

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00 :
- 2. BUREAU: FUS :
- 3. SECTION(S) : 4. PUBLIC MEETING DATE:
- 5. APPROVED BY: : 00/00/00
- DIRECTOR: :
- SUPERVISOR: :
- 6. PERSON IN CHARGE: : 7. DATE FILED: 12/22/98
- 8. DOCKET NO: R-00984579 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PENNSYLVANIA POWER & LIGHT CO.

COMP/APP COUNTY:

UTILITY CODE: 110500

ALLEGATION OR SUBJECT

PP&L, INC FILED RECOMPUTATION OF PP&L'S STATE TAX ADJUSTMENT SURCHARGE TO REFLECT A RECENT NOTICE OF THE 1999 TAX RATE UNDER THE REVENUE NEUTRAL RECONCILIATION PROVIDION OF THE ELECTRICITY GENERATION CUSTOMER CHOICE AND COMPETITION ACT AND A REASSESSMENT OF PP&L'S PUBLIC UTILITY REALTY TAX ACT LIABILITY.

 THIS DOCKET NUMBER WILL REFLECT ALL ELECTRIC STAS FILINGS.

DOCKETED
 JAN 15 1999

**DOCUMENT
 FOLDER**

Michael E. Russell
Associate General Counsel
Tel. 610.774-4254 Fax 610.774.6726
E-mail: perussell@papl.com

PP&L, Inc.
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.5151
<http://www.papl.com/>



FEDERAL EXPRESS

R-00984579

December 22, 1998

RECEIVED

DEC 22 1998

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
North Street & Commonwealth Avenue
Harrisburg, Pennsylvania 17105-3265

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: 1999 State Tax Adjustment Surcharge

Dear Mr. McNulty:

Enclosed for filing on behalf of PP&L, Inc. ("PP&L") are eight (8) copies of a recomputation of PP&L's State Tax Adjustment ("STAS") to reflect a recent notice of the 1999 tax rate under the Revenue Neutral Reconciliation ("RNR") provision of the Electricity Generation Customer Choice and Competition Act ("Act"), 66 Pa.C.S. § 2810(a), and a reassessment of PP&L's Public Utility Realty Tax Act ("PURTA") liability. This filing is being made pursuant to the terms of the Act, the Commission's regulations at 52 Pa. Code § 69.51, et seq., and PP&L's tariff.

Recomputation of the Company's STAS, as of December 22, 1998, to reflect these changes indicates an increase from the present rate of 0.00% to a proposed rate of 0.70%, for application during the period from January 1, 1999 through December 31, 1999. Pursuant to the terms of its tariff and the "rate caps" imposed under the Act, PP&L will maintain the currently effective STAS tariff rate of 0.00% and, thereby, will forego recovery of this increase in its state tax liability at this time.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on December 22, 1998, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

37

James J. McNulty, Secretary

- 2 -

December 22, 1998

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed filing, please call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul E. Russell". The signature is written in a cursive style with a large initial "P" and "R".

Paul E. Russell

Enclosures

cc: Mr. Robert F. Wilson
Irwin A. Popowsky, Esquire
Charles F. Hoffman, Esquire
Bernard A. Ryan, Jr., Esquire
David M. Kleppinger, Esquire

RECEIVED

PP&L, INC.

DEC 22 1998

Computation of State Tax Adjustment Surcharge PA PUBLIC UTILITY COMMISSION
As of January 1, 1999, Based on Calendar Year 1997 Operations SECRETARY'S BUREAU

	<u>Total Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	\$0	A
2. Corporate Net Income Tax	0	B
3. Utility Realty Tax	17,352,507	C
4. Gross Receipts Tax	<u>0</u>	D
5. Total of Lines 1, 2, 3, and 4	17,352,507	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>(4,006,894)</u>	D
7. Total of Lines 5 and 6	<u>\$13,345,613</u>	
8. Line 7 divided by complement of Gross Receipts Tax Rate (.958)	<u>\$13,930,703</u>	
9. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pennsylvania Public Utility Commission projected for the application period January 1, 1999 through December 31, 1999	<u>\$2,003,447,000</u>	
10. Surcharge rate to be applied for the period January 1, 1999 through December 31, 1999 (Line 8 divided by Line 9)	<u>0.70%</u>	

PP&L, INC.

