ratepayers against the Company and the PSC. This dismissal is subject to appeal.

The PSC is investigating the Company's practices involving safety checks on inactive gas lines. The Company is in the process of correcting the problems. If the PSC determines that a penalty should be assessed for violations of the Natural Gas Safety Code, the penalty could be as high as $5 million.

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Note 8. Segments of Business

The Company is a public utility operating company engaged in the generation, distribution, and sale of electric energy and the purchase, distribution, and sale of natural gas.

(In millions of dollars)	1983 Electric	1983 Gas	1983 Total Company	1982 Electric	1982 Gas	1982 Total Company	1981 Electric	1981 Gas	1981 Total Company
Operating Information (Year ended December 31)									
Revenues	$1,438	$352	$1,788	$1,321	$313	$1,634	$1,403	$262	$1,665
Expenses (excluding income tax)	1,106	314	1,422	1,022	276	1,298	1,117	234	1,351
Operating income (before income tax)	$ 328	$ 38	$ 366	$ 299	$ 37	$ 336	$ 286	$ 28	$ 314
AFC and other			213			158			113
Interest charges			149			137			120
Income taxes—operating			87			89			88
Income taxes—nonoperating (credit)			(32)			(41)			(29)
Net income per accompanying Statement of Income			$ 355			$ 309			$ 248
Other Information (Year ended December 31)									
Depreciation, depletion and amortization	$ 66	$ 8	$ 83	$ 54	$ 8	$ 62	$ 53	$ 7	$ 60
Capital expenditures for construction and nuclear fuel	892	18	900	867	22	889	567	23	590
Investment Information (At December 31)									
Assets (a)	$5,448	$308	$5,753	$4,662	$319	$4,981	$3,857	$290	$4,147
Nonutility plant			3			3			3
Other investments (b)	64	1	66	59	—	60	58	—	59
Assets utilized for overall Company operations			289			308			299
Total Assets			[illegible]			[illegible]			$4,108

(a) Includes net utility plant and deferred charges relating to common, materials and supplies, accrued revenues, gas in storage and fuel.
(b) Consisting of in 1983 [illegible] Bonum Resources Corporation, [illegible] subsidiary companies ([illegible] electric, [illegible] gas), $7,358,000 other investments and in 1982 [illegible] Bonum Resources Corporation, [illegible] subsidiary companies ([illegible] electric, $497,000 gas), $3,215,000 other investments and in 1981 $55,157,000 Bonum Resources Corporation, $547,000 subsidiary companies ([illegible] electric, $457,000 gas), $3,551,000 other investments.

Note 9. Quarterly Financial Information (Unaudited)

(In millions of dollars except Earned per Common Share)	Operating Revenues	Operating Income	Net Income	Income for Common Stock	Earned per Common Share
First Quarter					
1983	$481	$97	$ 91	$74	$0.73
1982	478	69	84	69	0.77
1981	[illegible]	53	64	[illegible]	0.75
Second Quarter					
1983	$383	$88	$ 87	$68	$0.66
1982	359	56	69	55	0.61
1981	[illegible]	46	52	40	[illegible]
Third Quarter					
1983	$479	$85	$111	$91	$0.89
1982	413	74	89	75	0.81
1981	[illegible]	79	85	74	0.92
Fourth Quarter					
1983	$445	$51	$ 79	$54	$0.52
1982	388	48	67	50	0.50
1981	[illegible]	38	47	33	0.40

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Note 10. Supplementary Information Concerning the Effects of Inflation (Unaudited)

Throughout the decades following World War II, the utility industry has constantly pointed out to economists, regulators, and law makers that calculating depreciation on the original cost of the utility plant would not permit the recovery of the cost required to replace a piece of equipment which became obsolete or fully depreciated if any degree of inflation were experienced over the life of the property. The solution suggested by the industry was to calculate depreciation on the reproduction cost of existing facilities, or to use a depreciation rate which reflects inflation. In an attempt to have information available to inform investors of the consequence of this inflationary erosion throughout the business world, the Financial Accounting Standards Board developed certain standards for quantifying and providing this information to investors. While we believe the concept has merit if it leads to wiser governmental decisions as to taxation and utility regulation, we wish to point out to our shareowners the theoretical nature of this information, and to suggest caution in its use for the purpose of making investment decisions in the utility field and for comparing one company to another in terms of expected future performance.

The data which follows reflect a restatement of the historical cost of property, plant and equipment (by approximate year of expenditure), the related accumulated depreciation and depreciation expense. Income tax expense has not been restated for the effects of inflation. The effect of inflation on the Company's operations is shown in two ways, as measured for general inflation by using the latest available estimates for the Consumer Price Index for All Urban Consumers and more specifically as measured for that inflation which impacts the utility industry by using the latest available estimates for the Handy-Whitman Index for Public Utility Construction Costs.

Under the ratemaking prescribed by the PSC, only historical cost of utility plant is recoverable in revenues as depreciation. Therefore, any excess or deficiency of the amount of utility plant stated in terms of general inflation and industry inflation (after deducting the effects of general inflation) compared to historical cost is reflected as a reduction or write-up to recoverable amounts, respectively.

Effect of Inflation on Net Income and Common Stock Earnings Per Share

(Average 1983 dollars in thousands of dollars except Earned per Common Share)	Adjusted for General Inflation	Adjusted for Industry Inflation
1983 Net Income as shown on the Statement of Income	$ 364 974	$ 364 974
Increase in depreciation expense if adjusted for inflation	87 805	101 071
1983 Net Income as Adjusted	$ 277 169	$ 263 903
Earned per Common Share as Adjusted	$ 1 9[illegible]	$ 1 79
Net Income as Adjusted		
1982	$ 232 543	$ 221 658
1981	16[illegible] 060	[illegible]9 608
1980	[illegible] 498	158 706
1979	153 979	133 847
Earned per Common Share as Adjusted		
1982	$ 1 85	$ 1 72
1981	1 72	1 62
1980	1 85	1 69
1979	2 05	1 66

Effect of Inflation on Net Plant Investment

In 1983 the adjustment of undepreciated plant stated in terms of general inflation to net recoverable amount is a reduction of $115 million.

At December 31, 1983, the cost of property, plant, and equipment, net of accumulated depreciation, restated for general inflation since year of expenditure, was $8.8 billion while historical cost net of accumulated depreciation was $5.7 billion.

The effect of 1983 inflation which specifically affected the industry on the cost of replacing the Company's undepreciated plant investment (cost of replacing the Company's undepreciated plant investment was calculated by restating plant and related accumulated depreciation for industry inflation since year of expenditure) from the beginning to the end of the year, less the $101 million increase in depreciation expense shown above, amounted to $65 million. Further, the effect of 1983 general inflation, of about 4.0%, on the cost of replacing the Company's January 1, 1983, undepreciated plant investment amounted to $329 million. In comparison, the effect of 1983 general inflation exceeded the effect of industry inflation by $264 million. In 1983, the adjustment of undepreciated plant stated in terms of industry inflation to net recoverable amount is a write-up of $163 million. Similar adjustments for the years 1982, 1981, 1980 and 1979, when restated in average 1983 dollars, were reductions of $350 million, $219 million, $87 million, and $147 million, respectively.

At December 31, 1983, the cost of property, plant, and equipment, net of accumulated depreciation, restated for industry inflation since year of expenditure was $8.8 billion, while historical cost net of accumulated depreciation was $5.7 billion.

Effect of Inflation on Certain Assets and Liabilities

During periods of inflation, monetary assets such as cash and receivables lose their purchasing power. Similarly, monetary liabilities such as long-term debt can be a benefit because they will be repaid in dollars having less purchasing power. The net monetary amounts owed by the Company during the years 1983, 1982, 1981, 1980, and 1979 resulted in an unrealized benefit of $128 million, $87 million, $183 million, $232 million, and $195 million, respectively. The Company's net assets (total assets less total liabilities) at year-end, when restated in average 1983 dollars, for the years 1983, 1982, 1981, 1980, and 1979 were $2.8 billion, $2.6 billion, $2.2 billion, $2.1 billion, and $2.1 billion, respectively.

Effect of Inflation on Revenues, Common Stock Dividends, and Common Stock Market Price

Revenues were $1.8 billion in 1983. Revenues restated in average 1983 dollars for the years 1982 through 1979, respectively, would have been $1.7 billion, $1.8 billion, $1.5 billion, and $1.4 billion. Cash dividends declared per common share in 1983 were $2.02. Dividends declared in prior years restated in average 1983 dollars for the years 1982 through 1979, respectively, would have been $2.07, $2.10, $2.23, and $2.42 per share. The market price per common share at year-end was $10.38 in 1983. The market prices per common share restated in year-end 1983 dollars for the years 1982 through 1979, respectively, would have been $17.82, $15.26, $15.48, and $19.38. The average consumer price indices for the years 1983 through 1979 were 298.5, 289.1, 272.4, 246.8, and 217.4, respectively.

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Note 11. Subsequent Event (unaudited)

Niagara Mohawk recently completed a review of the costs and schedule for Nine Mile Point 2, last estimated to be $4.2 billion with commercial operation in late 1986. On March 29, 1984 the Company was advised by Niagara Mohawk that the results of the review reaffirm the late 1986 commercial operation date, but indicate the total estimated cost will increase to $5.1 billion (comprised of construction costs of $3.4 billion and AFC of $1.7 billion). Expenditures in 1984 are now expected to reach $675 million.

Item 9. Disagreements on Accounting and Financial Disclosure

Not applicable.

Part III.

Item 10. Directors and Executive Officers of the Company

Information regarding the Company's directors may be found in the Company's proxy statement for its Annual Meeting to be held on May 16, 1984. Such proxy statement is to be filed prior to April 29, 1984 and accordingly is incorporated herein by reference.

Information regarding the Company's officers, all of whom serve one-year terms, follows:

William J. Catacosinos: Chairman of the Board and Chief Executive Officer since January 30, 1984, Dr. Catacosinos has been a Director since February 1978. Dr. Catacosinos, 53, was formerly Chairman and Chief Executive Officer, Applied Digital Data Systems, Inc., Hauppauge, New York, a manufacturer of computer and related products. Dr. Catacosinos had been associated with Applied Digital Data Systems since 1969. Dr. Catacosinos has previously served as Chairman of the Board and Treasurer of Cerometric Systems, Inc. of Wallingford, Connecticut and was Assistant Director at Brookhaven National Laboratory prior to that position. He is a member of the Board of the Stony Brook Foundation and the Polytechnic Institute of New York.

Wilfred O. Uhl: President since January 1, 1978, Mr. Uhl, 56, had served as Senior Vice President--Engineering and Project Management since 197-, after a year as a Vice President. Mr. Uhl is also a Director of the Company. Previously he had been Manager of the Planning Department (1964-66) and of the Electrical Engineering Department (1966-69). An electrical engineer, he joined LILCO in 1949. Mr. Uhl also serves as a Director of the Empire State Electric Energy Research Corp., and as a Director and Vice President of Utilities Mutual Insurance Company.

Edward M. Barrett: General Counsel since 1970, Mr. Barrett is responsible for the Company's legal affairs, the claims function (administering LILCO's self-insurance program) and Economic Research (including rate and revenue structuring, load forecasting and management, and cost and economic evaluation). Mr. Barrett, 63, was an engineer with the Company from 1945 to 1948. He rejoined the Company in 1950 as a member of its legal staff. He served as General Attorney from 1953 to 1966 and Secretary and General Attorney from 1966 to 1970.

Charles J. Davis: Senior Vice President--Engineering and Purchasing, Mr. Davis succeeded Mr. Uhl when the latter was elected President on January 1978. An electrical engineer, Mr. Davis managed the Gas and Electric Meter, Purchasing, and Planning Departments between 1958 and 1974, when he was named Vice President--Engineering. A member of the Board of Directors of Honeoye Storage Corporation (an upstate New York natural gas storage facility which LILCO co-owns), he also serves on the Planning Committee of the New York Power Pool, the Executive Committee of Associated Gas Distributors, and the Executive Committee of the New York Gas Group. Mr. Davis, who is 60, has been with LILCO since 1949.

James W. Dye, Jr.: Senior Vice President--Operations and Transmission and Distribution since 1976 and Nuclear since 1979. Mr. Dye has been a corporate officer since 1969. Over the previous 34 years he had held various engineering and managerial posts throughout the LILCO system, including direction of the major operating departments of the Company. Mr. Dye, who is 59, is former Chairman of the Edison Electric Institute Engineering and Operation Executive Advisory Committee, and a member of the Association of Electric Illuminating Companies Committee on Power Generation. He is a Professional Engineer in the State of New York.

Thomas H. O'Brien: Senior Vice President--Finance and Principal Financial Officer since 1975, Mr. O'Brien, 59, is responsible for the financial affairs of the Company, and oversees LILCO's Treasury, Insurance, Financial Planning and Analysis, Budget and Controller functions. Previously he has served with Chase Manhattan Bank (1948-53), Lehman Bros. (1953-55) and First National City Bank (now Citibank) (1955-75). At Citibank, he was Vice President in charge of the Energy Systems Department (1967-75). He is a Director of the Utilities Mutual Insurance Company and Marquez Development Corp., former Chairman and a member of the Edison Electric Institute Finance Committee, and former Treasurer of the Atomic Industrial Forum. Mr. O'Brien is also a Director of the Prudential-Bache Quality Income Fund, Inc., the Prudential-Bache Cash Fund, Inc., and the Prudential-Bache Equity Fund, Inc.

Michael Czumak: Controller and Chief Accounting Officer since 1974, Mr. Czumak, 55, joined LILCO in 1958 after service as a public accountant. He is former chairman of the Edison Electric Institute Accounting Division Executive Committee, and the American Gas Association Accounting Division, and a member of the American Gas Association Managing Committee, American Institute of Certified Public Accountants and New York

State Society of Certified Public Accountants. He held a variety of LILCO positions involving accounting and payroll work through 1971. That year he was named Assistant Controller, moving up to Associate Controller in 1974. (He was accredited as a C.P.A. in New York State in 1958.) His staff is responsible for the books and accounts of the Company as well as accounting policies, procedures and systems; financial and regulatory research and reporting; project accounting, customer billing; receivables; property and inventory control; payroll and tax administration.

Edward W. Eacker: Treasurer since 1974, Mr. Eacker, who is 56, began his LILCO career in 1953 as an Administrative Engineer in the Budget Department and later served as statistician. Promoted to Manager of Investor Relations in 1958 and Manager of the Treasury Department in 1964, he became Assistant Treasurer in 1965. Besides being responsible for cash control, investment of cash balances, Company disbursements, insurance and financial analysis and planning, Mr. Eacker participates in all aspects of LILCO financing. His staff also has responsibility for all investor relations activities with LILCO's 215,000 preferred and common shareowners and 25,000 bondholders, including shareowner communications, records, and research. Mr. Eacker is also a Director of Honeoye Storage Corporation, Director and Treasurer of Marquez Development Corp., and a member of the Finance Committee of the American Gas Association.

John J. Kearney, Jr.: Secretary since 1970, Mr. Kearney, 59, is both a lawyer and C.P.A. He joined LILCO in 1959 as a Senior Auditor, and become Internal Audit Manager in 1964. He was elected Assistant Secretary in 1969. In addition to responsibility for administrative matters concerning the Company's Internal Audit Department, his staff is responsible for performance improvement programs in such areas as service, cost control, productivity and utilization of human and other resources, for administration of the Company's goals and objectives programs and liaison outside the Company in connection with mandated management audits.

Item 11. Executive Compensation

Information required by Item 11 may be found in the Company's proxy statement for its Annual Meeting to be held on May 16, 1984. Such proxy statement is to be filed prior to April 29, 1984 and accordingly is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information required by Item 12 may be found in the Company's proxy statement for its Annual Meeting to be held on May 16, 1984. Such proxy statement is to be filed prior to April 29, 1984 and accordingly is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Information required by Item 13 may be found in the Company's proxy statement for its Annual Meeting to be held on May 16, 1984. Such proxy statement is to be filed prior to April 29, 1984 and accordingly is incorporated herein by reference.

Part IV.

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

List of Financial Statements

Statement of Income for each of the five years in the period ended December 31, 1983

Balance Sheet at December 31, 1983, 1982 and 1981

Statement of Shareowners' Equity for each of the five years in the period ended December 31, 1983

Statement of Changes in Financial Position for each of the five years in the period ended December 31, 1983

Notes to Financial Statements

List of Financial Statement Schedules

Property Plant and Equipment (Schedule V)

Accumulated Depreciation and Amortization of Property (Schedule VI)

Short-Term Borrowings (Schedule IX)

Supplementary Income Statement Information
(Schedule X)

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List of Exhibits

(3) (a) Restated Certificate of Incorporation of the Company dated October 6, 1980. 103

(b) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated April 22, 1981. 145

(c) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated October 6, 1981. 147

(d) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated September 8, 1982. 150

(e) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated March 28, 1983. 153

(f) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated April 30, 1983. 155

(g) Certificate of Amendment of the Restated Certificate of Incorporation of the Company dated August 22, 1983. 157

(h) By-laws of the Company as amended on January 30, 1984. 310

(4) (a) General and Refunding Indenture dated as of June 1, 1975 (G&R Indenture) and eighteen Supplements thereto dated as follows:

*G&R Indenture dated June 1, 1975

*First Supplemental Indenture to G&R Indenture, June 1, 1975

*Second Supplemental Indenture to G&R Indenture, September 1, 1975.

*Third Supplemental Indenture to G&R Indenture, June 1, 1976.

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* Filed as an Exhibit to the Company's Form 10-K for the year ended December 31, 1982 and incorporated herein by reference.

ATTACHMENT 6

CONFORMED COPY

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: February 21, 1984

LONG ISLAND LIGHTING COMPANY
(Exact name of registrant as specified in charter)

New York	1-3571	11 - 1019782
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

250 Old Country Road, Mineola, New York 11501
516-228-2150
(Address and telephone number of Principal Executive Offices)

Item 1. Changes in Control of Registrant

Not applicable.

Item 2. Acquisition or Disposition of Assets

Not applicable.

Item 3. Bankruptcy or Receivership

Not applicable.

Item 4. Changes in Registrant's Certifying Accountant

Not applicable.

Item 5. Other Events

a. New Chairman of the Company

The newly elected Chairman of the Company's Board of Directors and Chief Executive Officer William J. Catacosinos outlined his plans for the Company at a press conference held on Long Island on February 8, 1984. A press release setting forth the principal features of the Company's program is annexed to this Form 8-K as an Exhibit. Dr. Catacosinos, a member of the Board of Directors since 1978, was elected to succeed Charles R. Pierce on January 30, 1984. Mr. Pierce will continue to serve the Company as a consultant.

b. The Company's 1984 Financing Plan

The Company's present 1984 financing plan calls for the sale of an aggregate of approximately \$700 million of debt and equity securities. The Company had on hand as of February 20, 1984 cash and short-term investments of approximately \$214 million. The \$214 million on hand includes gross cash proceeds of \$52.5 million from the direct sale of 5,000,000 shares of Common Stock in January 1984 and approximately \$10.4 million in proceeds from the sale of Common Stock through the Company's Automatic Dividend Reinvestment Plan in February 1984. Given the various adverse factors now impacting the Company, no assurances can be given regarding the Company's ability to raise sufficient funds in 1984 and in future years in order to meet its construction and other capital requirements and operational needs. To the extent the Company is unable to raise such funds in 1984 or in subsequent years, the Company's initial response would be to reduce the level of its capital and operating expenditures. In this connection, to conserve cash, the Company has announced that it would reduce its non-fuel related operations and maintenance expenditures, estimated at approximately \$250 million in 1984, by \$100 million without significantly affecting customer service and that it has suspended construction payments for its share of Nine Mile Point

2. For additional information relating to this suspension of payments, see Item 5f below. In addition, the absence of favorable developments in the near future could affect the level or continuation of dividends on the Common Stock. The Company can give no assurance that such measures will be sufficient in the circumstances, nor can it now predict what other measures it might take. After giving effect to the suspension of payments for Nine Mile Point 2 but before giving effect to the proposed austerity program, to additional financing, to any change in dividend policy, or to other cash conservation measures, the Company estimates that the $214 million in cash and short-term investments on hand as of February 2, 1984 is sufficient to continue the Company's operations only into early summer of 1984.

c. Shoreham Nuclear Power Station

The Public Service Commission of the State of New York (PSC) is currently investigating the prudency of the costs incurred by the Company in the construction of the Shoreham Nuclear Power Station. Hearings with respect to filed testimony are expected to begin in May 1984 before an Administrative Law Judge.