Pennsylvania Public Utility Realty Tax
Report Due April 15, 1998

1. Total plant taxable value at December 31, 1997 (per report due April 15, 1998 - attached, Schedule C, Page 2)	<u>\$1,002,082,237</u>
2. Pa. Public Utility Realty Tax (Based on applied rate of 64.2684-mills, Schedule C, Page 3) -	\$64,402,222
3. Pa. Public Utility Realty Tax (Based on rate of 45.2228 mills, Schedule C, Page 4)	<u>45,316,965</u>
4. Increase in Pa. Public Utility Realty Tax	19,085,257
5. PUC jurisdictional allocation factor	<u>0.90921</u>
6. Allocated tax increase	<u>\$17,352,507</u>



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

**PUBLIC UTILITY
REALTY TAX REPORT**

IMPORTANT! PUBLIC UTILITY TAX REPORTS MUST BE FILED ON OR BEFORE APRIL 15 REFLECTING THE STATE TAXABLE VALUE OF PUBLIC UTILITY REALTY AT THE END OF THE PRECEDING CALENDAR YEAR. PENALTY AND INTEREST WILL BE ADDED TO THE TAX AS PROVIDED IN THE ACT. MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE, ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S), TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 28040 HARRISBURG, PA 17128-0407.

<input type="checkbox"/> FIRST REPORT	<input type="checkbox"/> LAST REPORT	<input type="checkbox"/> AMENDED REPORT
KA 12 0100 BOX NO 3500-090 PENNSYLVANIA POWER & LIGHT CO TAX SECTION TM 10 2 N 9TH ST ALLENTOWN PA 18101		PURTA BOX NUMBER 3500-090 FEDERAL EMPLOYER IDENTIFICATION NUMBER 23-0959590 TAX YEAR ENDING December 31, 19 97

COUNTIES IN WHICH UTILITY OWNS AND/OR FURNISHES PUBLIC UTILITY SERVICE: (Attach schedule if additional space is necessary.)

REPORT THE FOLLOWING AS TO LAND OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE:

BOOK COST	54,830,873
BOOK COST OF LAND INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	30,850,249
VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (A MINUS B)	23,980,624
BOOK DEPLETION RESERVE ACCRUED AGAINST C	
NET VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (C MINUS D)	23,980,624

REPORT THE FOLLOWING AS TO ALL OTHER "UTILITY REALTY" AS DEFINED BY ARTICLE 11 (a) § 1101-A, OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT OR CONSTRUCTION FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE.

BOOK COST	1,550,402,798
BOOK COST OF UTILITY REALTY INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	8,389,972
VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (A MINUS B)	1,542,012,826
BOOK DEPRECIATION RESERVE ACCRUED AGAINST C (See instructions below.)	563,911,213
NET VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (C MINUS D)	978,101,613

**PUBLIC UTILITY REALTY TAX
DUE WITH THIS REPORT**

STATE TAXABLE VALUE (2E PLUS 3E)	1,002,082,237	x .042	= 42,087,454
----------------------------------	---------------	--------	--------------

JOINT DUE COMMONWEALTH. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block..... \$ 2,715,703
 completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

INSTRUCTIONS: (SEE REVERSE SIDE FOR GENERAL INSTRUCTIONS.)

- 1 2 - Show depreciable land improvements under Item 3.
- 1 3 - (a) For any public utility which was required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) March 28, 1937, show in Item 3D the book reserve for depreciation accrued against Item 3C. If the amount shown in Item 3D was determined by prorating, attach to this report the computations used in such prorating.
- (b) For any public utility which was not required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) March 28, 1937, show in Item 3D the book reserve for depreciation against Item 3C, or 50% of Item 3C, whichever is greater.
 Check here () if the 50% of Item 3C is used in Item 3D.

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If prepared by a person other than taxpayer, the declaration is based on all information of which preparer has any knowledge.