The Staff of the PSC filed its testimony respecting the prudency of the Shoreham expenditures on February 10, 1984. Based upon $3.846 billion assumed by the Company in its pending electric rate case to be the cost of Shoreham if it becomes operational in January 1985, the PSC Staff testimony would allow no more than $2.296 billion of the Shoreham cost in rate base. The Staff would exclude $104.8 million of engineering costs as excessive, $295.8 million of construction labor costs as unreasonable, $610.3 million attributable to avoidable schedule delays, $539.2 million attributable to the emergency diesel generator problems and all costs in excess of $3.846 billion if operation of Shoreham is delayed beyond January 1985. The New York State Consumer Protection Board, Suffolk County, and Long Island Citizens in Action, three of the intervenors in the prudency investigation, in their filed testimony allege that "a strong presumption is raised that any expenditures on Shoreham in excess of $1.9 billion through 1983 are the result of imprudence."

The Company could be required under certain circumstances to write down the value of its assets in the event the PSC disallows a portion of the Shoreham costs from the Company's rate base. The Company is evaluating the impact which any disallowance of the Shoreham costs will have on the Company's financial condition and operating results. The Company cannot now determine the amount, if any, of such write-down. The effect, dependent upon many factors, could be substantial.

The Company believes that its direct testimony, filed in 1981 and supplemented in 1983, together with its rebuttal testimony to be filed in April 1984, supports its view that the costs of Shoreham have been prudently incurred. In this connection, on February 8, 1984, the Company filed in this proceeding a report by Arthur D. Little, Inc. containing findings based on its independent assessment of the Company's management of Shoreham. The review by Arthur D. Little, Inc. was based on the same information contained in documents which the Company has produced in discovery proceedings brought by the PSC over the course of its investigation of the prudency of the management of Shoreham, as well as information provided by the Company to the PSC, its consultants and other interested parties in a series of interviews held by them with the management of the Company and its contractors. Arthur D. Little, Inc. concluded "that LILCO's decisions and related management processes were prudent under the circumstances that prevailed at that time." Notwithstanding the Company's belief that all of the costs of Shoreham were prudently incurred, the Company's Chairman has indicated that, as part of a proposal that would ameliorate the impact of including all of the Shoreham costs in its rate base, the Company might be willing to absorb $500 million of Shoreham's cost in return for some help from Suffolk County or New York State in bringing the unit into operation.

The Company had expended approximately $3.2 billion on the Shoreham unit as of December 31, 1983. The Company expects that gross expenditures for Shoreham will be approximately $634 million in 1984. Additional delays beyond 198[illegible] are estimated to cost an additional $40 to $50 million each month, almost wholly for carrying charges, including insurance, taxes and overhead expenses, depending upon, among other factors, the outcome of the company's pending application for rate relief. Based upon a fuel loading date of October 1, 1984 and a commercial operation date of July 1, 1985, the cost of Shoreham is estimated at $4.1 billion. Because of the continuing difficulties in obtaining an operating license for Shoreham, the prospect exists for further delays and uncertainties, further increases in its costs and for severe financial strains for the Company.

Some members of a commission appointed by New York Governor Mario Cuomo to study the energy, economic and safety issues relating to the operation of Shoreham and, according to some newspaper reports, various government officials have suggested that Shoreham be totally abandoned or indefinitely mothballed. In his press conference on February 8, 1984, the Company's Chairman stated that, among other options under consideration by the Company to reduce its cash requirements, was the abandonment of Shoreham. Any such outcome would have a serious adverse financial impact on the Company and, unless the PSC grants to the Company prompt and adequate rate increases, would jeopardize the continued financial viability of the Company.

The Company has notified the Nuclear Regulatory Commission of problems that occurred during testing earlier this month with the turbochargers associated with the three rebuilt emergency diesel generators at Shoreham. When functioning normally, turbochargers provide a power "boost" to the engines by pressurizing the flow of air into the diesels. The turbochargers which sustained bearing damage have been repaired, reassembled and returned to testing on two of the engines.

The third engine, which has completed its high-load test program including a seven-day endurance run, has been disassembled for an inspection of its major components and appropriate maintenance as required. Inspection of the new crankshaft and pistons indicate no sign of failure. Design analysis is still in process. However, the inspection has disclosed cracks in the area of the cylinder block and in certain connecting rod bushings of this third engine. A detailed engineering review and analysis is being conducted to determine the cause and significance of this problem. Inspection of the other two engines did not reveal similar cracking.

These developments have not caused and are not expected to cause an extensive delay in the testing program and the Company continues to believe that the design review and diesel generator testing program begun late in 1983 will be completed in the spring of 1984 at the earliest. When the tests on the emergency diesel generators have been satisfactorily completed, the plant will be physically ready for fuel loading. Fuel loading, however, is dependent upon a favorable resolution by an Atomic Safety and Licensing Board (ASLB) of issues involving the adequacy of the three diesel generators. Although it is the Company's belief that fuel loading could take place at the earliest in the fall of 1984, the Company cannot predict when the hearings will begin or when they will be completed. A schedule for the commencement of these hearings may be set following a pre-hearing conference on February 22, 1984.

The Company is also proceeding with the installation of three additional emergency diesel generators which have been ordered from another manufacturer. These new additional emergency diesel generators are scheduled to be installed in a new specially constructed building and tested by August 1985, at an aggregate cost of approximately $91 million, almost all of which will have been expended before the end of 1984. There is a possibility that the rebuilt diesel generators may be licensed only for interim use. If the new emergency diesel generators are needed to replace the existing diesel generators, the approval of an ASLB respecting their use may be required. Furthermore, if the new emergency diesel generators are needed to replace the existing diesel generators as a precondition for fuel loading, the Company may be unable to obtain the necessary financing or adequate rates to meet its cash requirements pending the completion, installation and testing of the new generators.

On February 15, 1984, Governor Cuomo of New York announced a multi-faceted statewide energy program. Although details of proposed legislation dealing with all aspects of the program were not immediately available, the energy program is intended, among other things, to develop short-term, intermediate and long-term actions to mitigate the economic impact of Shoreham upon ratepayers and the economy of Long Island.

d. Litigation

In mid-February 1984, Wilfred O. Uhl, the Company's President, Charles R. Pierce, the Company's former Chairman and Chief Executive Officer, and the Company, were served with complaints in two separate actions, each brought in the United States District Court for the Eastern District of New York. In the first of these actions, the plaintiff, Richard Weiland, alleges violations of Sections 10(b) and 20 of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. In the second action, the plaintiff, Ira Joel Cohen, alleges violations of Section 11 of the Securities Act of 1933 and of Sections 10(b) and 20 of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Both actions have been brought as class actions.

Also in mid-February 1984, Eva Mumken commenced an action against the Company, Messrs. Pierce and Uhl, Thomas H. O'Brien, the Company's Senior Vice President-Finance, Michael Czumak, its Controller and Edward Eacker, its Treasurer. The lawsuit was brought in the United States District Court for the Eastern District of New York as a class action. Also named as defendants are Blyth Eastman Paine Webber Incorporated, Prudential Bache Securities, Inc., E.F. Hutton & Company Inc., Lehman Brothers Kuhn Loeb Incorporated, Philbro-Salomon Brothers Inc. and Price Waterhouse & Co. Price Waterhouse serves as independent auditor for the Company. The other defendants or, in certain instances, their predecessors, served as underwriters in various offerings of the Company's Common Stock. Plaintiff

Mumken alleges violations of Sections 11 and 12 of the Securities Act of 1933 and of Section 10(b) of the Securities Act of 1934 and Rule 10b-5 promulgated thereunder.

The plaintiffs in the three actions are Common Stock holders of the Company. In general, in their respective complaints, Weiland, Cohen and Mumken allege that over the years in which each owned the Company's Common Stock, one or more of the defendants, either individually or in concert, failed to make adequate disclosures respecting the cost of Shoreham and the management of the construction of the unit. The allegations of mismanagement are alleged to be based either upon reports appearing in newspapers or statements appearing in the testimony of the PSC filed in the prudency investigation discussed above. The plaintiffs, in their respective lawsuits, seek damages to be proved in the litigation.

The Company will oppose the litigation.

e. Shoreham Real Property Taxes

On February 1, 1984, the Receiver of Taxes of the Town of Brookhaven, and, on February 2, 1984, the Attorney General of the State of New York, commenced separate actions against the Company in New York State Supreme Court, Suffolk County, by service of summons and complaints, respecting the Shoreham taxes, payment of which the Company has deferred. The Company has escrowed funds covering the imposed taxes and related charges. (See the Company's Current Report on Form 8-K dated January 10, 1984.) The Town of Brookhaven seeks a judgment for the amount of the unpaid taxes, together with interest and penalties, and the Attorney General seeks an order sequestering funds in an amount necessary to assure payment of the taxes, interest and penalties. Neither plaintiff seeks any immediate relief.

.. addition to the steps taken by the Town of Brookhaven and the Attorney General, several legislative measures responsive to the Company's deferral of taxes have been introduced in the New York State Senate and Assembly. If these measures became law and were held to be valid despite litigation which the Company would undertake, they would compel the PSC to cancel the Company's franchises, place the Company in receivership, permit the Company's customers to withhold payment of their bills for electric and gas service and permit the Suffolk County Treasurer to apply to a court to attach the property of the Company for the purpose of collecting the unpaid taxes. The Company believes that such measures, if they became law, would be invalid.

f. Nine Mile Point 2

On February 9, 1984, the Company suspended periodic payments for construction of its 18% share of Nine Mile Point 2, a nuclear generating unit under construction near Oswego, New York by Niagara Mohawk Power Corporation as agent for the co-owners. The co-owners of Nine Mile Point 2, in addition to the Company and Niagara Mohawk, are New York State Electric & Gas Corporation (NYSEG), Rochester Gas & Electric Corporation (RG&E) and Central Hudson Gas & Electric Corporation.

The Company has also announced that it had initiated discussions with the other co-owners respecting the Company's continued participation in the Unit. Central Hudson has disclosed that it has commenced discussions with Niagara Mohawk, NYSEG and RG&E as to appropriate courses of action with a view toward completion of Nine Mile Point 2 consistent with its present schedule. Central Hudson has also stated that if an arrangement cannot be agreed upon, Nine Mile Point 2 may have to be abandoned. Niagara Mohawk has notified the Company that it considers the Company to be in default of its obligations to the other co-owners and has demanded payment. Niagara Mohawk has also advised the Company that it may institute litigation against the Company and that such litigation could result in encumbering, diminishing or eliminating the Company's interest in Nine Mile Point 2. The outcome of the Company's suspension of construction payments cannot now be predicted.

Niagara Mohawk is currently reviewing the costs and schedule for Nine Mile Point 2, last estimated to be $4.2 billion with commercial operation in late 1986. This estimate assumed direct construction expenditures of $418 million in 1984. However, the Company has been advised by Niagara Mohawk that such construction expenditures in 1984 are now expected to reach $615 million. The Company's share of the total estimated construction expenditures in 1984 is approximately $114 million, of which approximately $11.5 million had been paid prior to the decision to suspend payments. The Company's 1984 financing costs for Nine Mile Point 2 are estimated at approximately $63 million. The Company had expended approximately $570 million for Nine Mile Point 2 through December 31, 1983, consisting of $348.5 million for direct construction costs, $7.2 million for nuclear fuel for the unit and $214.3 million of financing costs.

The energy program announced by the New York Governor on February 15, 1984 would include actions to limit the Company's investment in Nine Mile Point 2, the development of options for the co-owners to assume the Company's share of Nine Mile Point 2, involvement of the New York Power Authority in the unit and a phase-in of the costs of the facility.

g. Dividend Litigation

A New York State Supreme Court Justice in Albany County, New York has dismissed a lawsuit brought as a class action by a business association and several commercial and residential ratepayers against the Company and several commissioners of the PSC. The plaintiffs had sought to prohibit the Company from declaring or paying dividends on its common or preferred stock and to suspend the interim electric rate increase granted by the PSC in September 1983. This decision is subject to appeal.

h. Ratings of the Company's Securities

Following the Company's announcement in late December 1983 that the absence of favorable developments in the near future could affect the level or continuation of subsequent dividends on the Company's Common Stock, Moody's Investor Service, Inc. (Moody's) in January 1984 lowered its ratings on all of the Company's securities except the Preferred Stock which remained as "ba3." In Moody's view, since December 1983, when it reduced the ratings on all of the Company's fixed income securities, the Company's prospects for continued financial flexibility and for resolution of the Shoreham emergency response plan impasse have worsened. However, in January 1984, Standard & Poor's Corporation (S&P) removed the Company's securities from its "CreditWatch." In February 1984, Duff & Phelps (D&P) reduced its ratings on the Company's First Mortgage Bonds.

The current ratings of the Company's principal securities and its commercial paper by Moody's, Fitch Investor's Service, Inc., (Fitch), S&P and D&P, are as follows:

	Moody's	Fitch	S&P	D&P
First Mortgage Bonds*	Ba2	BBB	BB+	11
General & Refunding Bonds*	Ba3	BBB-	BB	12
Pollution Control Revenue Bonds (unsecured)	Ba3	**	BB	**
Preferred Stock***	"ba3"	BB+	BB-	13
Commercial Paper	Not Prime	F-3	**	**

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* Fitch is the only rating agency which still considers the First Mortgage Bonds and General and Refunding Bonds as investment grade securities.

** Not Rated

*** The Company's Preferred Stock is no longer considered investment grade by any of the four rating agencies.

i. Appointment of Successor Trustee Under First Mortgage

The Company has appointed J. Henry Schroder Bank & Trust Company as Successor Trustee under the Company's Indenture of Mortgage and Deed of Trust (the First Mortgage), effective as of the close of business on February 29, 1984. The resignation of Citibank, N.A. as Trustee was disclosed in the Company's Current Report on Form 8-K dated December 23, 1983, as amended by Amendment No. 1 thereto on Form 8. Under the provisions of the First Mortgage, the appointment of J. Henry Schroder Bank & Trust Company is subject to the right of the holders of a majority in principal amount of the First Mortgage Bonds then outstanding to appoint a successor trustee and to give notice thereof within one year of the first publication of a notice respecting the appointment of the successor trustee. Such notice was published on February 8, 1984.

Item 6. Resignations of Registrant's Directors

Not applicable.

Item 7. Financial Statements, Pro Forma Financial Information, and Exhibits

Exhibit 28 - Corporate news release dated February 8, 1984.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LONG ISLAND LIGHTING COMPANY
Registrant

By Thomas H. O'Brien
THOMAS H. O'BRIEN
Senior Vice President

Dated: February 21, 1984

LILCO
LONG ISLAND LIGHTING
250 OLD COUNTRY ROAD
MINEOLA N Y 11501

NEWS RELEASE

CONTACTS: Ira L. Freilicher, V.P.
Lilco 516/228-2027

A. F. Long, Pres.
D. F. King & Co., Inc. 212/269-5550

J. W. Cornwell, E.V.P.
D. F. King & Co., Inc. 212/269-5550

W. C. Neilson, S.V.P.
D. F. King & Co., Inc. 212/269-5550

S. L. Nahum, A.V.P.
D. F. King & Co., Inc. 212/269-5550

FOR IMMEDIATE RELEASE

MINEOLA, NEW YORK, February 8, 1984 . . . William J. Catacosinos, recently elected Chairman and Chief Executive Officer of the Long Island Lighting Company, at a press conference today reviewed the problems presently facing the Company and outlined the following 5-step program for the future of Lilco:

1. "We are carefully evaluating our operations to determine what additional cost reduction measures we can take to lower our cash requirements with minimal impact on the services we provide to our consumers. This will mean hard decisions not faced in the past. This will mean hardship, and personal and financial sacrifices among all of us at Long Island Lighting Company including our management, our employees and our shareholders, but these decisions that we have to make will be necessary in order that we continue as a viable entity.

2. "We are examining our ability to continue to fund the construction payments for the Nine Mile II nuclear project.

3. "An evaluation of our Company's ability to continue its cash dividend policy is also underway, and recommendations will be made to our Board of Directors at the appropriate time.

4. "Since members of our senior management group will be retiring in the near future, we are acting to reorganize and revitalize our Company's leadership and direction in order to take into account the changing nature of our business. I believe it is essential to place strong emphasis on our nuclear operations as well as to recognize the importance of our gas system.

5. "We will actively seek rate abatement. Studies are underway to determine means to phase in the Shoreham costs over a period of time with minimum financial impact on our consumers."

Dr. Catacosinos stated: "We need and ask for the help of our Governor, our County Executives, financial institutions, the consumers and the support of our shareholders. Above all, we must have the continued dedication of the thousands of Lilco employees who have provided outstanding service to the community for the past 70 or more years.

"On behalf of the Board of Directors, management and the dedicated employees of the Company, we look to the future. No doubt we have all learned from the experiences of the past. However, for the resolution of the remaining Shoreham problems and the continued viability of Lilco, I pledge that our energies and attention will be directed to the future and the accomplishment of these goals. I believe we can and shall succeed. That is why I am here."

Dr. Catacosinos said that Lehman Brothers, investment bankers highly regarded for their experience and capability in the public utility field, will assist Lilco in many of its studies and in the program outlined.

In addition, D. F. King & Co., Inc., a well-known consulting and communications firm, will assist Lilco in its corporate and financial public relations with respect to the community and the shareholders.

# # #

WILLIAM J. CATACOSINOS

William J. Catacosinos was elected Chairman and Chief Executive Officer of LILCO by the Company's Board of Directors on January 30, 1984. Catacosinos, 53, has been a member of LILCO's Board since February 1978.

From August 1969 to November 1983, Catacosinos was Chairman and Chief Executive Officer of Applied Digital Data Systems, Inc. of Hauppauge, Long Island, a company he founded. In 1980, the NCR Corporation of Dayton, Ohio bought this manufacturing company of terminals and computers for $60.5 million.

Dr. Catacosinos was a founder of Corometrics Medical Systems, Inc., a Connecticut-based electronics firm which pioneered the manufacture of fetal heart monitoring equipment. In 1974, American Home Products acquired the company for $20 million.

At Brookhaven National Laboratory, Dr. Catacosinos worked consecutively as administrative officer, business manager and Assistant Director of Business Administration from 1956 to 1969.

Dr. Catacosinos has been a management consultant to the Atomic Energy Commission, the United States Congress and the government of Greece. As Adjunct Professor at the NYU Graduate School of Business, Dr. Catacosinos taught "Management Practices" and "Management of Technical Operations". He earned his B.S., M.B.A. and Ph.D. from NYU.

As a Naval Officer from 1952 to 1956, Dr. Catacosinos's responsibilities included supervising construction of Super Aircraft Carriers at the New York Naval Shipyard in Brooklyn.

He currently serves as a Director of the Stony Brook Foundation, a fund-raising group. He is also a trustee of the Polytechnic Institute of New York.

William J. Catacosinos and his wife, Florence, live in the village of Mill Neck, Long Island. They have two sons, William and James.

ATTACHMENT 7

CONFORMED COPY

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.
20549

CONSUMER PROTECTION BOARD
ALBANY, N. Y.

REC'D JUN 0[illegible] 1984

[redacted]

Quarterly Report Under Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the Quarter Ended [redacted] File Number 1-3571

[redacted]
(Exact name of registrant as specified in Charter)
Incorporated pursuant to the Laws of New York State

Internal Revenue Service - Employer Identification Number 11-1019782

250 Old Country Road, Mineola, New York 11501
516-228-2890
(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No ____

The total number of shares of the registrant's Common Stock, $5 par value, outstanding on April 30, 1984, was 110,210,396.

LONG ISLAND LIGHTING COMPANY

Part I - FINANCIAL INFORMATION

The financial statements furnished are unaudited but, in the opinion of the Company, include all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results for the interim periods presented. The results for these interim periods are not necessarily indicative of results to be expected for the year, due to seasonal, operating and other factors.

PART I - FINANCIAL INFORMATION
Item 1 - Financial Statements

LONG ISLAND LIGHTING COMPANY

STATEMENT OF INCOME

	Three Months Ended March 31 1984	Three Months Ended March 31 1983
	($000)	
REVENUES		
Electric	$387,159	$334,569
Gas	160,222	146,831
Total Revenues	547,381	481,400
EXPENSES		
Operations-fuel and purchased power	260,353	245,877
Operations-other	45,593	46,021
Maintenance	16,287	16,107
Depreciation, depletion and amortization	16,162	15,717
Operating taxes	67,334	59,189
Federal income taxes:		
Current	10,161	455
Deferred and other	47,418	31,367
Total Expenses	463,308	414,733
OPERATING INCOME	84,073	66,667
OTHER INCOME AND (DEDUCTIONS)		
Allowance for other funds used during construction	58,639	48,426
Other income (net of related expenses)	4,749	(406)
Miscellaneous income deductions	(594)	(1,022)
Federal income taxes-credit:		
Current	(856)	472
Deferred and other	22,045	12,215
Total Other Income and (Deductions)	83,983	59,685
INCOME BEFORE INTEREST CHARGES	168,056	126,352
INTEREST CHARGES AND (CREDITS)		
Interest on long-term debt	64,525	46,719
Amortization of debt discount and expense	525	494
Amortization of premium on debt	(32)	(32)
Other interest	(787)	2,508
Allowance for borrowed funds used during construction	(14,105)	(14,041)
Interest capitalized by trusts	19,380	13,840
Allowance for borrowed funds used during construction - trusts	(19,380)	(13,840)
Total Interest Charges and (Credits)	50,126	35,648
NET INCOME	117,930	90,704
Preferred stock dividend requirements	22,165	16,702
INCOME FOR COMMON STOCK	$ 95,765	$ 74,002
Average Common Shares Outstanding (000)	109,846	101,169
Earned per Common Share	$ 0.87	$ 0.73

LONG ISLAND LIGHTING COMPANY

BALANCE SHEET

ASSETS	March 31 1984	December 31 1983
	($000)	
UTILITY PLANT AT ORIGINAL COST		
Electric	$1,807,839	$1,798,490
Gas	362,999	360,174
Common	86,345	85,734
Construction work in progress	3,631,216	3,467,211
Nuclear fuel in process	24	23
Construction and nuclear fuel in trusts	741,676	710,888
Total	6,630,099	6,422,520
Less-Accumulated depreciation, depletion and amortization	739,615	727,298
Total Net Utility Plant	5,890,484	5,695,222
OTHER PROPERTY AND INVESTMENTS		
Nonutility property, principally at cost	2,815	2,816
Investment in subsidiary companies, at equity	512	637
Other investments and deposits	64,628	64,240
Total Other Property and Investments	67,955	67,693
CURRENT ASSETS		
Cash	6,760	3,301
Temporary cash investments	166,987	272,074
Special deposits	30,823	3,557
Accounts receivable (less allowance for doubtful accounts of $3,503,000 and $4,289,000)	211,168	169,947
Accrued revenue on accounts billed bimonthly	22,256	21,328
Materials and supplies at average cost	31,976	31,575
Fuel oil at average cost	45,851	40,211
Gas in storage at average cost	24,426	43,949
Prepayments	948	1,060
Total Current Assets	541,195	587,002
DEFERRED CHARGES		
Electric fuel cost adjustment deferred	3,289	62
Other	44,828	39,604
Total Deferred Charges	48,117	39,666
TOTAL ASSETS	$6,547,751	$6,389,583

LONG ISLAND LIGHTING COMPANY

BALANCE SHEET
(Continued)

CAPITALIZATION AND LIABILITIES	March 31 1984	December 31 1983
CAPITALIZATION		
Long-term debt	$2,177,706	$2,180,721
Unamortized premium and (discount) on debt	(8,088)	(8,198)
	2,169,618	2,172,523
Preferred stock - redemption required	540,012	540,013
Preferred stock - no redemption required	221,117	221,119
Treasury stock at cost	(1,772)	(1,772)
Total Preferred Stock	759,357	759,360
Common Stock	551,043	520,600
Premium on capital stock	997,372	964,562
Capital stock expense	(56,870)	(56,278)
Retained earnings	675,865	580,115
Total Common Shareowners' Equity	2,167,410	2,008,999
Total Capitalization	5,096,385	4,940,882
TRUST OBLIGATIONS (including $20,000,000 maturing in 1984)	714,028	713,484
CURRENT LIABILITIES		
Current maturities of long-term debt	108,058	107,057
Current redemption requirements of preferred stock	38,037	38,037
Accounts payable	144,919	140,227
Accrued taxes, including federal income taxes	45,456	54,621
Accrued interest	76,377	61,413
Customer deposits	12,448	12,231
Dividends payable	14,907	67,488
Total Current Liabilities	440,202	481,074
DEFERRED CREDITS		
Accumulated deferred income tax reductions	247,890	222,502
Other	27,938	25,055
Total Deferred Credits	275,828	247,557
RESERVES FOR CLAIMS, DAMAGES AND PENSIONS	21,308	6,586
TOTAL CAPITALIZATION AND LIABILITIES	$6,547,751	$6,389,583

LONG ISLAND LIGHTING COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Three Months Ended March 31	
	1984	1983
	($000)	
SOURCE OF FUNDS		
Operations		
Net Income	$117,930	$ 90,704
Principal non-cash charges and (credits) to income:		
Depreciation, depletion and amortization	16,162	15,717
Federal income taxes-deferred and other	25,373	19,152
Allowance for all funds used during construction	(72,744)	(62,467)
Other	3,938	3,741
Interest capitalized by trusts	19,380	13,840
Allowance for borrowed funds used during construction-trusts	(19,380)	(13,840)
Funds provided from operations	90,659	66,847
Long-term Financing		
Long-term debt	-	30,000
Common stock	63,525	14,568
Trust obligations	544	36,861
Increase in short-term debt	-	121,825
Decrease in working capital (excluding short-term debt)	4,939	-
Gas cost adjustment	1,001	5,334
Other sources	18,116	3,135
Total Sources of Funds	$178,784	$278,570
USE OF FUNDS		
Construction expenditures	$182,493	$172,349
Nuclear fuel expenditures	1	(109)
Construction and nuclear fuel in trusts	30,788	36,861
Less-Allowance for funds used during construction (AFC)	72,744	62,467
Construction and nuclear fuel expenditures, less AFC	140,538	146,634
Dividends on preferred stock	22,181	16,699
Dividends on common stock	-	51,242
Reduction of long-term debt	3,015	2,013
Preferred stock conversions and retirements	3	410
Increase in working capital (excluding short-term debt)	-	60,311
Electric fuel cost adjustment deferred	3,227	(5,328)
Other investments and deposits	388	4,285
Capital stock expense	886	126
Cost of removal	634	613
Other uses	7,912	1,565
Total Use of Funds	$178,784	$278,570

LONG ISLAND LIGHTING COMPANY

Notes to Financial Statements

March 31, 1984

(Changes since December 31, 1983 to be read in connection with Notes 4 and 7 on pages 10 through 15 hereof)

Trust Obligations

~~The banks~~ which are parties to the Tri-Counties Construction Trust Credit Agreement ~~have extended until May 28, 1984, the period during which the failure to make construction payments for Nine Mile Point 2 will not constitute a default.~~ The Public Service Commission of the State of New York has not yet acted on the application for approval of the amendments to the Construction Trust Agreements. The amendments provide for the banks to determine whether or not to grant additional successive 30 day extensions beyond May 28, 1984.

The Trusts' total obligations of $714 million, at March 31, 1984, including accrued interest totaling $14 million, is comprised of $655 million for financing construction and nuclear fuel expenditures and $59 million invested in the Company for general corporate purposes. Funds needed to finance the Company's nuclear fuel program and the Trusts' interest payments are being provided by the Company. The total $714 million obligation of the Trusts excludes amounts advanced by the Company to the Construction Trust in excess of the $500 million provided by lending banks. At March 31, 1984, such advances, including accrued interest, totaled $97 million.

Shoreham

An appeal is pending before an Atomic Safety and Licensing Appeal Board of the favorable partial initial decision from an ASLB on substantially all issues other than the adequacy of the Company's Shoreham offsite radiological emergency response plan (including the issue of the authority of the Company to implement such plan) and the adequacy of the emergency power sources.

~~Delays in testing the rebuilt~~ emergency diesel generators continue to be experienced ~~due to additional defects including~~ the recent discovery of a crack in the cylinder block of one engine. A replacement cylinder block is scheduled to be available in June 1984, with ~~reassembly and testing scheduled to be completed in September 1984.~~ The schedule for hearings respecting the adequacy of such generators is not expected to be set until late-May 1984, at best. The Company applied for approval, but cannot predict whether such approval will be granted, to load fuel and begin low power operation principally relying on emergency sources of power other than the rebuilt emergency diesel generators. An expedited hearing schedule was established on April 4, 1984 by a newly convened Atomic Safety and Licensing Board. On April 25, 1984, the United States District Court for the District of Columbia granted a request by Suffolk County and New York Governor Cuomo for a temporary restraining order prohibiting the conduct of hearings. The NRC then vacated the schedule and on May 7, heard all arguments by the parties. A decision is expected shortly. Further hearings may be held.

The second Shoreham related property tax payment for 1984 of approximately $26.2 million is due between May 10, 1984 and May 31, 1984. In lieu of making the first payment in January 1984, the Company deposited the moneys with a third party pending resolution of litigation by the Company seeking review and correction of certain assessments of the Shoreham property. No decision has been made as to what action the Company will take regarding the second of such tax payments.

The Company expects to file its rebuttal testimony in the PSC's investigation of the prudency of the Shoreham construction costs on May 15, 1984.

The Company is continuing to analyze the merits of the shareowners lawsuits, brought against the Company, certain of its directors and officers and others including the suits more recently received. The Company will oppose the litigation. (Additional information on these suits appears in Part II, Item 1 of this report.)

[redacted]

Niagara Mohawk recently completed a review of the costs and schedule for Nine Mile Point 2, last estimated to be $4.2 billion with commercial operation in late 1986. On March 29, 1984, the Company was advised by Niagara Mohawk that the results of the [redacted], but indicate the total estimated [redacted] (comprised of construction costs of $3.4 billion and an allowance for funds used during construction of $1.7 billion). Total expenditures in 1984 for construction are now expected to reach $675 million. The Company suspended its share of these construction payments on February 9, 1984.

In April 1982, the PSC formulated an "Incentive Rate of Return" plan (IROR) related to future recovery of the cost of Nine Mile Point 2. The plan was based on a target total cost of $4.6 billion set by the PSC. If the plant were completed at a cost below $4.6 billion, the cotenants' rates of return on the plant investment would increase according to a formula set by the IROR. Conversely, any cost overrun would result in a reduction of the rates of return.

Responding to the Niagara Mohawk re-estimate, the PSC on May 9, 1984 issued for public comment a proposal to amend the IROR to provide for a $5.4 billion cap on the amount of the total project completion cost which could be recovered by the cotenants from their ratepayers. ~~Expenditures between $4.6 billion and $5.4 billion would still be subject to the IROR, but with no recovery of any expenditures above $5.4 billion.~~ The Company is unable to predict whether the PSC will adopt such a proposal or whether Unit construction costs will reach the $5.4 billion level.

Bokum Resources Corporation

At March 31, 1984, the Company's advances and loans to BRC totaled approximately $84 million. This includes $20 million of advances made through July 1978 for uranium concentrates and $4.5 million expended since mid-1980 for preservation and maintenance of BRC's mine and mill properties pending resolution of the bankruptcy proceedings discussed above. The Company ceased accruing interest on its loans to BRC after the filing of the bankruptcy petition. However, ~~interest on the advance payments for the uranium concentrates has continued to be capitalized by the Resources Trust~~ and totaled approximately $28.5 million at March 31, 1984. This amount is not included in the $84 million discussed above.

Abandoned Generating Projects

The Company's share of the Jamesport nuclear and coal-related costs, net of estimated tax effects of $20 million, was approximately $77 million at March 31, 1984. The Company's share of the abandoned New Haven nuclear project costs, net of estimated federal income tax effects of $14 million, was $45 million at March 31, 1984.

LONG ISLAND LIGHTING COMPANY

Notes to Financial Statements

December 31, 1983

(See pages 7 through 9 for changes as of March 31, 1984)

Note 4. Trust Obligations

The Company has arrangements with Tri-Counties Resources Trust and Tri-Counties Construction Trust to finance, respectively, the Company's nuclear fuel program and its share of the costs of construction of a nuclear plant, Nine Mile Point 2, and its fuel. Effective February 9, 1984, the Company suspended payments for its share of construction costs for Nine Mile Point 2. The Resources Trust and the Construction Trust are primarily financed by revolving credit loans which were fully utilized at December 31, 1983, and which, together with $20,000,000 of term loans maturing in 1984, provide for borrowings of up to $200,000,000 and $500,000,000 respectively. The Revolving Credit Agreements of both Trusts provide for borrowings principally at the prime interest rate prevailing from time to time or, if advantageous, at alternate borrowing rates based on the London Interbank Offering Rate or the Certificate of Deposit Rate.

The Company is obligated to purchase nuclear fuel owned by the Resources Trust, or heat from such fuel. Similarly, the Company is obligated to reimburse the Construction Trust for nuclear fuel and construction just prior to operation of Nine Mile Point 2. Upon termination of, or default by, either Trust, the Company is obligated to repay fully the obligations of the Trust.

Loans under the revolving credit agreement of the Resources Trust mature in September 1986. The present maturity date of Construction Trust loans is December 31, 1986 but, under certain circumstances, the loans may be payable according to a repayment schedule beginning not earlier than March 31, 1985, and ending not later than June 30, 1988. The Trusts may, if funds not immediately needed for such financing are available, make certain investments, including investments in the Company's promissory notes. The Trusts' total obligation of $713,484,000 at December 31, 1983, including accrued interest totaling $13,484,000, is comprised of $650,997,000 for financing construction and nuclear fuel expenditures and $62,487,000 invested in the Company for general corporate purposes. Funds needed to finance the Company's nuclear fuel program and the Trusts' interest payments are being provided by the Company. The total $713,484,000 obligation of the Trusts excludes amounts advanced by the Company to the Construction Trust in excess of the $500,000,000 provided by lending banks. At December 31, 1983, such advances, including accrued interest, totaled $70,013,000.

With respect to the suspension of construction payments for Nine Mile Point 2, the Company and counsel for the banks which are lenders to the Construction Trust disagreed as to whether the suspension of the construction payments was covered by the language in the Trust agreements. To resolve the ambiguity, the Company and the banks have agreed to amend the Trust agreements. The amendments provide that the failure to make construction payments will not constitute a default on or prior to April 27, 1984 or during any subsequent period of 30 days agreed to by banks holding two-thirds of the Construction Trust debt. With respect to advances by the Company to the Trust in excess of the $500,000,000 advanced by the banks, the banks have indicated that the advances violated provisions of the Trust agreements. It is the Company's view that such advances were not intended to be covered by the Trust agreements. The amendments increase the limitations contained in the Trust agreements to cover prior advances by the Company in excess of $500,000,000 and exclude future advances by the Company for the purpose of enabling the Trust to make interest payments under the Credit Agreement. The amendments require approval of the PSC. The Company cannot predict what action the PSC will take. Furthermore, the Company cannot predict whether the banks will grant any extensions beyond April 27, 1984, or what other action, if any, the banks might take at that time. If a default occurs, payment of the $500,000,000 of indebtedness to the banks under the Construction Trust agreements would become subject to a right of acceleration exercisable by the banks. A default in the Construction Trust agreements, unless cured, could, by reason of cross-default provisions in instruments governing other Long-term Debt of the Company, give rise to rights of acceleration of maturities of such debt.

The Trusts' average annual interest rates (excluding commitment fees) on average borrowings of $658,902,000, $500,196,000, $381,614,000, $314,360,000, and $231,500,000 (excluding loans from the Company) outstanding during the years 1983, 1982, 1981, 1980, and 1979, were 10.3%, 14.7%, 19.4%, 15.6%, and 13.2%, respectively. Of the total average borrowings, $50,546,000, $45,889,000, $45,100,000, $45,100,000, and $35,018,000 related to general corporate purposes for the respective periods. The Trusts' interest costs on borrowings utilized to finance construction and nuclear fuel are reflected in the Company's Construction and Nuclear Fuel in Trust accounts and are deducted currently for tax purposes on the Company's tax return.

Note 7. Commitments and Contingencies

Shoreham

Construction of the Shoreham Nuclear Power Station is virtually completed with the exception of the installation of emergency power sources. The construction permit for the Shoreham Unit [illegible]d on December 31, 1983. The Company made timely ap[illegible]ation for its extension. Pending action by the Nuclear Regulatory Commission (NRC) on the Company's application for the extension, the construction permit is automatically extended. The Company believes the NRC will grant the requested extension.

The cost of the Shoreham Unit, based on commercial operation beginning July 1, 1985, is currently estimated at approximately $4.1 billion. In the Company's opinion, July 1, 1985 is the earliest date that commercial operation could commence. Approximately $3.2 billion of this amount had been expended through December 31, 1983. The Company expects that gross expenditures for Shoreham, including AFC, will be approximately $632 million in 1984 before reflecting the Company's recently implemented austerity program and $263 million in the first six months of 1985. The Company is unable at this time to state when the plant might go into commercial operation, if ever. Additional delays beyond July 1, 1985 are estimated to cost an additional $40 to $50 million each month, almost wholly for carrying charges, including financing charges, insurance, taxes, interest and overhead expenses. The Company believes that all Shoreham related costs including AFC are prudent and recoverable from current or future revenues. However, some uncertainties do exist with respect to total recoverability of Shoreham costs as a result of the issues set forth below which include disallowance, whether resulting from imprudency or otherwise, and economic viability. The Company is monitoring all of these matters and will monitor any future related matters in determining whether it continues to be appropriate to capitalize all or a portion of Shoreham related osts The actual monthly carrying charge depends upon, among other factors, the outcome of the Company's pending application for rate relief. Because of the continuing difficulties [illegible] aining an operating license for Shoreham, the prospect [illegible] for further delays and uncertainties, further increases in [illegible] sts and severe financial strains for the Company

he Company has received a favorable partial initial decision rom an Atomic Safety and Licensing Board (ASLB) on substantially all issues other than the adequacy of the Company's offsite radiological emergency response plan (including the ssue of the authority of the Company to implement such plan) and the adequacy of the emergency power sources. The initial power sources are three emergency diesel generators. Essentially all of the major moving parts of these generators were replaced after cracks were discovered in the original crankshafts in August 1983. The three generators have been rebuilt, and testing has resumed. Delays in testing have been experienced due to additional defects. A schedule for hearings respecting the adequacy of the rebuilt emergency diesel generators will not be set by the ASLB before mid-May 1984 at best. The Company expects that, by that time, discovery proceedings will have been concluded and the testing, design review and quality revalidation of the rebuilt emergency diesel generators should have been completed. The Company cannot predict when hearings on the rebuilt emergency diesel generators will begin or be completed. The NRC has expressed its concern with diesels made by the same manufacturer located at other nuclear plants as well as at Shoreham and is conducting an investigation of the problems. The Company intends to seek permission, but cannot predict whether such permission will be granted, to load fuel and begin low power operation [illegible] ncipally relying on emergency sources of power other than [illegible] built emergency diesel generators. Governor Cuomo of New York and all other intervenors have taken the position that an approved offsite emergency response plan is a prerequisite to fuel loading.

The Company is also proceeding with the installation of three additional emergency diesel generators from another manufacturer. These new additional emergency diesel generators are scheduled to be installed in a new specially constructed building and tested by August 1985, at an aggregate cost of approximately $91 million, almost all of which will have been expended before the end of 1984. The approval of the ASLB respecting their use is expected to be required. The Company may be unable to obtain the necessary financing or adequate rates or to conserve sufficient cash to meet its operating and capital requirements pending the completion, installation and testing of the new generators.

The Company also faces serious problems in obtaining approval of an offsite emergency response plan. Such approval is a condition to obtaining a full power operating license from the NRC. Suffolk County and Governor Cuomo have taken the position that an emergency response plan is not possible and have steadfastly refused to participate in offsite emergency response planning, opposing every effort of the Company to obtain licensing. On March 8, 1984, Governor Cuomo and Suffolk County began separate lawsuits in New York courts seeking, respectively, declaratory judgments that the Company [illegible] s the legal authority to undertake its offsite emergency [illegible] onse plan and that the Company's plan is unlawful and illegal under the Constitution and the laws of New York State. The Company disagrees with both the Governor and Suffolk County, and will vigorously oppose them in this litigation. While the Company has developed its own emergency response plan and believes this plan will adequately provide for the safety of the public, there can be no assurance that such plan will be accepted in the licensing proceedings or that an operating license will ultimately be issued. Hearings on the offsite emergency response plan began on December 6, 1983, and are expected to continue well into 1984.

The Federal Emergency Management Agency (FEMA) reviewed the Company's offsite emergency response plan and submitted a report to the NRC in June 1983 respecting the plan. FEMA found the plan to be inadequate in certain respects and the Company submitted a revised plan. A report respecting the Company's revised plan is expected to be filed with the NRC shortly by FEMA. The Company is unable to predict the contents of the FEMA report which will become part of the record of the Shoreham operating license proceedings.

The Company believes that it must engage additional personnel with acceptable nuclear reactor experience prior to operation of Shoreham, and is undertaking to do so.

On January 10, 1984, in lieu of making payment of approximately $26.2 million of property taxes attributable to Shoreham, the Company decided to deposit an amount equal to such taxes (not less than $26.2 million) with a third party pending resolution of litigation by the Company in New York Supreme Court, Suffolk County, seeking review and correction of the assessments of the Shoreham property for the tax years 1976-77 through 1978-79, and 1980-81 through 1983-84. This action was taken because the Company believes that Suffolk County, the Town of Brookhaven and the local School District would be unable to refund the taxes paid if the Company is successful in pending tax litigation respecting these overassessments. The County of Suffolk and the New York State Attorney General have each commenced an action in the New York Supreme Court. The Attorney General's action requests sequestration of the $26.2 million and the County's action seeks a judgment finding the Company liable for the $26.2 million. The Company's First Mortgage Indenture and its General and Refunding Indenture permit the payment of the taxes to be deferred pending good faith litigation challenging the tax assessments. The Company believes that it is in compliance with the applicable provision of the Indentures. In the event the Company is not successful in its tax litigation, the Company will pay the taxes from the funds on deposit which the Company believes will be adequate for such purposes.