SIGNATURE OF OFFICER OF COMPANY <i>[Signature]</i>	DATE 4/12/98	TELEPHONE NUMBER (610) 774-5032
VP & CONTROLLER		
INDIVIDUAL OR FIRM SIGNATURE OF PREPARER		TELEPHONE NUMBER ()
STREET ADDRESS	STATE ZIP CODE	DATE

BUREAU OF CORPORATION TAXES
SPECIALTY TAX UNIT
DEPT. 280704
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



RCT-900A (12-98)

December 22, 1998

PENNSYLVANIA POWER & LIGHT CO
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominjecki
Director

PURTA Coupon
Public Utility Realty Tax
Tax Period: 12/97

Department Use Only

Box Number: 3500090	Report Code: KA
EIN: 230959590	
PENNSYLVANIA POWER & LIGHT CO TAX SECTION TW 10 2 N 9TH ST ALLENTOWN PA 18101	

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$1,002,082,238.10 x 0.0222684 =	\$22,314,816.00
Amount Paid:	



RCT-900A (11-96)

December 22, 1997

PENNSYLVANIA POWER & LIGHT CO
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

Re: Pennsylvania Public Utility Realty Tax
1996 Additional Tax Assessment Title 72 P.S. § 8104-A(h)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. (Title 72 P.S. § 8104-A(b)).

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax
Tax Period: 12 / 96

Department Use Only

Box Number: 3500090 Report Code: KA
EIN: 230959590
PENNSYLVANIA POWER & LIGHT CO
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

CALCULATION OF REASSESSMENT
Taxpayer's taxable value of realty property x PURTA
assessment ratio = Amount Due
 $\$1,041,580,714.29 \times 0.0032228 = \$3,356,850.00$

Amount Paid: ~~3,356,850.00~~

PP&L INC.Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

1. Projected taxable revenues for Pa. gross receipts tax for period January 1, 1999 to December 31, 1999	\$2,003,447,000
2. RNR tax rate adjustment as published by the Department of Revenue in the <u>Pennsylvania Bulletin</u> on November 28, 1998	<u>(0.002)</u>
3. Projected decrease in applicable 1999 gross receipts tax liability based on RNR tax rate adjustment	<u><u>(\$4,006,894)</u></u>

PP&L INC.

Gross Receipts Tax Adjustment

Most recently completed calendar year is the year 1997:

1. Taxable revenues per attached copy of return filed September 15, 1998		\$2,377,383,345
2. Less - Revenues included above for:		
(a) Tax surcharge	(\$233,192)	
(b) Fuel/energy adjustment clause	(1,124,708)	
(c) Change in accounts receivables	10,583,757	9,225,857
		<hr/>
3. Remainder - Tax Base of PUC Base Rate Revenues		2,368,157,488
4. Less - Revenues included above from service under rates subject to jurisdiction of Federal Energy Regulatory Commission		<hr/> 32,071,963
5. Taxable revenue from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission		<hr/> <hr/> \$2,336,085,525

PP&L, INC.

Computation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission

Calendar Year 1997

1. Revenues from sales of electricity	\$2,957,422,863
2. Add - Delayed Payment Charges	<u>7,478,484</u>
3. Sub-total	2,964,901,347
4. Less - Revenues from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>602,006,881</u>
5. Revenues from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,362,894,466</u></u>

PP&L, INC.

Computation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission
For Twelve Months Ended December 31, 1997

<u>Month</u>	(A) Base Rate Revenue	(B) SBRCA	(C) Delayed Payment Charge	(D) (A)+(B)+(C) PUC Jurisdictional Sales
January 1997	\$229,873,258	(\$697,544)	\$708,341	\$229,884,055
February	223,782,061	(681,251)	747,122	223,847,932
March	199,916,302	(616,069)	686,219	199,986,452
April	193,259,790	(586,281)	620,056	193,293,565
May	181,132,313	(549,231)	614,998	181,198,080
June	177,510,834	(520,970)	576,180	177,566,044
July	197,141,372	(264,863)	575,047	197,451,556
August	191,195,489	(2,734)	623,937	191,816,692
September	188,003,288	(3,503)	631,034	188,630,819
October	179,151,845	639	579,433	179,731,917
November	185,280,101	702	504,568	185,785,371
December	213,090,463	(29)	611,549	213,701,983
Total	\$2,359,337,116	(\$3,921,134)	\$7,478,484	\$2,362,894,466

PP&L, INC.