The PSC is currently investigating the prudency of the costs incurred by the Company in the construction of Shoreham. Hearings with respect to filed testimony are expected to begin in May 1984 before an Administrative Law Judge. The Staff of the PSC filed its testimony respecting the prudency of the Shoreham expenditures on February 10, 1984. Based upon $3.846 billion assumed by the Company in its pending electric rate case to be the cost of Shoreham if it becomes operational in January 1985, the PSC Staff testimony recommends that no more than $2.296 billion of the Shoreham costs be allowed in rate base. The Staff would exclude $104.8 million of engineering costs as excessive, $295.8 million of construction labor costs as unreasonable, $610.3 million attributable to avoidable schedule delays, $539.3 million attributable to the emergency diesel generator problems and all costs in excess of $3.846 billion if operation of Shoreham is delayed beyond January 1985. The New York State Consumer Protection Board, Suffolk County, and Long Island Citizens in Action, three of the intervenors in the prudency investigation, in their filed testimony allege that "a strong presumption is raised that any expenditures on Shoreham in excess of $1.9 billion through 1983 are the result of imprudence." The Company could be required under certain circumstances to write-down the value of its assets in the event the PSC disallows a portion of the Shoreham costs from the Company's rate base. The effect of a disallowance on the Company's financial condition and operating

Company's ability to meet its financial obligations. The Company cannot now determine the amount, if any, of such disallowance. The Company believes that its direct testimony, filed in 1981 and supplemented in 1983, together with its rebuttal testimony to be filed in April 1984, supports its view that the costs of Shoreham have been prudently incurred. In this connection, on February 6, 1984, the Company filed in this proceeding a report prepared by Arthur D. Little, Inc. for the Company containing findings based on its independent assessment of the Company's management of Shoreham. The review by Arthur D. Little, Inc. was based on the same information contained in documents which the Company has produced in discovery proceedings brought by the PSC over the course of its investigation of the prudency of the management of Shoreham, as well as information provided by the Company to the PSC, its consultants and other interested parties in a series of interviews held by them with the management of the Company and its contractors. Arthur D. Little, Inc. concluded "that LILCO's decisions and related management processes were prudent under the circumstances that prevailed at that time." Notwithstanding the Company's belief that all of the costs of Shoreham were prudently incurred, the Company's Chairman has indicated that, as part of a proposal that would ameliorate the impact of including all of the Shoreham costs in its rate base, the Company might be willing to forgo rate recovery which would otherwise result from inclusion in rate base and cost of service of up to $500 million of Shoreham's cost in return for cooperation from Suffolk County or New York State in bringing the Unit into operation. Even if the Company were not allowed to include such amount in its rate base and cost of service, it believes that a write-down of Shoreham costs through a charge to income would not be required by generally accepted accounting principles.

The PSC is also conducting a proceeding respecting the rate treatment to be applied to the Shoreham investment when it begins commercial operation. In this proceeding the PSC is reviewing various proposals to moderate the impact on consumers resulting from inclusion of Shoreham in the Company's rate base. The proposals would restrict the size of the rate increases resulting from Shoreham's inclusion in rate base during the first few years, contrary to conventional ratemaking policy. The Company's rate moderation plan is designed to establish a level of rates over a period of time which is economically acceptable to the public and the Company. A rate moderation proposal to limit rate increases due to the Shoreham plant was considered by the New York State Legislature in 1982 but failed to come to a vote because of procedural reasons. Similar legislation was passed in the 1983 Legislative Session but vetoed by Governor Cuomo. There are several proposals before the 1984 Legislature concerning the Shoreham plant, rates, and possible State action.

The Company's Chairman has stated that, among other options under consideration by the Company to reduce its cash requirements, is the abandonment of Shoreham. Governor Cuomo and other government officials have suggested that Shoreham be totally abandoned or indefinitely mothballed. Unless the PSC grants to the Company prompt and adequate rate increases, any such outcome could well have a serious adverse financial impact on the Company and could jeopardize the continued financial viability of the Company.

In February 1984, nine separate lawsuits were initiated as class actions by holders of the Company's Common Stock and one lawsuit was initiated as a class action by a holder of the Company's Preferred Stock, alleging violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. Two additional lawsuits have been initiated as derivative actions. The Company and certain of its officers are named in all of these lawsuits. Several of the lawsuits also name certain of the Com- [illegible]

It is possible that additional suits may be brought. In general, in their respective complaints, the plaintiffs allege that one or more of the defendants, either individually or in concert, failed to make adequate disclosures or made false and misleading statements respecting the cost of Shoreham and the management of the construction of the Unit. The allegations of mismanagement appear to be based either upon reports appearing in newspapers or statements appearing in the testimony of the PSC filed in the prudency investigation discussed above. The plaintiffs, in their respective lawsuits, seek damages to be proved in the litigation. Because these actions have been so recently brought, the Company is still in the process of analyzing their merits. The Company will oppose the litigation.

Nine Mile Point 2

On February 9, 1984, the Company suspended periodic payments for construction of its 18% share of Nine Mile Point 2, a nuclear generating unit under construction near Oswego, New York by Niagara Mohawk Power Corporation as agent for the cotenants. The cotenants of Nine Mile Point 2, in addition to the Company and Niagara Mohawk, are New York State Electric & Gas Corporation (NYSEG), Rochester Gas & Electric Corporation and Central Hudson Gas & Electric Corporation.

The Company has also announced that it had held discussions with the other cotenants respecting the Company's continued participation in the Unit. The Company has learned that the other cotenants have commenced discussions as to appropriate courses of action with a view toward completion of Nine Mile Point 2 consistent with its present schedule. The Company has also learned that the other cotenants have discussed the possible consequence of an abandonment of Nine Mile Point 2 if an arrangement cannot be agreed upon. Niagara Mohawk has notified the Company that it considers the Company to be in default of its obligations to the other cotenants and has demanded payment. Niagara Mohawk has also advised the Company that it may institute litigation against the Company and that such litigation could result in encumbering, diminishing or eliminating the Company's interest in Nine Mile Point 2. The outcome of the Company's suspension of construction payments cannot now be predicted. (See Note 4 of Notes to Financial Statements.)

In a report issued in July 1981, consulting engineers selected by the PSC to provide an independent assessment of the Nine Mile Point 2 project concluded that scheduled slippage of a year beyond 1986 for the commercial operation of the plant is likely and that future regulatory and economic uncertainties exist which could add significantly to the ultimate cost and the time required for completion of the project.

After extensive hearings on the financial requirements and economic impact of completing Nine Mile Point 2, the PSC concluded in April 1982 that continued construction of the nuclear plant was warranted. The PSC also adopted an Incentive Rate of Return Plan (IROR) to provide an added inducement for timely and efficient completion of the plant. The IROR establishes a system of rewards and penalties based upon whether the plant is completed above or below a target cost of $4.6 billion, set by the PSC.

Niagara Mohawk is currently reviewing the costs and schedule for Nine Mile Point 2, last estimated to be $4.2 billion with commercial operation in late 1986. This estimate assumed direct construction expenditures of $418 million in 1984. However, the Company has been advised by Niagara Mohawk that such construction expenditures in 1984 are now expected to reach $615 million. The Company's share of the total estimated construction expenditures in 1984 is approximately $114 million, of which approximately $11.5 million had been paid prior to the decision to suspend payments. The Company's 1984 mately $65 million. The cost of the Company's share of Nine Mile Point 2 at December 31, 1983, before giving effect to $85 million of federal income tax effect resulting from the interest portion of such cost, was $585 million. The $585 million consists of $362 million for direct construction costs, $7 million for [illegible] fuel for the Unit and $216 million of financing costs be[illegible] reduction for any income tax effects of the interest portion of such costs. Of the $585 million of total costs, $570 million has been financed through the Construction Trust.

The energy program proposed by the New York Governor on February 15, 1984, the outcome of which is uncertain, could include actions to limit the Company's investment in Nine Mile Point 2, the development of options for the cotenants to assume the Company's share of Nine Mile Point 2, involvement of the New York Power Authority in the Unit and a phase-in of the costs of the facility.

Nuclear Fuel

Expenditures for procurement of nuclear fuel, including advances amounting to $47.2 million for the purchase of uranium concentrates from Bokum Resources Corporation (BRC), totaled $156 million at December 31, 1983. Estimates for Shoreham discussed in this note do not include nuclear fuel costs.

Bokum Resources Corporation

In 1976 and 1978, the Company made long-range commitments with BRC to purchase 10 million pounds of uranium concentrates. The contracts for uranium concentrates required advance payment of $20 million by the Company. BRC did not deliver the uranium concentrates as agreed and also is in default under the provisions of a Mine and Mill Development [illegible]ncing Agreement pursuant to which the Company pro[illegible] BRC funds to complete development of a uranium mine and to construct an ore-processing mill. BRC's indebtedness pursuant to that Agreement is $51.1 million. The Company also provided BRC with additional funds for its operations.

A Bankruptcy Court order granting a petition by the Company and other BRC creditors for a reorganization of BRC under Chapter 11 of the U.S. Bankruptcy Code was filed on December 21, 1981, affirmed by the U.S. District Court, New Mexico on appeal by BRC in July 1982, and affirmed by the U.S. Court of Appeals for the Tenth Circuit on December 27, 1983.

In December 1983, the Bankruptcy Court dismissed three of four counterclaims initially asserted by BRC in an action commenced by the Company in November 1980 to foreclose its mortgages held on BRC's mine and mill properties. BRC has indicated that it will appeal this decision. The issues in the fourth BRC counterclaim, which seeks recovery of approximately $45 million in compensatory damages and $50 million in punitive damages, the LILCO mortgage foreclosure, the breach of contract suit begun by BRC against the Company in which BRC seeks $295 million in compensatory damages and $50 million in punitive damages, and other suits involving BRC and its creditors, including a shareowner's derivative action against the Company, have not yet been resolved.

While the Company believes that both its claims against BRC [illegible]nd its defenses against the remaining BRC claims are meritori[illegible] no assurance can be given as to the outcome of the litiga[illegible] determining the Company's claims, the breach of contract action and BRC's counterclaim.

The Company initially entered into its contracts with BRC as a result of the failure of Westinghouse Electric Corporation (Westinghouse) to deliver uranium concentrates. Since 1981 the Company has received total proceeds of approximately $29 million on account of settlement of its breach of contract litigases and payments to NYSEG toward its share of the settlement proceeds. Additional proceeds from this settlement are expected in the future. The PSC has approved accounting treatment which could ultimately provide ratepayers with the benefits of the Westinghouse settlement. It is the Company's view that the value of the Westinghouse settlement is related to the Company's investment in BRC and at the appropriate time, the Company anticipates that it will apply to the PSC to recognize such relationship. The Company cannot, however, predict the outcome of this application.

BRC has suspended all construction. The mill is virtually completed but construction of tailings disposal facilities would be required to comply with licensing requirements. As part of a plan to preserve the BRC properties, water pumps and equipment were removed from the partially completed mine resulting in some water intrusion in the shaft. The Company believes that a significant additional investment will be required to start up construction activity and to complete the mine and mill.

The eventual disposition of the Company's loans and advances to BRC and the viability of BRC as a source of nuclear fuel depend on many factors, including the market price for uranium. At present, the Company believes that the cost to mine and mill uranium from BRC's properties substantially exceeds the spot-market price of uranium.

The Company's ability to recover its loans and advances to BRC through liquidation of the BRC properties or by completing and operating the mine and mill properties is dependent upon an increase in the market price for uranium to levels substantially higher than the 1978 market price levels. The domestic uranium market has deteriorated markedly since late 1979, and has remained relatively depressed. Market conditions for uranium are expected to improve after existing uranium surpluses are depleted, but no assurance can be given that price levels will rise to a point where the operation of the mine and mill, either as an integrated unit or separately, will be economically viable.

At December 31, 1983, the Company's advances and loans to BRC totaled approximately $84 million. This includes $20 million of advances made through July 1978 for uranium concentrates and $4.3 million expended since mid-1980 for preservation and maintenance of BRC's mine and mill properties pending resolution of the bankruptcy proceedings discussed above. The Company ceased accruing interest on its loans to BRC after the filing of the bankruptcy petition. However, interest on the advance payments for the uranium concentrates has continued to be capitalized by the Resources Trust and totaled approximately $27.2 million at December 31, 1983. This amount is not included in the $84 million discussed above.

To the extent that the moneys advanced or loaned to BRC or the interest capitalized on non-interest bearing advances are not applied as a credit against the purchase of other nuclear fuel, returned to the Company upon the sale or refinancing of the BRC properties, recovered through litigation, or offset by the Westinghouse litigation settlement proceeds, the Company will apply to the PSC for appropriate rate relief. The Company believes its investments in BRC were prudent and should be recovered from ratepayers. The Company has pending before the PSC two proceedings respecting amounts being advanced by the Company for the maintenance of the BRC properties and the Company's litigation expenses. While the Company believes that the PSC should act favorably, it cannot predict the outcome of any proceedings before the PSC relating to BRC.

Two shareowners' derivative actions, now consolidated against certain of the Company's past and present directors and officers, claiming negligence and breach of fiduciary duties by these officers and directors in connection with the BRC transactions are pending. At this time, although no assurance can be given as to the outcome of either of these lawsuits, the Company believes that they will not have a material adverse effect on the Company.

[illegible]ough December 31, 1983, the Company had expended \$2,922,000 in defense of the two shareowners' derivative actions and a class action settled in 1983 which alleged federal securities law violations with respect to disclosures concerning the BRC transactions. Of this amount, approximately \$1,590,000 was paid on behalf of certain of the Company's past and present directors and officers. The Company had recovered \$1,193,000 of the \$2,922,000 through December 31, 1983, pursuant to its directors and officers liability insurance with the National Union Fire Insurance Company of Pittsburgh, PA. This insurance and insurance currently with the New England Reinsurance Corp., the Buffalo Reinsurance Company, and Associated Electric and Gas Insurance Services Limited (AEGIS) provide the Company with coverage for wrongful acts by directors and officers as well as indemnification for the Company and its directors and officers. The insurance from the National Union Fire Insurance Company and AEGIS also provides fiduciary liability coverage for the Company, its directors and officers, and any employee deemed to be a fiduciary or trustee, for any alleged breach of fiduciary duty under the Employee Retirement Income Security Act of 1974. The total annual premium for these coverages, which are effective through August 1985, is \$136,000.

Due to the many contingencies upon which the outcome of the BRC transactions and the related litigation are dependent, the Company cannot accurately measure either the probability of its realizing a loss on the investment in BRC, or the amount of [illegible] loss if it should occur. While under the most adverse circumstances the loss could be material, the Company believes that the loss, if any, by itself will not have a material adverse impact on the financial condition of the Company.

Abandoned Generating Projects

In the late 1970's, the Company and NYSEG had sought regulatory approval for the construction of nuclear plants at Jamesport and New Haven, New York. The application for New Haven was denied by a New York State Board on Electric Generation Siting and the Environment (Siting Board). The Siting Board which considered the Jamesport application approved a coal-fired rather than nuclear plant, and NYSEG withdrew from the project. The Company received a postponement from the Siting Board in order to study its options and alternatives and seek new partners. The Company was unsuccessful in finding other partners. Finally, in November 1983 a New York appellate court nullified the certificate authorizing a coal plant, and dismissed the Company's application. The Company did not appeal this decision.

The Company's share of the Jamesport nuclear and coal-related costs, net of estimated tax effects of \$21 million, was approximately \$75 million at December 31, 1983. In connection with the cancellation of Jamesport, Westinghouse is claiming approximately \$63 million in cancellation costs for the Nuclear Steam Supply Systems in addition to payments already made, which claim the Company is disputing. If there are any cancellation costs, NYSEG and the Company would share them [illegible]ually.

The Company's share of the abandoned New Haven nuclear project costs, net of estimated federal income tax effects of \$14 million, was \$43 million at December 31, 1983.

The Company has app[illegible]ed to the PSC for recovery of the costs associated with New Haven. An Administrative Law Judge of [illegible]

authorization to recover in rates its costs associated with the project and to receive a return on the unamortized balance of those costs. No decision has been issued by the PSC on the New Haven application. A similar application was recently filed for recovery of the Jamesport costs.

Other

The Company has entered into substantial commitments for fossil fuel and gas supply. The costs of fuel and gas supply are normally recovered from customers through provisions in the Company's rate schedules.

There are currently pending in the federal courts and before the New York State Division of Human Rights, complaints by employees alleging that the Company has discriminated against them on the basis of race. The Company believes it has meritorious defenses to these complaints, but it cannot predict the ultimate outcome of these matters.

Suffolk County retained Daverman & Associates, P.C. Architects and Engineers, to study the feasibility of establishing a county-owned electric and gas utility in Suffolk County. Daverman concluded that acquisition by Suffolk County of the Company's distribution and transmission facilities within the County and of a pro rata portion of the Company's generating facilities (including a portion of such facilities located outside Suffolk County) presents "attractive possibilities" and recommended further investigation into such acquisition. The consulting firm also concluded that acquisition of the Company gas facilities by Suffolk County is not economically viable.

The capital required to finance the acquisition has been estimated by Daverman to vary between \$969 million and \$3.5 billion, depending on, among other things, the valuation method used, estimates of consequential damages and whether the County would be liable to the Company for all or part of the cost of the Shoreham facility. The Company believes that the estimated range reflects grossly inadequate compensation for its facilities and for the severance and consequential damages which the Company would sustain as a result of such acquisition.

Suffolk County has not indicated what action will be taken concerning the findings of the report, which was first made public in June 1983. Should the County government determine to acquire the Company's facilities, a proposition must be submitted to and approved by the County's voters in a public referendum. If the proposition were approved, and if the County's right to condemn the Company's facilities were sustained by the Courts, the amount of the award to the Company for the properties acquired and severance and consequential damages would be determined in proceedings in the New York State Courts. The Company will continue to monitor closely any developments.

In February 1984 a New York State Supreme Court Justice dismissed a lawsuit that would have prohibited the Company from declaring or paying dividends on its common or preferred stocks and would have suspended the interim electric rate increase granted by the PSC last year. The proceeding was brought as a class action by a business association and several commercial and residential ratepayers against the Company and the PSC. This dismissal is subject to appeal.

The PSC is investigating the Company's practices involving safety checks of inactive gas lines. The Company is in the process of correcting the problems. If the PSC determines that a penalty should be assessed for violations of the Natural Gas Safety Code, the penalty could be as high as \$5 million.

ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Earnings: Summary earnings results are:

	3 Months		12 Months	
	3/31/84	3/31/83	3/31/84	3/31/83
Income for Common Stock (Millions)	$ 95.8	$ 74.0	$ 308.9	$ 254.1
Average Common Shares Outstanding (Millions)	109.8	101.2	104.7	95.3
Earned Per Average Common Share	$ 0.87	$ 0.73	$ 2.95	$ 2.67

Customer additions and increased consumption by existing customers resulted in an increase of 8.3% in system electric kWh sales during the first quarter of 1984 as compared to the same quarter in 1983. Customer additions and conversions, increased consumption by existing customers and colder weather during the 1983-1984 winter resulted in an increase of 12.8% in system therm sales of gas during the first quarter of 1984 as compared to the same quarter of 1983.

For the 12 months ended March 31, 1984, system kWh sales of electricity were 7.5% above the same period in 1983, and system therm sales of gas were 5.2% above the same period in 1983.

In June 1983, the PSC ordered the Company to change its recording of Shoreham related allowance for funds used during construction (AFC) from a net-of-tax basis to a gross basis effective February 1983. This change did not increase customers' bills, but did increase AFC, which resulted in a non-cash increase in income for common stock of $4.9 million for the three months ended March 31, 1983. As a result of the interim rate increase order effective September 15, 1983, what otherwise would have been future non-cash AFC earnings generated as a result of the PSC's June order, were replaced by cash earnings in an amount equivalent to the amount granted as the interim rate increase. Accordingly, the Company estimates that $12.1 million of net after tax cash earnings were received in lieu of non-cash AFC earnings between January 1 and March 31, 1984.

For the twelve months ended March 31, 1984, the ratio of earnings to fixed charges was 2.51 compared with 2.41 for the comparable period in 1983 and the ratio of earnings to fixed charges and preferred dividends was 1.90 compared with 1.88 for the comparable period in 1983. Both ratios are computed in accordance with the rules of the Securities and Exchange Commission.

The increases in the average number of common shares outstanding indicated in the foregoing reflect the sale of 5.0 million shares in January 1984, and continuing sales through the Company's Automatic Dividend Reinvestment and Employee Stock Purchase Plans totaling 3.7 million shares for the twelve months ended March 31, 1984. As a result of the suspension of payments of common stock dividends as part of the Company's austerity program to conserve cash, there will be no further sales through the Automatic Dividend Reinvestment Plan until common stock dividends are restored.

Dividends: The Board of Directors at its regular monthly meeting held December 21, 1983, declared a regular quarterly dividend of 50 1/2c per share on its common stock. This dividend was paid February 1, 1984, to shareowners of record January 3, 1984.

The February 1, 1984 common stock dividend was declared by the Board of Directors after an in-depth discussion of the political and regulatory uncertainties facing the Company's financial condition and prospects. As part of its austerity program to conserve cash, on March 6, 1984, the Company announced that it would omit cash dividends on the common stock for the balance of 1984 or until such time as the Company's financial condition is sufficiently strong for dividends to be restored.

The Company estimates that for federal income tax purposes 100% of the common stock and 60% of the preferred stock dividends paid in 1983 represented a return of capital and, therefore, may not be taxable as ordinary income. The Company cannot presently estimate what percentage, if any, of the common stock or preferred stock dividends paid or to be paid in 1984 might be considered a return of capital. Whether or not any portion of future preferred stock or common stock dividends will constitute a return of capital and therefore not be treated as ordinary dividend income is dependent upon a number of factors including, but not limited to, the austerity reductions, future rate relief, the resultant earnings of the Company, the size of the Company's construction program, the amount of construction work in progress permitted in rate base and changes in income tax laws. If the distribution of dividends considered a return of capital results in a reduction greater than the recipient's existing tax basis, the excess is reportable as gain from the sale or exchange of the stock.

The calculation to determine the amount of dividends considered a return of capital is subject to audit by the Internal Revenue Service.

Revenues: Total revenues, including revenues from the recovery of fuel costs, increased $66.0 million, or 13.7% from $481.4 million in the first quarter of 1983 to $547.4 million in the first quarter of 1984. The principal factors causing these increases were:

	Increase or (Decrease) Current Year Period From Prior Year's Comparable Period 3 Months Ended 3/31/84		
Factors Causing Change in Revenues	Electric	Gas	Total
(Dollars in Millions)			
(1) Fuels and Purchased Power	$15.9	$(1.4)	$14.5
(2) Rate Increases	26.3	7.3	33.6
(3) Changes in Energy Sales and Other Changes	$10.4	7.5	17.9
Total	$52.6	$13.4	$66.0

Additional information about these factors is as follows:

(1) Fuels and Purchased Power: Changes between the current and prior year's comparable period in the costs of electric fuels, purchased power, and gas fuels were influenced primarily by (a) the mix of each fuel used and (b) changes in the cost of the fuels.

(a) During the first quarter of 1984 the Company was able to displace 30% of the oil it would otherwise have used to generate electricity by burning gas and purchasing economy power from other utilities. During the first quarter of 1983 such displacements totaled 27%.

The mix of fuels and purchases of power for the Company's electric system energy requirements during the first quarters of 1984 and 1983 was as follows:

	% of Total	
	3 Months Ended 3/31	
Fuel Mix	1984	1983
Oil	70%	73%
Gas	6	8
Purchases	24	19
Total	100%	100%

(b) The cost of fuels and the changes in cost from the prior year's comparable period were as follows:

	3 Months 3/31/84		
	Total Cost*	Increase or (Decrease)	
	$	$	%
Fuels and Purchased Power* (Dollars in Millions)			
Electric Fuels	$137.1	$ 7.4	5.7%
Purchased Power	35.0	8.5	32.1
Gas	88.3	(1.4)	(1.6)
Total	$260.4	$14.5	5.9%

* Includes fuel cost adjustment deferred.

The average unit prices of fuels and the changes in average unit prices between the current and prior comparable period were as follows:

	3 Months Ended 3/31/84		
		Increase or (Decrease)	
	Average Unit Price*	Unit Price	%
Average Unit Price*			
For Electric Operations - c/kWh			
Fuels consumed for net generation	4.57c	0.18c	4.0%
Purchased power	4.02c	0.08c	2.0
For Gas Sendout - $/Dth	$3.97	($0.51)	(11.3)

* Includes fuel cost adjustment deferred.

(2) Rate Increases: The increases in revenue attributable to rate increases totaled $33.6 million in the first quarter of 1984 of which $26.3 million was electric and $7.3 million was gas. Substantially all of this revenue improved cash flow and coverage of interest charges before taxes. The impact of the rate increases on earnings in the first quarter was partially offset by additional deferred tax expenses of $12.2 million.

On December 19, 1983, LILCO submitted to the PSC updated testimony asking for electric rate relief of 11.8%, or $188.5 million, in addition to the interim electric rate increase that became effective September 15, 1983. The Company expects a decision on its total permanent rate request of $281.1 million by October 1, 1984. If Shoreham comes on line any time between October 1, 1984 and September 30, 1985, the period of time for which rates will be established in the case, LILCO has proposed an accounting mechanism for deferral of Shoreham's costs for recovery at a later date. The Company is also awaiting the establishment of rate moderation principles in a separate proceeding pending before the PSC. The Company is requesting a 16.3% return on common equity and an overall rate of return on rate base of 13.75%. For further discussion of rates see Part II, Item 1, (d).

(3) Changes in Energy Sales and Other Changes
Electric: Changes in energy sales to customers result from changes in the number of customers and in the level of consumption by customers, which, in turn, may be influenced by differences in weather conditions. These and other changes resulted in a $10.4 million increase in electric revenues between the first quarters of 1984 and 1983. The changes in the factors between comparable 1984 and 1983 periods were as follows:

		% Increase (Decrease) Current Year Period From Prior Year Comparable Period 3 Months 3/31/84
Average Number of Customers	- Residential	1.0%
	- Commercial & Industrial	2.4
Average kWh Use Per Customer	- Residential	6.6
	- Commercial & Industrial	6.4

	3 Months Ended 3/31/84		
	Total kWh Sales	Increase or (Decrease) From Prior Year Comparable Period kWh	%
Electric Sales (kWh in millions)			
System Sales			
Residential	1,576.6	112.3	7.7%
Commercial & Industrial	1,762.4	144.3	8.9
Other	133.8	8.5	6.8
Total System Sales	3,472.8	265.1	8.3
Power Pool Sales	170.1	18.9	12.5
Total	3,642.9	284.0	8.5%

Gas: Changes in energy sales and other changes resulted in a $7.5 million increase in gas revenues between the first quarter of 1984 and 1983.

Approximately 84% of the Company's annual system Dekatherm (Dth) sales of gas results from consumption by space heating customers. Accordingly, total gas system revenues and sales are heavily influenced by seasonal temperature variations between periods and the availability of gas for sale to interruptible customers.

In the first three months of 1984, the average Dth use of gas by space heating customers increased 15.9% while the number of degree days billed increased 15.9% compared to the same 1983 period. In addition, the average number of gas space heating customers increased 1.6% resulting in a 17.7% increase in total sales of gas to firm space heating customers. Sales of gas to firm non-space heating customers were up 7.0%. Sales to interruptible customers decreased 29.7%. The changes in the factors between comparable 1984 and 1983 periods were as follows:

	3 Months 3/31/84		
	Total Dth Sales	Increase or (Decrease) Dth	%
Gas Sales			
(Dth in millions)			
Firm System Sales			
Space Heating	18.4	2.8	17.7%
Non-space Heating	2.4	0.1	7.0
Total Firm	20.8	2.9	16.4
Interruptible	1.1	(0.4)	(29.7)
Total System Sales	21.9	2.5	12.8
Degree Days Billed	2,862	393	15.9

Operations and Maintenance Expenses: Total operation and maintenance expenses, excluding fuels and purchased power, decreased $0.2 million, or 0.4%, from $62.1 million in the first quarter of 1983 to $61.9 million in the first quarter of 1984. While maintenance expenses on electric generating facilities were up $0.5 million and administrative and general expenses including employee benefits, outside services, data processing and regulatory expenses in total were up $1.2 million, research and development expenditures were down $1.6 million. All other expenses combined were down $0.3 million.

Other Items: Federal income taxes in the first quarter of 1984 were $17.3 million higher than in the comparable 1983 period. Other items such as depreciation, operating taxes, interest expense (both long-term and short-term) and preferred dividend requirements in the first quarter of 1984 were higher than the first quarter in 1983, in aggregate, by $34.1 million. These were somewhat offset by a $10.2 million increase in allowance for funds used during construction (AFC).

AFC (excluding AFC related to capitalized interest of the Trusts) totaled $72.7 million in the first quarter of 1984 and $62.5 million in the first quarter of 1983, representing 76.0% and 84.4% of income for common stock in each period, respectively. Included in income for the first quarter of 1984 was $1.7 million of AFC related to the New Haven project and $2.7 million of AFC for the nuclear and coal related costs for the Jamesport project. In June 1983, the PSC ordered the Company to accrue, with certain restrictions and limitations, Shoreham- related AFC since February 1, 1983, on a gross basis as opposed to the net-of-tax basis in use since 1976. For further discussion of the effect of this adjustment on earnings see this Item 2 Results of Operations - Earnings. (See Notes to Financial Statements in the Company's Form 10-K for the year ended December 31, 1983.)

CAPITAL REQUIREMENTS AND LIQUIDITY

Capital Requirements: Capital requirements for LILCO construction, Trust requirements, and refunding in the first three months of 1984 totaled $123 million excluding $73 million of non-cash AFC.

Capital requirements for the first three months of 1984 were as follows:

Capital Requirements (Dollars in Millions)	First Three Months 1984
LILCO Construction Requirements	
Electric - Shoreham	$142
- Other Production	6
- Other	11
Total Electric	$159
Gas	3
Common	1
Total LILCO construction (Incl. AFC)	$163
Less AFC	(73)
Total LILCO construction (Excl. AFC)	$ 90
Trust Requirements	
Nine Mile Point Unit 2 (including fuel) (1)	$ 12 (2)
- capitalized Trust Interest	15
Nuclear Fuel (1)	-
- capitalized Trust Interest	4
Total construction & nuclear fuel (Excl. AFC)	$121
Refunding Requirements	2
Total Capital Requirements	$123

(1) Financed by Trust. See Notes 4 and 7 of the Notes to Financial Statements contained in the Company's Annual Report for 1983 on Form 10-K.

(2) Excludes $19.2 million of suspended construction costs. See Notes 4 and 7 of the Notes to Financial Statements contained in the Company's Annual Report for 1983 on Form 10-K.

Capital Provided and Liquidity: Proceeds from external financing through sales of long-term securities during the first three months of 1984 totaled $63.5 million. On January 10,1984, LILCO sold 5.0 million shares of Common Stock, at a price of $10.50 per share. This sale provided net proceeds, after underwriting commissions, of $51.7 million. For the three months ended March 31, 1984, proceeds from the continuing sales of common stock through the Company's Automatic Dividend Reinvestment and Employee Stock Purchase Plans totaled $11.0 million. There will be no further proceeds through the Automatic Dividend Reinvestment Plan until common stock dividends are restored. At March 31, 1984, the Company had cash and short term investments, excluding investments in the Trusts, totalling $173.7 million.

For discussion of the current ratings of the Company's principal securities see Part II, Item 5.

The Company's objective in 1984 is to balance its cash receipts and disbursements without further recourse to the capital markets. Based on this objective, the ~~Company continues to believe that it has on hand sufficient cash and short term investments to continue the Company's operations until August 31, 1984.~~ On September 1, 1984, $90.0 million of General and Refunding Bonds mature.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

a. Shoreham Litigation: George Allen, a common stockholder of the Company has begun a class action against the Company, former Company officers Charles R. Pierce, Wilfred O. Uhl, Thomas H. O'Brien; the Company's Treasurer Edward W. Eacker and Controller Michael Czumak; and Price Waterhouse, independent accountants for the Company. The action was filed in the U.S. District Court for the Eastern District of New York on April 10, 1984.

Also named as defendants are Blythe Eastman Paine Webber Incorporated, Prudential Bache Securities, Inc., E. F. Hutton & Company Inc., and Lehman Brothers Kuhn Loeb Incorporated who are named individually and as representatives of the underwriters of the Company's Common Stock offering in January 1982. The plaintiff claims that certain acts and omissions by defendants violated Section 11 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934. Plaintiff seeks to recover a monetary award for damages sustained.

Norman Goldfarb, Ella Goldfarb, and Edna Weisberg have begun a shareowners' derivative action against the Company, former Company officers Pierce, Uhl, O'Brien and Andrew Wofford, present officers Eacker, Czumak, Executive Vice President James W. Dye, Jr., and Directors Catacosinos, Fortunoff, Fromm, Giffen, Goldberg, Mackay, Pyne, Talmage, Vineyard, and former Director John D. Maxwell, now deceased. The action was filed in the U.S. District Court for the Eastern District of New York on April 16, 1984.

Plaintiffs Goldfarb and Weisberg claim that the defendants breached their fiduciary duties in connection with the management of the Shoreham project. Plaintiffs also allege that certain acts and omissions by the defendants in disclosing information on the Shoreham project violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder and Section 14 of the Securities Exchange Act of 1934 and Rule 14a promulgated thereunder. Plaintiffs seek an accounting of any resulting financial loss and equivalent damages therefore and rescission of all contributions made under various compensation plans for the benefit of the defendants.

Alfred Cicci, a preferred stockholder of the Company, has begun a class action on behalf of all purchasers of the Company's Series W Preferred Stock from March 28, 1983 to December 22, 1983 against the Company, Price Waterhouse, and Messrs. Pierce, Uhl, O'Brien, Czumak, Eacker, Catacosinos, Fortunoff, Giffen, Goldberg, Paterson, Talmage, and Mrs. Vineyard. The suit was filed in U.S. District Court for the Eastern District of New York on May 3, 1984. Certain underwriters of the Company's 1983 Series W Preferred Stock offering are also named: Goldman Sachs & Co., Morgan Stanley & Co., Bear Stearns & Co., Drexel Burnham Lambert Inc., L. F. Rothschild Unterberg Towbin, Shearson/American Express Inc., Warburg Paribas Becker, Inc., and Wertheim & Co. Inc.

Cicci claims that certain acts and omissions by the defendants with respect to the Prospectus for the Series W Preferred Stock offering, the Company's financial statements and reports, violated Sections 11 and 12 of the Securities Act of 1933, Section 10b of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Plaintiff Cicci seeks to recover a monetary award for damages sustained.

Since January of 1984, sixteen actions, including the actions discussed above, have been filed based on allegations of mismanagement of the Shoreham project. The filing of these actions began shortly after the issuance of a report by the Staff of the Public Service Commission (PSC) as to the prudence of the Shoreham project costs. (These actions are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 1983. A discussion of the PSC's review of Shoreham project management and costs appears in the Notes to Financial Statements in Part I, Item 1 of this Report.) The Court has directed that a single amended complaint be filed by May 24, 1984 which will consolidate all sixteen proceedings in one action.

b. <u>People Who Care, Ltd., et al. v. LILCO, et al.</u>: In February 1984 a New York State Supreme Court Justice denied a motion for a preliminary injunction and dismissed a lawsuit that would have prohibited the Company from declaring or paying future dividends on its common or preferred stocks and would have suspended the interim electric rate increase granted by the PSC last year. The proceeding was brought as a class action by a business association and several commercial and residential ratepayers against the Company and the PSC. The plaintiffs have filed a notice of appeal.

c. <u>Shoreham Nuclear Power Station</u>: [redacted]r block of one of the emergency diesel generators at Shoreham was discovered during retesting of the rebuilt engine in April 1984. A replacement cylinder block is scheduled to be delivered in June 1984. Reassembly and testing should be completed in September 1984. A final integrated electrical test of the other two rebuilt emergency diesel generators has been successfully completed. A hearing schedule on the emergency diesel generators is not expected to be set until late May 1984, at best.

The Company applied in March 1984 for approval to load fuel and begin low power operation principally relying on emergency sources of power other than the rebuilt emergency diesel generators. ~~An expedited hearing schedule was established~~ on April 4, 1984 by a newly convened Atomic Safety and Licensing Board which had been formed to decide whether the issues in the Company's March 1984 application should be granted. The schedule provided for completion of discovery by April 16 with hearings to begin on April 24 and to conclude on May 5, 1984. On April 25, 1984, the United States District Court for the District of Columbia granted a request by Suffolk County and New York Governor Cuomo for a temporary restraining order prohibiting the conduct of hearings. The NRC then vacated the schedule and on May 7 heard oral arguments by the parties. A decision is expected shortly. Further hearings may be held. [redacted]r ~~Cuomo and all other intervenors have taken the position that an approved offsite emergency response plan is a prerequisite to fuel loading.~~ The

Company cannot predict whether approval to load fuel and begin low power operation will be granted with such alternative emergency power sources.

d. Rates: The Company has pending with the PSC an application for a permanent increase in electric rates. All cross-examination of the direct cases of the opposing parties and the Company's rebuttal presentation has concluded. The Company has filed additional testimony relating to the Company's financial condition and the austerity program. (Further information on the Company's rate case and recent austerity measures appears in the Company's Form 10-K for the year ended December 31, 1983.) A decision on the application for increased rates is expected to be issued by September 30, 1984.

A motion by the New York State Consumer Protection Board (CPB) which sought to have any cash savings resulting from austerity measures currently allocated for the benefit of customers has been denied by the Administrative Law Judge (ALJ). The CPB motion also sought an order by the PSC prohibiting payment of preferred dividends and directing the Company to begin negotiations with bondholders with a view toward reducing its debt. An interlocutory appeal of the dismissal has been filed with the PSC. A similar motion by the Staff of the PSC sought identification of the savings resulting from the Company's austerity program in order to permit later determination by the PSC as to the disposition of these benefits. This motion was also denied by the ALJ but subsequently granted by the Commission on appeal. The Company has been directed to submit, by May 22, 1984, an accounting plan to recognize and preserve for later disposition as directed by the Commission, the benefits of the austerity program for gas and electric operations.

e. Nine Mile Point Unit 2: In April 1982, the PSC formulated an "Incentive Rate of Return" plan (IROR) related to future recovery of the cost of Nine Mile Point Unit 2. The plan was based on a target total cost of $4.6 billion set by the PSC. If the plant were completed at a cost below $4.6 billion, the cotenants' rates of return on the plant investment would increase according to a formula set by the IROR. Conversely, any cost overrun would result in a reduction of the rates of return.

In late March 1984, Niagara Mohawk Power Corporation, the project manager, announced an increase in the total project cost to $5.1 billion. Responding to the Niagara Mohawk re-estimate, the PSC on May 9, 1984 issued for public comment a proposal to amend the IROR to provide for a $5.4 billion cap on the amount of the total project completion cost which could be recovered by the cotenants from their ratepayers. Expenditures between $4.6 billion and $5.4 billion would still be subject to the IROR, but with no recovery of any expenditures above $5.4 billion.The Company is unable to predict whether the PSC will adopt such a proposal or whether Unit construction costs will reach the $5.4 billion level.

(Information on the Company's suspension of payments for construction of the project and information on other aspects of the Company's participation in this project appear in the Notes to Financial Statements in Part I, Item 1 of this Report.)

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

a. Ratings of Securities: Citing continuing financial and political problems with the Shoreham Nuclear Power Station project, Fitch Investor's Service, Inc. (Fitch), Standard & Poor's Corporation (S&P) and Duff and Phelps (D&P) recently reduced the ratings of the Company's debt and Preferred Stock. [redacted] Moody's Investors Service Inc. (Moody's) has the Company's debt and Preferred Stock ratings under review. D&P has the Company's securities on a "watch list." The current ratings of the Company's First Mortgage Bonds, General and Refunding (G&R) Bonds and Preferred Stock are as follows:

	Moody's	Fitch	S&P	D&P
First Mortgage Bonds	Ba2	BB+	BB-	14
G&R Bonds	Ba3	BB	B	15
Preferred Stock	"b3"	B	CCC	17

b. Appointment of a Successor Trustee: The Company has appointed Sterling National Bank & Trust Company of New York as Successor Trustee under the Company's General and Refunding Indenture dated as of June 1, 1975 (G&R Indenture). Sterling accepted the appointment which became effective April 19, 1984. The Company initially published notice of this appointment on May 2, 1984. Under the G&R Indenture, if the holders of a majority in principal amount of G&R Bonds then outstanding shall appoint a different Trustee within one year from the date of such publication, the appointment of Sterling would be superseded.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

3. By-laws of the Company as amended on April 25, 1984.

4. Instrument of Resignation Appointment and Acceptance, dated as of April 19, 1984, naming Sterling National Bank & Trust Company of New York as Trustee under the G&R Indenture.

b. Reports on Form 8-K

In its Form 8-K dated January 5, 1984, the Company reported on (i) the status of the Shoreham project, 1984 financing plans and capital requirements; (ii) the receipt of notice from lending banks that they would not extend the term of the Tri-Counties Resources Trust revolving credit agreement; (iii) the decision of the U.S. Court of Appeals for the 10th Circuit affirming the bankruptcy order relating to Bokum Resources Corporation; (iv) the issuance of 5 million shares of common stock; (v) the dismissal of the action brought against the Company in connection with the Series T Preferred Stock offering.

In its Form 8-K dated January 10, 1984, the Company reported on the withholding of approximately $26.2 million of property taxes attributable to the Shoreham plant and the decision to develop a program of austerity.