Projected Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission
For the Application Period January 1, 1999 to December 31, 1999

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January	190,916,000	688,000	191,604,000
February	198,365,000	692,000	199,057,000
March	183,052,000	688,000	183,740,000
April	162,037,000	619,000	162,656,000
May	146,377,000	337,000	146,714,000
June	150,954,000	565,000	151,519,000
July	162,460,000	562,000	163,022,000
August	162,752,000	647,000	163,399,000
September	161,740,000	666,000	162,406,000
October	143,516,000	612,000	144,128,000
November	153,683,000	557,000	154,240,000
December	180,253,000	709,000	180,962,000
Total Projected Revenue	<u>\$1,996,105,000</u>	<u>\$7,342,000</u>	<u>\$2,003,447,000</u>

PP&L, INC.

Schedule F

Pennsylvania Tax Adjustment Surcharge
 Reconciliation - Revenue Per Schedule D (Gross Receipts Tax)
 and Schedule E (Revenue from Service Under Pa. P.U.C. Jurisdiction)
 With Books and FERC Form 1 - 1997

Revenue Per Books - 1997

Line No.	Reference FERC Form 1	Total	Less Fuel/Energy Adjustment	Less Surcharge	Base Rates
Schedule D					
1	Sale of Electricity Page 300: Line 14	\$2,962,259,887	(\$1,029,757)	(\$594,825)	\$2,963,884,469
2	Unbilled revenue included in above	5,983,607	(116,507)	(361,492)	6,461,606
3	Sale of Electricity (net of unbilled revenue)	2,956,276,280	(913,250)	(233,333)	2,957,422,863
Other Operating Revenue:					
4	Delayed Payment Charge Line 16	7,478,484			7,478,484
5	Other	77,920,358			77,920,358
6	Unbilled Revenues	5,983,607	(116,507)	(361,492)	6,461,606
7	Total Line 27	3,047,658,729	(1,029,757)	(594,825)	3,049,283,311
Less:					
8	Interdepartmental Sales Line 9	0			0
9	Bad Debts Company Records	26,282,400			26,282,400
10	Change in Accounts Receivable Company Records	(10,583,757)			(10,583,757)
11	Other Revenue As Above	77,920,358			77,920,358
Non-Taxable FERC Revenue					
12	UGI Luzerne Page 310-2/311-2: Line 14&15	26,242,235			26,242,235
13	Citizens Electric Page 310-2/311-2: Line 13	6,542,320	212,473		6,329,847
14	Atlantic City Electric Page 310-3/311-3: Line 5&6	23,897,008			23,897,008
15	Baltimore Gas & Elec. Line 7&8	55,346,029			55,346,029
16	Jersey Central Power Line 9&10	133,206,460			133,206,460
17	Miscellaneous Companies Page 310-8/311-8: Line 8	279,425,901			279,425,901
18	Pa-NJ-Md Interconnection Page 310-8/311-8: Line 10&11	45,490,192			45,490,192
19	Outside pools Line 3	(2,754)			(2,754)
20	Non-Taxable PUC Revenue (Borderline-Total) Page 310-1/311-1: Line 3-5	525,384	(1,015)	(141)	526,540
21	Unbilled Revenue As Above	5,983,607	(116,507)	(361,492)	6,461,606
22	Total (Lines 8 through 21)	670,275,383	94,951	(361,633)	670,542,065
23	Gross Receipts Tax Base (Line 7 - Line 22)	\$2,377,383,346	(\$1,124,708)	(\$233,192)	2,378,741,246
24	Less: "FERC Other" Taxable Revenue Company Records				32,071,963
25	Tax Base - Revenue Subject to PUC Jurisdiction (Schedule D, Line 5)				\$2,346,669,283
Schedule E					
26	Sale Of Electricity (Line 3)				\$2,957,422,863
27	Delayed Payment Charge (line 4)				7,478,484
Less: FERC Revenue:					
28	UGI Luzerne (Line 12)				(26,242,235)
29	Citizens Electric (Line 13)				(6,329,847)
30	Atlantic City Electric (Line 14)				(23,897,008)
31	Baltimore Gas & Elec. (Line 15)				(55,346,029)
32	Jersey Central Power (Line 16)				(133,206,460)
33	Miscellaneous Companies (Line 17)				(279,425,901)
34	Pa-NJ-Md Interconnection (Line 18)				(45,490,192)
35	Outside pools (Line 19)				2,754
36	FERC other (Line 24)				(32,071,963)
37	Revenue-PUC Jurisdictional Sales (Schedule E, Line 5)				2,362,894,466
Reconcile to Schedule D:					
Elimination of Non-taxable Items					
38	Bad Debts (Line 9)				(26,282,400)
39	PUC Revenue (Line 20)				(526,540)
40	Interdepartmental Sales (line 8)				0
41	Tax Base (Schedule D, Line 5)				\$2,336,085,526