In its Form 8-K dated February 21, 1984, the Company reported on (i) the election of a new chairman of the board of directors; (ii) current outlook for the Company's 1984 financing plans; (iii) the suspension of construction payments for the Nine Mile Unit 2 project; (iv) the status of the Public Service Commission's investigation as to the prudency of the Shoreham project costs; (v) the status of the Shoreham project and the three emergency diesel generators; (vi) the commencement of class actions against the Company and certain officers, former officers, directors and former directors of the Company, among others; (vii) the commencement of litigation by the Attorney General of the State of New York and the Town of Brookhaven based on the Company's withholding of certain real property taxes; (viii) the dismissal of a class action lawsuit which sought a preliminary injunction against declaration of dividends on common and preferred stock and the suspension of certain electric rate relief; (ix) reduction in certain ratings of the Company's securities; and (x) the appointment of a successor trustee under the Company's First Mortgage.

In the Company's [redacted], the Company reported on changes in the Company's senior management.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LONG ISLAND LIGHTING COMPANY
(Registrant)

By G. J. Sideris
GEORGE J. SIDERIS
Vice President-Finance and
Principal Financial Officer

Dated: May 15, 1984

EXHIBIT INDEX

ATTACHMENT 8

POSITION PAPER

SHOREHAM NUCLEAR POWER STATION

Long Island Lighting Company
Mineola, New York

May 30, 1984

TABLE OF CONTENTS

INTRODUCTION

After over 18 years of planning, construction, and licensing, LILCO's Shoreham Nuclear Power Station (SNPS, the plant, Shoreham) is completed and ready to go into operation. The plant was conceived and built to assure a continued source of future low-cost power to the residents of Long Island.

The fate of the Shoreham plant remains uncertain because Suffolk County has refused to participate in a federally mandated emergency plan for the 10 mile area surrounding the plant. Both Suffolk County and the State of New York are contesting the operating license of the plant before the Nuclear Regulatory Commission.

Meanwhile, most of the cost of the Shoreham plant -- including carrying charges of over $40 million each month -- is not yet reflected in LILCO's rate base, and as a result the Company's cash flow is insufficient to support its operations. In view of LILCO's financial condition, external financing is not presently available, and the Company's current estimates show that it will run out of cash in September 1984.

EXECUTIVE SUMMARY

In an effort to bring certainty to the destiny of the plant and stability to LILCO, its ratepayers and the Long Island economy, this position paper concludes that LILCO will continue to seek a license for the Shoreham plant so it may begin operation as soon as possible. The operation of SNPS will result in lower rates for the ratepayer than not operating the plant; all independent inspections indicate the plant would be safe; and its operation is essential to ensure a reliable supply of energy for Long Island.

The plant is completed and must be paid for whether or not it ever generates electricity. The question being debated is not whether LILCO should begin construction of a $4.1 billion nuclear facility. Rather, the issue at hand is why the people of Long Island should not receive the benefit from this completed plant? LILCO can find no valid reason for not pursuing a license to bring this plant into operation as quickly as possible. LILCO's Board of Directors has concluded that its responsibility to assure adequate supplies of electricity to Long Island at reasonable rates would best be met by licensing the Shoreham Nuclear Power Station.

This position paper articulates the bases for the foregoing decision of LILCO's Board of Directors.

The proposal contained herein offers a rate phase-in program to minimize the impact on ratepayers of the recovery of the plant's capital investment. The rate phase-in plan proposes rates substantially lower than any previous proposal offered by LILCO, the Public Service Commission, the Consumer Protection Board, Nassau County or Suffolk County.[1]

The plan proposed assures that the real price of electricity (discounted for a 6% yearly inflation rate) will be the same in 1995 as it is today.

At the request of the Governor's Working Group on Shoreham, the guidelines for establishing the base case for the phase-in program were as follows:[2]

1. Rate increases not to exceed 10% each year for the first five years;

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[1]PSC Case No. 28252, "Ratemaking Principles Applicable to Shoreham Nuclear Generating Station," submittal by various parties.

[2]Detailed assumptions are contained in the Appendix.

2. Rate increases not to exceed 6% each year thereafter.

The LILCO proposal offers a rate phase-in program that is within these guidelines. The overriding consideration in reaching these conclusions is that the public interest must be served. In order to protect this interest, the LILCO proposal seeks to:

(1) assure Long Island a continuous supply of electricity to meet its current and future needs;

(2) provide Long Island the economic benefits of Shoreham;

(3) minimize the impact of Shoreham on Long Island ratepayers; and

(4) bring financial stability to the Company.

This proposal for commercial operation of Shoreham assures a continuous electric supply, minimizes rate increases and saves LILCO from bankruptcy. The plan proposes:

1. Rate increases of 9% each year for the first five years (July 1984 through July 1988), 6% each year for years 6, 7 and 8 (1989-1991), and approximately 2% thereafter

through the 1990s. The development of these rates are based and contingent upon the assumption that LILCO's share, past and future, in the Nine Mile Point 2 nuclear plant is assumed by others.

2. Additional rate mitigation measures that would lower the 9% rate increases set forth in (1) above, if adopted, to an average increase of 7% each year over the first five years. Although the five year average would be 7%, the actual rate increase would be 6% in the first year and no increase in the second year.[1]

These mitigating measures include the following:

a) exemption from high-sulphur fuel limitations (special limitations);

b) waiver of Shoreham's conventional gross revenue tax;

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[1] See table on p. 56.

c) adjustment of Shoreham property tax to proper levels and a refund of past over-assessments;

d) contribution by LILCO toward rate mitigation as a resolution of the prudency case;

e) construction of an additional 345 kv interconnection under Long Island Sound by the New York Power Authority and the purchase of the existing 345 kv interconnection by the New York Power Authority;

f) increase of New York Power Authority hydro-electric power for Long Island to twice the amount recommended in the Millonzi Report.

g) increase of Hydro-Quebec benefits for Long Island to twice the amount proposed by the New York Power Authority.

This position paper traces the history of SNPS identifying the support the plant has received from its conception from state, federal and local governmental agencies. It discusses the safety of the plant and demonstrates that SNPS is a quality plant. A section on the contested emergency plan provides reasons why a safe evacuation is possible and shows that the Shoreham emergency plan compares favorably with other nuclear plants within New York State and throughout the United States.

The economic and social consequences of not licensing the plant clearly indicate that the opening of the plant is in the best interests of the ratepayers of Long Island. Given the fact that Long Island is the only geographical area in the United States that is wholly dependent on foreign oil for the generation of electricity, the plant is essential to local, state and national energy policy. The paper considers a. na- tives other than opening t plant, articulating their consequences for the Long Island community and the financial impact these scenarios would impose on the Company. Finally, the paper makes recommendations that minimize the impact of the plant's cost on the ratepayers of Long Island.

NEW YORK STATE AGENCIES AND THEIR SUPPORT OF SHOREHAM

From its inception, the Shoreham plant has had the support of the agencies of New York State. The present opposition to the plant represents a dramatic departure from past policy.

LILCO filed its initial application for the Shoreham facility in May 1968. Over 100 state and local permits were required for the project to get underway. They were all granted. One of these state approvals came from the New York State Department of Environmental Conservation, which acted on June 22, 1972, after 22 days of hearings and on the basis of a 6,000 page record.

In December 1971, the New York State Department of Public Service concluded that:

> LILCO reserve margins will be adequate if the Shoreham unit is delayed only to 1977. Any additional delay could have severe effects on LILCO and Consolidated Edison because LILCO could be dependent on power transfers from the New York Power Pool System, transfers that must use the same transmission capability as is needed to supply Consolidated Edison, a utility expected to be in frequent need of assistance itself.[1]

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[1] "The New York Power System Generation and Transmission Plans 1971-80," The System Planning Section, Power Division, New York State Department of Public Service, December 1971.

In 1975 (PSC Opinion No. 75-7), and 1977 (PSC Opinion No. 77-9), the Public Service Commission reviewed anew the need for Shoreham and in each instance approved its continued construction. In May 1981, the Commission adopted the Administrative Law Judge's recommendation that "Shoreham be completed 'as soon as possible' to reduce LILCO's total dependency on oil-fired electric generation and its attendant vulnerability to interruption of foreign oil supplies." (PSC Opinion No. 81-9.)[1]

As recently as December 1982, the State of New York remained firm in its support of Shoreham. In litigation brought by Suffolk County against the New York State Disaster Preparedness Commission (DPC), the staff of the Commission maintained that emergency planning for the Shoreham plant is feasible.[2]

The Shoreham nuclear facility has consistently been part of the New York State Energy Master Plan. The

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[1]Opinion 75-7 -- PSC Cases 26721, 15 N.Y. PSC 455, 464 (1975); Opinion 77-9 -- PSC Case 27136, 17 N.Y. PSC 501, 507 (1977); Opinion 81-9 -- PSC Cases 27774, mimeo, p. 96 (1981).

[2]Petition of Suffolk County, Suffolk County v. State of New York Disaster Preparedness Commission, Index No. 5145-82 (December 6, 1982).

Final Report of the Master Plan dated March 1980 maintained that the plan "protects the successful completion and operation of two plants currently under construction at Nine Mile Point 2 and Shoreham."[1] The Draft Report to the New York State Energy Master Plan in August 1983 states that the "main components of the Electricity Supply plan include: completion of the Shoreham, Somerset and Nine Mile Point 2 facilities."[2]

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[1]"New York State Energy Master Plan," Final Report, New York State Energy Office, March 1980, p. 54.

[2]"New York State Energy Master Plan," Draft Report, New York State Energy Office, August 1983, p. 353.

SUFFOLK COUNTY SUPPORT FOR SHOREHAM

From its inception, the Shoreham plant had the support of Suffolk County. The county's present opposition to the plant represents a dramatic and inexplicable departure from past policy. Suffolk County was among Shoreham's earliest and most enthusiastic proponents. In 1970, the Suffolk County Executive emphatically attested to the need for the nuclear facility before the Atomic Safety and Licensing Board hearing the Shoreham case:

> I am here in representation of the 1,100,000 people of the county of Suffolk, and I speak as the administrative head of the county government, as the county budget officer; and I have a certain basic responsibility for the health, safety, and well-being of the people of the county, a concern with adequate and safe transportation, police, finances, the general economy, human relationships, public health and welfare, adequate and clean fresh water, and surely the assurance of the quality of service and consumer price for light and power... Now there isn't any other source for energy in this area. We can't depend upon the metropolitan region or New York State or the St. Lawrence power plants. We must begin to be self-sufficient... I urge you, Mr. Chairman, as County Executive, to grant immediate licensing for construction of this nuclear power facility as proposed at Shoreham.[1]

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1 Suffolk County Executive H. Lee Dennison, "Shoreham Construction Permit Hearings Transcript," September 21, 1970, p. 216.

On August 30, 1978, Suffolk County's "General Radiation Emergency Plan" was approved by the County Executive. It was reviewed and accepted by the New York State Office of Disaster Preparedness. A "Memorandum of Understanding" between LILCO and the county revising the plan was signed on December 8, 1979. LILCO and the county signed a contract on March 15, 1981, calling for the county to produce a revised radiological response plan within six months at a cost of $245,000 to be paid by LILCO. In September of 1981, the Suffolk County Legislature approved the agreement, and LILCO paid the Suffolk County Planning Department $150,000 as a first installment on the contract. On February 19, 1982, Suffolk County unilaterally terminated its agreement with LILCO, and thereafter commenced its active opposition to licensing the plant.

FEDERAL GOVERNMENT SUPPORT FOR SHOREHAM

From its inception, the Shoreham plant has had the support of the Federal Government. The Atomic Energy Commission (AEC) issued a construction permit for the plant in April 1973. Aspects of the AEC's 1973 decision on Shoreham were appealed in federal court; but following 10 years of litigation, the decision was wholly upheld in 1983.

Full opportunity has been provided to those who wished to question and challenge the Shoreham application before the Nuclear Regulatory Commission (NRC). Significant questions and challenges, after they were tested during sworn adjudicatory hearings, were persuasively answered or refuted.

In September 1983, an Atomic Safety and Licensing Board of the NRC issued a 1,400 page decision titled, "Partial Initial Decision," favorable to Shoreham.[1] Hearings on three sets of issues not covered by the decision continue. One Licensing Board is dealing with emergency back-up power centering on the licensing of

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1 Long Island Lighting Company (Shoreham Nuclear Power Station, Unit 1), LBP 83-57, 18 NRC 445 (1983).

the DeLaval diesels. A second Board is hearing evidence on offsite emergency planning at Shoreham. Most recently, a third Board was established to conduct hearings on the low power license that LILCO is seeking.

THE PLANT IS COMPLETE AND SAFE

The Shoreham plant is now complete and ready for low power testing, a precursor to a license for full commercial operation. The plant incorporates design changes -- including those resulting from regulations following the Three Mile Island accident -- that further ensure the safety of the Shoreham plant. Its quality and safety have been favorably reviewed by an Atomic Safety and Licensing Board of the Nuclear Regulatory Commission (NRC). Shoreham's design has been exhaustively reviewed by the NRC regulatory staff; its construction process has been repeatedly monitored by NRC inspectors; since 1979 at least one, and often two, NRC inspectors have been in residence full-time at Shoreham; and the plant has been subjected to prolonged, intense licensing hearings concerning charges raised by its opponents. This relentless scrutiny has confirmed the safety of Shoreham's design and the adequacy of its construction.

Nationally-known design and engineering firms have also studied the plant's design documents, quality assurance programs and construction practices and found them to be satisfactory, indeed exemplary in many areas. Several of these studies have been performed by groups independent of both the NRC and LILCO.

Torrey Pines Technology conducted such an independent inspection of the Shoreham plant over a six-month period with 60 engineers. On September 30, 1982, the 33,000 man-hour study concluded that:

> The review of implementation of the construction control system indicated that the system was effectively implemented over the duration of the construction activity.... Favorable results indicated above add confidence that the Shoreham plant construction is of a quality adequate for the nuclear industry because the results reflect a detailed attention to quality assurance requirements early in the construction period as well as now.[1]

Another independent review by an expert panel was commissioned by Suffolk County Legislator Blass to investigate the adequacy of the Torrey Pines inspection and also to investigate allegations made against Shoreham's quality assurance program.

On January 14, 1983, the Blass Panel concluded

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[1] "Independent Verification Shoreham Nuclear Power Station," Final Report, Volume I - Executive Summary, Torrey Pines Technology, San Diego, September 30, 1982, p. 5-2.

that LILCO's quality assurance program was satisfactory and that the allegations made against the plant were baseless. The Panel reported:

> We are now convinced that LILCO has tried to build a safe plant at Shoreham. We are convinced that Torrey Pines Technology's verification was a careful and honest job, and we agree with their overall conclusions.... The TPT verification inspection showed that there is no pattern of bad construction practice at Shoreham. The contrary seems to be the case.[1]

Teledyne Engineering Services conducted a third independent review, this one of the critical piping and stress analysis of the plant. After a 12,000 man-hour, 12-month inspection, Teledyne concluded on June 30, 1983:

> In the area of quality assurance...the LILCO QA program, as applied to construction activity... demonstrates: management awareness and participation, a high level of proficiency and efficiency in the Quality Assurance organization, and exceeds the minimum in application and performance of the Quality Assurance Program requirements.[2]

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[1] Raphael Aronson, Michael D'Agostino, Herbert Kouts, "A Report on the Shoreham Nuclear Power Plant," Brookhaven, January 14, 1983, p. 13.

[2] "Independent Design Review for the Shoreham Nuclear Power Station," Technical Report TR-5633-3, Executive Summary, Waltham, June 30, 1983, p. 27.

The chairman of the New York Fact Finding Panel on the Shoreham Nuclear Power Facility (Marburger Commission) stated after the conclusion of months of evidence before him, "I haven't seen any evidence that it /SNPS/ is less safe than other plants -- probably safer."[1]

Unlike many other delayed nuclear stations, Shoreham is not a "troubled" plant. It has been well designed and well built. All studies concluded that Shoreham is a quality plant.

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[1] "Nucleonics Week," Volume 25, No. 2, January 12, 1984, p. 5.

EMERGENCY DIESEL GENERATORS

Three nuclear-grade DeLaval diesels provide emergency power to the SNPS in the event off-site electrical power to the plant is interrupted. Two of the DeLaval diesels have been rebuilt and have completed all tests including their integrated electrical test supporting the operation of the plant without off-site power. The third Delaval unit has been rebuilt and a new block will be installed during the month of June with final testing completed in September 1984. The licensing hearings concerning these diesels will continue through 1984.

Meanwhile, a new building is under construction to house three replacement nuclear-grade diesels manufactured by Fairbanks-Morse, a division of Colt Industries. The first of these diesels was delivered to the site on May 19; the second will be shipped the first week of June; the third is scheduled to be shipped in the end of June 1984. Installation of the three Colt diesels will commence in the month of July.

EMERGENCY PLANNING

The risk of a radiological incident is extremely remote. Boiling water reactors, such as Shoreham, have three barriers to prevent the escape of radioactive material: the cladding around the fuel, the reactor itself, and the containment building around the reactor. The New York State Fact Finding Panel on the Shoreham Nuclear Power Facility (Marburger Commission) commissioned by Governor Cuomo concluded that "it is not easy to understand how the fuel once released from the core could escape the containment building in large quantities, but accident scenarios that allow this can be conceived."[1]

Suffolk County has determined that a safe evacuation for Shoreham is impossible and has refused to participate in the emergency planning process. New York State has joined the county in its opposition to the implementation of an emergency response plan. In the absence of cooperation from the county or the state, LILCO has created its own plan utilizing its employees to implement an emergency response plan.

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1 "Report of the New York State Fact Finding Panel on the Shoreham Nuclear Power Facility." December 1983, p. 6.

The present LILCO emergency response plan is a much-improved version of a plan approved by the New York Disaster Preparedness Commission staff in 1982.[1] The NRC Licensing Board has not finished hearing evidence on the LILCO emergency response plan for Shoreham. Graded exercises are held at every other operating nuclear plant in New York State, and on that basis those plants continue to operate. A graded excercise should be held under the auspices of federal, state and local authorities in accordance with guidulines approved in advance by the State of New York to test the validity of an emergency response plan for Shoreham.

The emergency plan for Shoreham does not call for -- and it is not necessary to provide for -- the evacuation of Long Island. Suffolk County has stated that a 20-mile zone is needed -- twice the legal requirement.[2] The planning that is mandated by federal regulations, and accepted for every other nuclear plant in New York State, is for a circular zone some 10 miles in radius.

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1 "Petition of Suffolk County," Suffolk County v. State of New York Disaster Preparedness Commission, Index No. 5145-82, December 6, 1982, p. 4.

2 "Discussion Overview of the Radiological Emergency Response Plan of the County of Suffolk, Philip B. Herr & Associates, November 29, 1982, p. 3.

This zone is based on a recommendation of a joint Nuclear Regulatory Commission/Environmental Protection Agency task force, which noted that the already minuscule risk of radiation exposure showed a sharp drop about 10 miles from a nuclear plant.[1] More recent work on how radioactive materials behave in an accident suggests that more of these materials would be retained inside the plant than was previously thought, further reducing exposure to those outside of the plant.

It has now been shown in the NRC hearings that, using any fair analysis of traffic on Long Island, the entire Emergency Planning Zone (EPZ) around Shoreham can be evacuated more quickly than can many other nuclear plants. LILCO's analysis shows a normal evacuation time of 4 hours 55 minutes for the entire EPZ in normal weather and with traffic guides.[2] These times compare very favorably to other plants throughout the country. Evacuation time estimates for the Nine

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1 "Planning Basis for the Development of State and Local Government Radiological Emergency Response Plans in Support of Light Water Nuclear Power Plants," NUREG-0396, EPA 520/1-78-016, December 1978, p. I-37.

2 "Testimony of Matthew C. Cordaro, et al, on behalf of Long Island Lighting Company on Phase II Emergency Planning Contention 65," November 18, 1983, p. 46.

Mile Point nuclear site are 5 hours and 50 minutes;[1] Indian Point has an evacuation time of 7 hours and 40 minutes.[2] A report entitled "An Analysis of Evacuation Time Estimates Around 52 Nuclear Power Plant Sites"[3] revealed that half the plants in the report had evacuation times in excess of Shoreham.

Suffolk County has placed emphasis on the belief that in the event of an accident, many people living outside the emergency planning zone would leave their homes (even after instruction that there is no need to leave) and that drivers would not obey traffic guides. Yet studies performed independently by LILCO and Suffolk County, show that the evacuation of the emergency zone can be achieved for a summer population under normal weather conditions, in the absence of special traffic controls or traffic guides, notwithstanding that 50% of those living beyond the 10 mile

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1 "New York State Radiological Emergency Preparedness Plan," Part II, Section I, Attachment NMP/JAF-5, November 1983, p. 1 of 4.

2 "ASLBP-81-466-03-SP, 18 NRC 811," Consolidated Edison Co. of New York, Indian Point Unit No. 2, 1983, p. 962.

3 T. Urbanik II, et al, "NUREG/CR-1856 -- An Analysis of Evacuation Time Estimates around 52 Nuclear Power Plant Sites," July 1981.

zone evacuated their homes.[1] Under these trying conditions, both Suffolk County and LILCO concur that the emergency zone could be evacuated in approximately 7 hours and 30 minutes, a time that compares favorably with many plants in the country under more optimal conditions, including Indian Point.

The much longer evacuation time estimates (15 to 18 hours) sometimes cited by Suffolk County apply only to the EPZ-periphery travel times of voluntary evacuees -- who originate outside the EPZ -- never enter the EPZ during their journey -- and never come closer to Shoreham than the 10-mile EPZ boundary. The potential presence of these peripheral evacuees on the road still allows for the evacuation of persons within the EPZ.

Having created obstacles by refusing to participate in the emergency response plan, Suffolk County now objects to the LILCO emergency response plan on issues resulting from its own nonparticipation. The county contends that people will not trust LILCO to give sound emergency advice; and that LILCO lacks "legal authority" to implement an emergency plan. The

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1 "Supplemental Testimony of Matthew C. Cordaro, et al, on behalf of Long Island Lighting Company on Phase II Emergency Planning Contentions 23.D and 65," January 16, 1984, pp. 4-5.

state has supported Suffolk County on both these issues. But these issues arise as the direct result of Suffolk County's refusal to participate in the response plan. The principle issue is whether the federally mandated zone can be evacuated. The evidence indicates the EPZ can be evacuated.

The conclusion that a sound emergency response plan can be implemented at Shoreham is further supported by a comparison between Shoreham and Indian Point.

The data is as follows:

Indian Point has 257,382 people in its EPZ; Shoreham has only 138,539.

New York City is 25 miles from Indian Point; in contrast, it is 55 miles from Shoreham to Queens, over 30 miles from Shoreham to Orient Point, and over 50 miles from Shoreham to Montauk Point.

The terrain around Indian Point consists of hills and valleys; around Shoreham it is flat.

The roads around Indian Point are mainly two-lane and rural; Suffolk County has a modern road network in the vicinity of Shoreham.

The evacuation time for the Indian Point EPZ is 7 hours and 40 minutes; the comparable time for Shoreham is only 4 hours and 55 minutes.

10.5% of the people around Indian Point are without automobiles, as compared to only 5% around Shoreham.

There are 3 hospitals and infirmaries (1,540 patients) within 5 miles of Indian Point, and six hospitals and infirmaries between 5 miles and the 10-mile boundary of the EPZ (2,700 patients); near Shoreham, there are no hospitals or infirmaries within 5 miles, and 4 hospitals and infirmaries (982 patients) at about 10 miles from the plant.

There are 3 nursing or adult homes (257 residents) within 5 miles of Indian Point, and 24 more (2,201 residents) from 5 miles to the 10 mile EPZ boundary; the comparable figures for Shoreham are only one home (54 residents) within 5 miles, and 8 homes (1,032 residents) from 5 miles to the 10 mile EPZ boundary.

There is a major prison (Ossining) within the Indian Point EPZ that cannot be evacuated.

Indian Point has two units over 800 MW each; Shoreham has only one 820 MW unit.

The fact is that Shoreham is an exceptionally good place for evacuation planning; it has excellent roads, a large number of cars per capita, flat terrain, a high-quality police force, and relatively stable winds.

Suffolk County's views on the geographic, demographic and sociological problems associated with emergency preparedness have little empirical support. As the Marburger Commission diplomatically observed, "the county position is a result of governmental, not purely scientific or technical, processes."[1] Moreover, county officials have never expressed objections to the nuclear reactor at Brookhaven National Laboratory, which has operated for years a few miles from Shoreham -- without any off-site emergency response plan.

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1 "Report of the New York State Fact Finding Panel on the Shoreham Nuclear Power Facility," December 1983, p. 35.

ECONOMIC AND SOCIAL CONSEQUENCES

The economic consequences of not licensing the Shoreham plant are far-reaching and severe for the Long Island community. The loss of Shoreham will result in increased electric rates, reduced reliability of electric service, the inevitable and costly construction of two coal-fired plants and a continued dependence on foreign oil.

The planning, licensing, and construction of a power plant -- of any type -- is a long, arduous, and expensive undertaking whose consequences extend over many years. A decision to forego the benefits of a completed plant should not be made lightly or without the full knowledge of the known consequences of that decision.

In addition, since the planning horizon for a power plant is so long and Long Island's dependence on substantial amounts of electricity generated from foreign oil is so great, the unknown and unintended consequences must also be contemplated. Since the Shoreham plant commenced construction, the oil crises of 1973 and 1979 drastically drove up the price of electricity. In addition, regulations arising from the Three Mile Island incident radically altered the nuclear industry. No planning model could have predicted these events. Similarly, no planning model can predict the inevitable uncertainties that lie ahead.

DEPENDENCE ON OIL

LILCO serves the only geographic region in the United States that relies entirely upon foreign oil to generate electricity. The unstable political condition in the Middle East, presently highlighted by aggressive events in the Persian Gulf, makes Long Island particularly vulnerable to the loss of fuel oil supply. The Shoreham plant, operating at 65% capacity, will save 7.5 million barrels of oil each year and will supply nearly one-third of Long Island's electric energy requirements. A New York State Siting Board, in a 1980 decision stated:

> The State as a whole and Long Island in particular is dangerously depending on imported oil for its supply of electricity. Almost 60% of the State's current generating capacity is oil-fired. And Long Island is now completely dependent on imported oil for the generation of electricity. Completion and operation of the Shoreham nuclear facility now under construction will still leave Long Island dependent on imported oil for at least 70% of its electricity, unless further changes in the mix of fuels used to generate electricity on Long Island are made.[1]

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1 PSC Case 80003 (Jamesport), "Opinion and Order Granting Certificate of Environmental Compatibility and Public Need," September, 1980, pp. 21-22.

Shoreham is an integral component of New York State and United States policy to lessen our dependence on foreign oil. New York State consumes 24% of all the oil used in the country to generate electricity and is 40% more dependent than the rest of the nation on oil for energy consumption. The latest State Energy Master Plan declares that:

> Reduction in the State's reliance upon petroleum is a primary objective of the State energy policy... compelling reasons continue to exist for both New York State and the nation to pursue policies directed toward reducing dependence upon imported petroleum. A major disruption in oil supply would impose intolerable burdens on the State's economy.[1]

Indeed, without Shoreham, New York State will be as dependent on foreign oil in 1994 as it is today -- despite the construction of Nine Mile Point 2, all planned coal construction and conversions, and the projected imported hydro-electric power from Canada. Shoreham is not only a necessary component of Long Island and New York State energy policy but, in terms of relieving Long Island's dependency on foreign oil, the plant is needed immediately.

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1 "New York State Energy Master Plan II," New York State Energy Office, March 1982, p. 5.

ECONOMIC PENALTY

The ratepayers and taxpayers of Long Island will bear a severe economic penalty for not licensing the plant. After 18 years of licensing and construction, the plant is completed and must be paid for whether or not Shoreham is ever used to generate power. There are real economic advantages to operating Shoreham, and independent studies have recognized these economic benefits.

The New York State Fact Finding Panel on the Shoreham Nuclear Power Facility (Marburger Commission) commissioned by Governor Cuomo, the public accounting firm of Coopers & Lybrand hired by the Long Island Association, and the Hudson Institute hired by LILCO unanimously concluded that the economic advantages to operating the plant would save the ratepayers and taxpayers of Long Island between $12 billion and $16 billion over the 30-year depreciated life of the plant. This was further confirmed by the Komanoff Energy Associates[1]

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1 "Shoreham Costs, Options and Impacts, Testimony of Charles Komanoff, presented to the New York State Assembly Standing Committee on Energy," April 29, 1983. (Komanoff Energy Associates expressed the loss of Shoreham in present worth terms; translated to actual dollar the loss falls between the $12 billion to $16 billion range.)

in a presentation to the New York State Assembly Standing Committee on Energy.

The Marburger Commission, whose staff included members of the New York State Energy Office, the New York State Consumer Protection Board and the New York State Public Service Commission concluded that the penalty for abandoning the plant would be $12.9 billion over 30 years. The $12.9 billion figure assumed an in-service date of July 1986, one year beyond the currently projected July 1985 date for commercial operation. Discounted to a present value sum, the economic penalty in today's dollars would approximate $1.7 billion -- a sum that exceeds the cost of electricity for all of Long Island this year![1]

This penalty for not operating the plant is the equivalent of an electric rate that would be 8.3% higher for every ratepayer on Long Island, for each year for 30 years, compared with the price of electricity with Shoreham operating.

In addition, the loss of property tax revenue for Suffolk County, the Town of Brookhaven and Shoreham-

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[1] LILCO's service territory: Nassau County, Suffolk County and the Rockaway Peninsula, Queens County.

Wading River school district and the local fire district would be staggering without the operation of the plant. In order to continue the same level of services now provided to its citizens, Suffolk County would have to raise taxes 7.5%, the Town of Brookhaven 42%, the Shoreham-Wading River school district 1,600% and the fire district 4,800%. Expressed another way, the loss of property taxes without Shoreham is equivalent to an 8% electric rate increase for every ratepayer in Suffolk County every year for the next 30 years. Combining the loss of taxes and the economic penalty on electric rates for not operating the plant equates to a 16% rate increase for the ratepayers of Suffolk County continuing over a 30 year period.

According to the staff of the Marburger Commission, the operation of Shoreham will have substantial economic benefits over and above those associated with lower electric rates and lower property and other taxes. The staff stated that approximately 2,350 jobs would be preserved or created, total earnings on Long Island would be increased by approximately $46 million each year and gross output on Long Island would increase by about $87 million each year.

As recently as May 9, 1984, the Governor declared "that significant economic benefits would accrue...on a state-wide basis, if Nine Mile Point 2 is completed and operated."[1] That statement received its impetus from independent studies prepared by the staffs of the Public Service Commission and the State Energy Office. The PSC study, assuming a 65% capacity for Nine Mile Point 2, indicated a $9.8 billion economic penalty (over the life of the plant) would result from abandoning Nine Mile Point 2. The State Energy Office study contained similar results. When the conclusions respecting Shoreham made by the PSC staff for the Marburger Commission using a 60% capacity factor, are adjusted to 65% to achieve a valid comparison, the penalty for not operating Shoreham increases to $14.9 billion. Thus, the economic benefit of Shoreham exceeds that of Nine Mile by over 50%. Certainly, a most significant economic benefit would accrue on a state-wide basis if <u>Shoreham</u> is licensed and operated.

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1 Governor Mario M. Cuomo, Letter to Senator Warren Anderson, May 9, 1984, p. 1.

COAL-FIRED PLANTS

The loss of Shoreham will require the construction of two 400 MW coal plants that require a capital investment of $3 billion to $4 billion. Failing to open Shoreham, LILCO customers would pay twice for the costs of electric generation, first -- for an unused nuclear plant and then -- for two new coal plants. The only question being deliberated among planners from LILCO and the New York State Energy Office is how soon without Shoreham those coal plants will be needed.

LILCO projects that without Shoreham, the coal plants must be on line promptly, but construction cannot be completed until the mid 1990's; the State Energy Office projects commercial operation of those plants by the late 1990's. The discrepancy centers about the forecasted electric load. The State Energy Office estimates a demand decrease between years 1983 and 1988 despite clear economic growth on Long Island. LILCO projects an increase of 1.6% each year over the same period. The State Energy Office staff reached its conclusions, in part, because they anticipated LILCO's participation in Nine Mile Point 2 and anticipated much higher electric rates than those in the rate moderation plan proposed in this position paper.

Coal plants have adverse environmental consequences that must be considered. A coal plant's smokestack rises 650 feet in contrast to a 233-foot high nuclear reactor building. An adjacent coal boiler would be 290 feet tall. The pile of coal stored stands 100 feet high and occupies a 360,000 square foot area, almost 10 acres of land. A coal plant comparable to Shoreham's electrical generating capacity would consume 2 million tons of coal annually while Shoreham burns 35 tons of uranium. 5,500 tons of coal are required daily for the coal plant, and 2,740 tons of disposal ash and sludge must be barged out each day from the plant site. Furthermore, the operation of the coal plant could double the noise levels in adjacent communities as a result of coal unloading, handling and pulverizing. Despite the most up-to-date air pollution control measures, coal plants contribute to the greenhouse effect,[1] acid rain, sulphur dioxide emissions, particulate emissions, oxides of nitrogen emissions and fugitive dust.

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[1] Michael Oppenheimer, "To Delay Global Warming," The New York Times, November 9, 1983, section 8, p. 27, col. 2.

A common misconception is that Canadian hydro-power can substitute for the loss of Shoreham power. This is not true. The Canadian power recently contracted between New York Power Authority and Hydro-Quebec contains no guarantee of continuous power. All purchasers of Canadian hydro-power are required to maintain standby capacity to replace Hydro-Quebec power when it is not available.

The present contracts between New York and Hydro-Quebec essentially use all of the existing transmission capacity between New York and Hydro-Quebec. The remainder of the excess energy that Hydro-Quebec forecasts is already committed to New Brunswick, Canada and New England. Transmission interconnections to these two systems from Hydro-Quebec are currently being planned. The installed generation reserve in the Hydro-Quebec system will be down to 11% by the mid 1990's, compared to a 22% reserve requirement in New York, the minimum considered acceptable to maintain a reliable system. A contract for firm hydro power would require the construction of hydro-electric generating facilities and transmission lines at a cost far in excess of any coal generated plant on Long Island.

RELIABILITY

Shoreham is a part of the New York State energy plan. The State Energy Office Master Plan in March 1980 endorsed a generation plan that "protects the successful completion and operation of two plants currently under construction at Nine Mile Point 2 and Shoreham."[1] The August 1983 Draft Report of the New York State Energy Master Plan asserts that the "main components of the Electricity Supply Plan include: completion of the Shoreham, Somerset and Nine Mile Point 2 facilities..."[2]

The loss of Shoreham has serious consequences for the State Energy Master Plan. There are very few acceptable sites to construct and license power plants in southeastern New York. The absence of new base load generation in the southeast part of the state, coupled with construction of new units upstate, will exacerbate an already existing imbalance between the demand for electricity and the generating units located in the

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1 "New York State Energy Master Plan," Final Report, New York State Energy Office, March 1980, p. 54.

2 "New York State Energy Master Plan," Draft Report, New York State Energy Office, August 1983, p. 353.

region. Even under the most conservative forecasts, additional power stations will have to be built as LILCO's generating facilities at Port Jefferson, Montauk, Glenwood, East Hampton, Southampton, Far Rockaway and Southold are successively retired. By 1993, approximately 45% of the electric demand in the state will be located in the New York City/Long Island region (an area less than 4% of the entire state), while most of the cheap, baseload power plants will be located north and west of New York City/Long Island.

With the addition of all other generation facilities presently under construction or planned except Shoreham, 67% of the installed generation will be located upstate. This imbalance creates a dependency on heavily loaded transmission lines reducing reliability in the southeast region of the state.

Furthermore, the New York Power Pool relies on a regionally interconnected system, with neighboring regions of other states maintaining a similar degree of reliability to the New York State system. Unfortunately, the current long range plans of the New England Power Pool (NEPOOL) indicate that an installed reserve deficiency will occur in that region by <u>1993</u>, under the most optimistic assumptions. These optimistic assumptions include the operation of three 1,150 MW nuclear units by 1991. The future of two of these nuclear units, Seabrook 1 and 2, are in financial jeopardy. Without these two units, the NEPOOL region would be deficient in reserve capacity within six years thereby reducing reliability within the New York Power Pool.

Both LILCO projections and New York State's long-range forecasts indicate that without Shoreham, coal power replacement plants would be required. Using LILCO's forecast, the fact remains that without Shoreham, Long Island will experience an installed reserve deficiency as early as next year. The 1985 deficiency without Shoreham would be 25 MW increasing to 114 MW in 1986, and 162 MW in 1987, until it reaches a 550 MW deficiency in 1994. These growing deficiences weaken the reliability of the LILCO system and warrant the opening of the Shoreham plant.

OPTIONS CONSIDERED

Three alternatives to commercial operation of the plant were considered:

(1) sale of the plant to the New York Power Authority or other bonding agencies;

(2) mothballing, the preservation of the plant in a ready-reserve state;

(3) abandonment and disassembly of the plant.

The financial analyses resulting from the economic models used to evaluate each of these alternatives are contained in the Appendix to this position paper.

SALE

Arguments have been put forth for the New York Power Authority to purchase the plant. Primary among these are that the sale could assure ratepayers lower rates than any other option because the New York Power Authority does not pay federal income tax and borrows money with tax-exempt bonds. Since the New York Power Authority already owns and operates two other nuclear facilities in the state, benefits pertaining to economies of scale and operating experience could accrue to the state by the New York Power Authority ownership of Shoreham. In this analysis, LILCO considered the sale of the plant to the New York Power Authority or other New York State agencies for an initial payment of approximately $1.6 billion, the face value of LILCO's mortgage bonds, with the balance of the capital costs to be paid through rates by LILCO customers over the life of the plant.

LILCO has not received an offer for the plant. Without an operating license, and hence no assured revenue, a bonding agency could not easily raise the funds to purchase the plant.

MOTHBALLING

Another option calls for placing the plant in a ready-reserve, i.e. "mothballing," for an indefinite period. This scenario maintains the plant in a ready-reserve state for use in the event of a disruption of foreign oil supply. Also, it allows time for the NRC to reevaluate its standards on emergency planning for nuclear plants of the Shoreham design.

The disadvantage of the mothballing option is that it postpones an inevitable decision about the plant. The likelihood of obtaining a license for commercial operation in a preservation mode is diminished with the passage of time. In addition, the ratepayers of Long Island would bear a great financial burden for a plant in this state without deriving any economic benefit. Lacking consensus among federal, state and local governments to mothball the plant for a specific period of time -- not to exceed two or three years, followed by commercial operation, -- the decision to mothball at this time would risk the future usefulness of the plant.

Without positing a specific date, stating when, if ever, the mothballed plant would become operational, it is difficult to assess the effect of the mothball option on ratepayers or LILCO. In order to keep the plant in a ready reserve state, staff must be maintained, new safety regulations must be implemented, and capital improvements must be regularly made to the plant. After a certain number of years, the cost of maintaining the plant in this state becomes prohibitive and the loss to the ratepayer is the same as the abandonment option.

ABANDONMENT

The third alternative calls for the abandonment and the dismantling of the plant. The economic consequences of this option for Long Island and its ratepayers are severe. The destruction of this plant, which is projected to cost $4.1 billion by July 1985 would be an act that cannot be justified.

As the Hudson Institute commented on abandonment of Shoreham:

> ...while the rest of the world watches, New Yorkers would take a brand new $3 billion nuclear station, spend $100 million to chop it up into pieces, and dump it. Many of the world's spectators might dearly have loved to have had that plant built in their own countries for the benefit of their people, and would marvel at the wealth and extravagance of New Yorkers.[1]

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1 "The Potential Impact of Failure to Open Shoreham," Final Report of the Hudson Institute, August 1983, Executive Summary, p. xx.

BANKRUPTCY

Long Island Lighting Company is in a financial crisis; insolvency is a real and imminent danger. The Company currently estimates that it will run out of cash in September 1984. Its independent auditors have qualified their opinion concerning LILCO's 1983 financial statements to indicate their reservations as to the Company's continued financial viability.

The effects of LILCO's financial crisis are presently being suffered by its common stockholders, whose dividends have been suspended and who have seen the value of their shares decline by over 50% since last fall; by its bondholders and preferred stockholders, whose securities have likewise declined in value and are no longer considered of investment grade; by its trade creditors (including many Long Island businesses), who are not being paid promptly under the austerity plan which LILCO implemented in February; by its employees, 10% of whom have been laid off under the austerity plan; by its management at all levels, who have taken significant salary cuts; by its customers, who are subject to longer service response times and reduced customer service under the austerity plan; and by Suffolk County and its taxpayers, who are affected by the current loss of property taxes on Shoreham.

Other austerity measures and suspension of preferred dividends cannot solve LILCO's financial crisis, nor can they avert the threat of bankruptcy. If the present crisis drives LILCO into bankruptcy, the impact would be severe and widespread. The credit of utilities throughout New York would be weakened, resulting in higher financing costs, higher prices of energy and, ultimately, higher costs of living and conducting business in New York State. Utilities outside New York -- particularly those with nuclear projects underway -- would likewise be weakened, some of them critically.

Since no major utility has gone bankrupt in modern times, LILCO's practical and financial problems would be exacerbated by the absence of precedent to guide the courts and the parties through complicated and costly adversarial proceedings.[1] And consumers and businesses on Long Island could face unpredictable rate increases, at best, and interruptions of service, at worst.

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[1] Aaron S. Gurwitz, "Shoreham, Nine Mile Point 2, and Hydropower Resources: The Current Situations," Draft, Federal Reserve Bank of New York, May 11, 1984.

Further, the credit of New York State, its municipalities, and its agencies will be affected, resulting in borrowing costs of the state to rise. Given the fragile condition of the U.S. banking system (witness the Continental Illinois Bank), and considering the banks have invested billions of dollars in utilities, a bankruptcy of LILCO could trigger further crises in an already weakened and precarious banking system -- with serious national and even world-wide negative implications. In order to restore LILCO's financial stability and remove the threat of bankruptcy, this proposal offers a comprehensive plan for the future of Shoreham and the equitable amortization of its costs.

CONCLUSION AND RECOMMENDATION

The Board of Directors of Long Island Lighting Company, after evaluating all the alternatives contained herein, and having carefully weighed the advantages and risks of proceeding to obtain a license for commercial operation for the Shoreham nuclear plant, have decided to proceed with the licensing of the plant.

The Board reached its decision because it concluded that the opening of the plant is in the best interests of LILCO, its ratepayers, its shareholders, and Long Island energy policy. The Board determined that its responsibility to assure adequate supplies of electricity to Long Island at reasonable rates would best be met by licensing the Shoreham plant.

The Board is confident that the rate phase-in program proposed in this paper provides the Long Island community with the benefits of the plant while greatly minimizing rate increases.

The Board has made its decision mindful of

Governor Cuomo's statement in a press release dated May 7, 1984 as follows:

> The failure of any business enterprise in the State in the form of bankruptcy proceedings is regarded by me as undesirable. The State should do what it can to assist LILCO, so long as it helps to assure the continuation of reliable utility service at a reasonable price and, at the same time, to mitigate the negative economic consequences associated with the Shoreham plant regardless of whether or not it operates.[1]

This proposal for commercial operation of Shoreham minimizes the increase in rates and saves LILCO from bankruptcy.

Two measures form the foundation of this proposal. The first assumes that LILCO is relieved of its past and future obligation for Nine Mile Point 2 and that its cash investment in that plant is returned to the Company.

The second measure crucial to the stability of the Company is a settlement of the prudency case. Although the Company vehemently contests the PSC staff's allegations of mismanagement of the Shoreham project,

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[1] "Statement by Governor Mario M. Cuomo," Press Release, State of New York Executive Chamber, May 7, 1984, p. 1.

the Company realizes that the judicial process may take many years to resolve this dispute, leaving the Company in a state of financial uncertainty during this time. The credit and capital markets would still be faced with the question of what, if any, effect the prudency case would have on the future financial health of the Company. The significant external financing required for the Company's operation under the proposed rate phase-in program would be difficult to achieve without a settlement of this case. Toward this end, and without conceding that any of the PSC staff allegations are justified, the Company offers a $250,000,000 contribution to rate reduction. LILCO arrived at this dollar amount after careful assessment of the contribution the Company could make toward rate reduction considering the phase-in time and the rate increases proposed in this paper. The offer is made in the context of an overall settlement of the Shoreham situation.

The overriding consideration in reaching these conclusions is that the public interest must be served. In order to protect this interest, the LILCO proposal seeks to:

(1) assure Long Island a continuous supply of electricity to meet its current and future needs;

(2) provide Long Island the economic benefits of Shoreham;

(3) minimize the impact of Shoreham on Long Island ratepayers; and

(4) bring financial stability to the Company.

LILCO proposes that the following measures be immediately adopted:

(1) Commencing July 1, 1984, a rate increase of 9% a year for the next 5 years (1984-1988), and 6% a year for the next 3 years (1989-1991), be implemented. (LILCO projects annual increases of approximately 2% through the 1990's.)

(2) The New York Power Authority or other state bonding agencies assume LILCO's past and future interest in Nine Mile Point 2.

(3) A Shoreham deferred asset account be created to account for revenues LILCO would defer to mitigate rate increases over the next 5 years.

LILCO proposes additional measures to reduce rate increases below the 9% annual level set forth in (1) above. The amount each measure will reduce rates is contained in the table on Page 56.

The effect of adopting the following additional rate mitigation measures will reduce the increase in rates of electricity from 9% over the first five years (1984-1989) to an average of 7% over the first five years. Adjusting for a 6% estimated inflation rate for this period, the real rate increases will average 1% each year.

The additional measures are as follows:

(1) The special limitations for Nassau and Suffolk Counties, respectively, be renewed permitting the use of fuel of a sulphur content up to 2.8%.

(2) The New York State gross receipts tax on conventional revenue attributable to the Shoreham plant be waived.

(3) Shoreham property tax assessment be adjusted to proper levels (approximately 50% of current levels) and a refund be made of approximately $70 million attributable to past tax overassessments in the form of a credit against future property taxes.

(4) LILCO absorb $250 million of the cost of Shoreham, and the prudency proceeding be terminated, lifting financial uncertainty from the Company and further lowering the cost of electricity.

(5) The New York State Power Authority undertake to construct a new 345 kv interconnection under the Long Island Sound, and the New York State Power Authority purchase LILCO's share of the existing 345 kv interconnection for its replacement cost of $80 million.

(6) LILCO's entitlement of New York Power Authority hydro-electricity be increased from

the amount recommended in the Millonzi report (34 MW in 1984 increasing to 125 MW in 1994) to double that amount (68 MW in 1984 increasing to 250 MW in 1994).

(7) LILCO's benefits resulting from imported Canadian hydro-electricity be increased to 26%.[1]

The measures proposed in this position paper, if adopted, will avert a bankruptcy of LILCO, and allow the Company a slow recovery to financial health. The proposal presented calls for external financing for LILCO of $798,000,000 over the next 4 years. The projected S.E.C. coverage ratios do not reach 3.0 until 1988. But the bond indenture coverages should be sufficient to allow the Company to finance its needs in the capital markets. The deferred asset account created by this proposal would grow to $1,744,000,000 in 1991 before it subsides.

Results of the financial models, including a detailed list of assumptions, used by LILCO to reach its conclusion are contained in a separate Appendix. Also included, are financial models of the three options considered in this position paper and the financial

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[1] The importation of energy from Hydro-Quebec will reduce costs in New York by oil displacement. The present plan is to distribute these costs across New York State by population, resulting in LILCO's receiving 13% of the savings from oil displacement. To mitigate rates on Long Island, these savings should be increased to 26% of these benefits.

impact of these alternatives on the Company and its ratepayers.

The table on the following page shows the net effect over the next five years of each rate mitigation measure on the 9% rate increase. Each line of the table shows what the actual rate increase would be if the basic proposal and that measure alone were enacted. Line I shows what the actual rate increase would be if the basic proposal and all measures were enacted. Line J shows the effect on rates if LILCO continued in its 18% partnership of the Nine Mile Point 2 nuclear facility. Under the latter scenario, the external financing for the Company would increase to $1,278,000,000 over the next four years, and the rates would increase by 12.25% each year.

Although LILCO will continue to pursue an operating license for the Shoreham Nuclear Power Station before the Nuclear Regulatory Commission, the ultimate fate of the plant remains uncertain, and, consequently, LILCO lacks financial stability. But what is certain is that deliberate action must be taken expeditiously by appropriate government officials to resolve this situation. This position paper is a first step toward achieving that end.

NET RATE INCREASE RESULTING FROM
RATE MITIGATION MEASURES

	Year						Increase Adjusted for Inflation Years*	Increase Adjusted for Inflation Through
	1984	1985	1986	1987	1988	Cumul.	1984-1989	1998
A	9.0	9.0	9.0	9.0	9.0	54	15	(11)
B	5.8	7.8	9.2	9.1	9.5	49	11	(15)
C	9.0	6.2	9.7	9.2	9.3	51	13	(12)
D	9.0	6.8	9.3	8.9	9.1	51	13	(13)
E	9.0	5.3	9.9	9.3	9.4	51	13	(12)
F	9.0	9.0	9.0	9.0	9.1	54	15	(11)
G	8.9	8.8	9.0	8.9	9.0	53	14	(12)
H	9.0	9.0	9.0	8.9	9.0	54	15	(12)
I	5.7	(1.2)	11.0	9.7	10.0	40	5	(20)
J	12.3	12.2	12.3	12.3	12.2	78	33	(12)

A) LILCO's basic proposal (Nine Mile Point 2 is sold).

Remaining conditions represent LILCO's basic proposal plus one other mitigation measure.

B) Special limitations granted.
C) No SNPS gross revenue tax.
D) SNPS property tax halved.
E) $250 million rate mitigation.
F) NYPA builds 345 kv tie.
G) Double NYPA hydro allocation.
H) Double Hydro-Quebec benefits.
I) LILCO's proposal, plus all of the above mitigation steps.
J) LILCO owns Nine Mile Point 2.

*6% annual inflation.

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ATTACHMENT 9

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June 21, 1984

Hon. Frank S. Robinson
Administrative Law Judge
Public Service Commission
Empire State Plaza
Agency Building No. 3
Albany, New York 12223

Re: Case 28553

Dear Judge Robinson:

At the June 12 hearing Company witness Mr. Sideris testified that LILCO's updated current cash flow projections would be available shortly (Tr. 4590). Those projections, in the format of Exhibit 119 and using the same underlying assumptions, are appended hereto as Attachment A. In sum they show the following changes in LILCO's indicated cash deficits for the remainder of 1984, assuming the Company's total rate relief request for $281 million becomes effective October 1, 1984:

	Month-end Cash Deficit	
	Exhibit 119	Attachment A
September	$(17.3) million	$(43.3) million
October	(8.8) million	(28.6) million
November	14.1 million	(15.2) million
December	(43.8) million	(60.9) million

Aside from substitution of actual data for the April and May estimates in Exhibit 119, the changes reflected in Attachment A are principally due to the matters Mr. Sideris addressed in his cross-examination i.e., fuel and interest costs. Other, more minor, changes are addressed in the Explanatory Notes to the Schedule in Attachment "A".

Very truly yours,

Gerard A. Maher

Gerard A. Maher

GAM/sd

cc. All parties

Attachment A

LONG ISLAND LIGHTING Company CASH ESTIMATE
(Millions of Dollars)
1984

	RECEIPTS	Jan (Actual)	Feb (Actual)	March (Actual)	April (Actual)	May (Actual)	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	
1	Total Customer Pymts(1)	160.1	169.8	174.5	165.7	167.7	154.1	140.7	161.9	161.1	169.9	156.6	155.9	1940.4	1
2	Other non-finance rcpts	6.3	3.9	2.6	6.7	3.4	3.6	1.5	0.0	1.1	4.0	0.9	1.0	39.1	2
3	Total non-financing	166.4	173.7	177.1	172.4	171.1	157.7	142.3	161.9	162.2	173.9	157.5	156.9	1979.1	3
	DISBURSEMENTS													0.0	
4	Fuels(2)	68.3	103.1	84.1	64.9	79.3	67.0	63.3	73.6	74.8	61.0	75.6	71.8	801.1	4
5	Taxes (Incl. Escrow)	72.2	36.0	55.5	40.3	65.3	29.4	16.7	26.7	38.8	10.2	28.2	34.8	439.3	5
6	Group Plans	4.3	4.6	4.0	6.2	4.0	3.6	4.3	4.6	4.4	3.9	4.6	4.3	54.6	6
7	Insurance Payments	0.1	0.3	4.0	0.7	0.3	0.4	0.9	0.5	1.0	0.8	0.1	0.0	5.3	7
8	Interest on Bonds(incl PCRB's)	8.5	4.2	23.5	19.7	11.4	30.9	0.5	4.2	21.6	19.0	11.4	30.9	193.6	8
9	Dividend Payments-Preferred	9.6	5.5	7.5	9.7	5.2	7.3	9.7	5.2	7.2	9.7	5.2	7.2	88.6	9
10	-Common	9.5	52.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.5	10
11	Major Accts Payable-Shoreham	17.0	6.1	14.5	23.8	13.7	10.2	11.9	8.0	7.9	9.0	5.4	5.6	136.6	11
12	-Other	7.4	1.3	1.5	2.8	1.7	0.0	6.0	1.1	0.6	1.0	0.7	1.7	16.3	12
13	General Accts Payable	12.6	6.9	9.7	14.9	9.8	7.1	7.1	8.3	8.4	7.7	6.3	7.0	107.0	13
14	Nine Mile Point-Interest	15.1	0.0	0.0	16.6	0.0	0.0	4.1	18.0	0.0	15.1	0.0	0.0	69.2	14
15	-Construction	7.9	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.5	15
16	Interest-Other unsecured debt	0.5	4.5	0.0	14.1	0.0	0.0	7.5	11.7	0.0	11.7	0.0	0.0	57.6	16
17	Public Service Assessment	0.0	0.0	1.3	0.0	0.0	1.3	0.0	0.0	1.3	0.0	0.0	1.3	5.2	17
18	Payroll	8.9	10.0	8.6	9.3	8.7	7.3	7.3	9.2	7.4	8.3	8.0	8.0	106.1	18
19	Claims	0.5	0.1	0.0	0.2	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5	19
20	Redemption-Preferred Stock	0.0	0.0	0.4	0.0	0.0	0.0	1.1	0.0	0.0	2.0	0.0	27.0	35.7	20
21	Redemption-Bonds	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	90.0	0.0	0.0	15.0	101.0	21
22	Resources Trust-Loan Maturities	0.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0	10.0	0.0	20.0	22
23	-Interest	5.0	0.3	0.5	6.9	0.1	0.2	2.7	5.0	0.0	3.0	0.3	0.0	22.7	23
24	Special Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	24
25	Total Disbursements	233.6	233.0	210.3	198.1	203.7	214.0	145.1	177.0	255.5	163.3	154.0	214.8	2402.0	25
															26
26	CHANGE DURING MONTH														
27	Receipts & Disbursements	-71.2	-50.3	-33.2	-25.7	-31.6	-56.3	-2.8	-9.1	-93.3	10.6	3.5	-57.9	-426.5	27
28	Short Term Investments	-22.0	-52.3	-30.6	-22.4	-37.7	-55.0	-2.8	-9.1	-93.3	10.6	3.5	-57.9		28
29	PROCEEDS FROM FINANCING										0.0	0.0	0.0		29
30	DRP	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		30
31	Sale of Stock to Employees	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		31
32	Sale of Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		32
33	Sale of Stock-Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		33
34	Sale of Stock-Common	57.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		34
35	Pollution Control Bonds	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		35
36	Less Financing Expenses	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0		36
37	Change in Cash Balance	3.5	3.6	-2.6	-2.0	2.0	-1.3	0.0	0.0	0.0					37
38	MONTH END BALANCE Bal. 12/31/83														38
39	Cash 85.1	5.6	9.2	6.6	1.0	5.0	4.5	4.5	4.5	4.5	4.5	4.5	4.5		39
40	Short Term Investments $272.0	209.9	197.6	167.0	144.4	116.3	61.9	59.1	50.0	-43.3	-32.7	-29.2	-87.1		40
41	Assuming full $281 million rate relief effective 10/1/84										-20.6	-15.2	-60.9		41

(1) Assuming present $xx.6 million interim electric rate increase effective September 15, 1983 remains in effect throughout 1984.
(2) Does not reflect any Shoreham pre-operational test credit.
* All figures adjusted for ... totalling $xx.x million.

June 15, 1984

(MILLIONS OF DOLLARS)
1985

	RECEIPTS	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	
1	Total Customer Pymts(1)	165.3	187.7	190.3	188.3	172.2	154.9	153.5	166.1	167.6	178.2	155.0	164.5	2036.3	1
2	Other non-finance rcpts	4.9	0.7	0.7	5.6	0.7	0.7	6.3	0.7	0.7	7.1	0.7	0.8	29.8	2
3	Total non-financing Receipts	170.2	188.4	190.9	193.9	172.9	155.6	160.0	166.8	168.3	185.3	155.7	165.3	2066.1	3
	DISBURSEMENTS													0.0	
4	Fuels(2)	98.4	92.2	81.0	80.6	77.3	78.2	71.3	83.0	89.1	70.7	71.9	81.9	956.2	4
5	Taxes (incl. Escrow)	85.4	38.2	65.0	11.1	92.2	48.2	18.3	38.1	33.4	57.2	31.2	38.3	490.9	5
6	Group Plans	4.2	4.2	4.2	3.9	4.5	4.2	3.9	4.5	6.0	4.6	4.3	3.9	52.3	6
7	Insurance Payments	0.1	0.4	0.3	0.2	0.2	0.7	3.2	0.3	0.3	2.2	0.2	0.2	10.5	7
8	Interest on Bonds(incl PCRB's)	2.5	4.2	10.2	19.8	11.6	30.7	0.5	4.2	18.1	19.8	11.4	30.7	183.5	8
9	Dividend Payments-Preferred	9.7	5.2	4.7	9.6	5.2	6.6	9.6	5.2	6.6	9.6	5.2	6.6	85.8	9
10	-Common	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10
11	Major Accts Payable-Shoreham	16.4	26.9	13.7	13.6	15.7	17.0	0.6	0.6	0.6	0.6	0.6	0.6	101.9	11
12	-Other	0.4	0.1	4.3	0.1	0.4	0.5	0.5	0.3	0.5	0.1	0.5	0.3	5.0	12
13	General Accts Payable	7.8	5.2	6.7	6.3	7.2	5.7	7.9	7.9	6.4	7.7	6.3	6.7	81.6	13
14	Nine Mile Point-Interest	19.7	0.0	0.0	19.6	0.0	0.0	20.8	0.0	0.0	21.4	0.0	0.0	81.5	14
15	-Construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15
16	Interest-Other unsecured debt	11.3	4.0	0.6	13.9	0.0	0.0	11.2	7.0	0.5	11.2	0.0	0.0	60.6	16
17	Public Service Assessment	0.0	0.0	1.3	0.0	0.0	1.3	0.0	0.0	1.3	0.0	0.0	1.4	5.3	17
18	Payroll	8.9	7.2	7.2	7.6	8.6	7.2	9.0	7.1	7.6	8.7	7.1	7.6	90.2	18
19	Claims	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2	19
20	Redemption-Preferred Stock	0.0	0.0	0.0	1.4	0.0	0.0	1.0	0.0	2.4	0.0	2.0	3.0	10.6	20
21	Redemption-Bonds	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	0.0	18.0	21
22	Resources Trust Interest	6.0	0.0	0.0	6.0	0.0	0.0	6.3	0.0	0.0	6.3	0.0	0.0	24.6	22
23	Maturity of Eurodollar A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	75.0	23
24	Special Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24
25	Total Disbursements	212.5	179.0	212.5	198.6	217.8	192.4	178.2	234.8	186.4	183.7	163.9	190.3	2390.9	25
26	CHANGE DURING MONTH														26
27	Receipts & Disbursements	-44.3	8.6	-21.6	-4.7	-44.9	-36.8	-18.2	-68.0	-17.1	1.6	-8.2	-25.2	-320.8	27
28	Short Term Investments	-43.4	8.6	-21.6	-4.7	-44.9	-36.8	-18.2	-68.0	-17.1	1.6	-8.2	-25.2		28
29	PROCEEDS FROM FINANCING														29
30	DRP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		30
31	Sale of Stock to Employees	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		31
32	Sale of Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		32
33	Sale of Stock-Preferred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		33
34	Sale of Stock-Common	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		34
35	Pollution Control Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		35
36	Less Financing Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		36
37	Change in Cash Balance	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		37
38	MONTH END BALANCE Bal. 12/31/84														38
39	Cash 44.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6		39
40	Short Term Investments -87.1	-130.5	-121.9	-143.5	-148.2	-193.1	-229.9	-248.1	-316.1	-333.2	-331.6	-339.8	[illegible]		40
41	Assuming full $781 million rate relief effective 10/1/84 -40.9	-140.8	-117.1	-122.9	-111.8	-141.7	-160.2	-166.9	-216.9	-215.6	-198.2	-186.8	-197.9		41

(1) Assuming present $90.6 million interim electric rate increase effective September 15, 1984 remains in effect throughout 1985.
(2) Does not reflect any Shoreham pre operational test credit or post operational fuel savings.

* All figures adjusted for austerity measures totalling $91.0 million.

June 15, 1984

EXPLANATORY NOTES

RECEIPTS

Line 2 of Page 1 "Other Non-Financing Receipts" for 1984 shows these receipts are now expected to be $5.5 million more than anticipated previously, partly due to increases in interest rates and partly due to repayments to LILCO by members of the TDI diesel emergency generator owners group. The changes in the 1985 estimates on page 2 of Attachment A are primarily due to changes in interest rates and reflection of payments from the Nine Mile Point II Construction Trust for borrowings from LILCO. There is a corresponding increase in Line 14 "Nine Mile Interest" disbursements.

DISBURSEMENTS

Line 4 of Page 1 "Fuels" shows disbursements to be greater than previously expected (Exh. 119) by about $18 million for 1984 (*see*, Tr. 4571). This was caused primarily by a refinement of the prior estimates for fuel supplies needed to satisfy the expected fuel consumption for anticipated sales ($14 million of the change occurred in the month of May). This revised fuel expense does not reflect any change in forecasted fuel consumption or sales. Thus, there is no increase in anticipated revenues in Line 1 caused by the refinement in the "Fuel" disbursements.