ORIGINAL



2800 Pottsville Pike
Post Office Box 16001
Reading, PA 19640-0001
Tel 610-929-3601

December 23, 1998

R-00984579

RECEIVED

DEC 23 1998

Mr. James J. McNulty
Secretary of Bureau
Pennsylvania Public Utility Commission
North Office Building
North Street & Commonwealth Avenue
Harrisburg, PA 17102

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Metropolitan Edison Company
Tariff Electric Pa. PUC No. 48
State Tax Adjustment Surcharge

Dear Mr. McNulty:

Transmitted herewith for filing are eight (8) copies of the computation of the State Tax Adjustment Surcharge under Metropolitan Edison Company's Tariff Electric Pa. PUC No. 48.

The purpose of this filing is to recognize two tax changes: a decrease in the effective Gross Receipts Tax rate of 0.2% due to the Revenue-Neutral Reconciliation Rate published in the Pennsylvania Bulletin on November 28, 1998 and an increase in the Pennsylvania Public Utility Realty Tax for the additional assessment made in December 1998. The calculations result in a rate of 0.35%.

The Company does not plan on billing its customers for this increase.

Enclosed is an extra copy of this transmittal letter in order that you may indicate receipt of this filing.

Sincerely,

David Carroll

David Carroll
Director - PA Rates

Attachment

cc: I. A. Popowsky, Esq.
B. A. Ryan, Esq.
R. F. Wilson

DOCUMENT
FOLDER

48

Metropolitan Edison Company
Forecast Annual Retail Revenues
1999

	<u>Delivery Service Customers</u>	<u>Full Service Customers</u>	<u>Total</u>
Distribution	64,041,547	186,882,307	250,923,854
Transmission	-	23,292,257	23,292,257
CTC	41,503,532	57,621,203	99,124,735
Generation	-	307,569,059	307,569,059
PA Retail Total	105,545,079	575,364,826	680,909,905
FERC			639,752
Total Company			681,549,657

ORIGINAL



R-00984579

2800 Pottsville Pike
Post Office Box 16001
Reading, PA 19640-0001
Tel 610-929-3601

December 23, 1998

Mr. James J. McNulty
Secretary of Bureau
Pennsylvania Public Utility Commission
North Office Building
North Street & Commonwealth Avenue
Harrisburg, PA 17102

RECEIVED

DEC 23 1998

RE: Pennsylvania Electric Company - Elkland Borough
Tariff Electric Pa. PUC No. 76
State Tax Adjustment Surcharge

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty:

Transmitted herewith for filing are eight (8) copies of the computation of the State Tax Adjustment Surcharge under Pennsylvania Electric Company's Tariff Electric Pa. PUC No. 76 (Elkland).

The purpose of this filing is to recognize two tax changes: a decrease in the effective Gross Receipts Tax rate of 0.2% due to the Revenue-Neutral Reconciliation Rate published in the Pennsylvania Bulletin on November 28, 1998 and an increase in the Pennsylvania Public Utility Realty Tax for the additional assessment made in December 1998. The calculations result in a rate of 0.43%.

The Company does not plan on billing its customers for this increase.

Enclosed is an extra copy of this transmittal letter in order that you may indicate receipt of this filing.

Sincerely,

David Carroll
Director - PA Rates

Attachment

cc: I. A. Popowsky, Esq.
B. A. Ryan, Esq.
R. F. Wilson

DOCUMENT
FOLDER

PENNSYLVANIA ELECTRIC COMPANY
 Elkland Service Area
 Calculation of Pennsylvania Tax Adjustment Surcharge
 To Be Added to Electric Customers' Bills
 Effective for Service Rendered On and After January 1, 1999

Line No.	Description	Amount	
		(1)	(2)
1	1999 Forecast Total Annual Retail Revenues		1,343,542
2	Taxes to be (Refunded)/Recovered Through Surcharge (line 11)		\$ 5,838
3	Surcharge to be Applied to Customers' Bills (Line 2/ Line 1)		0.43%
RECEIVED			
DEC 23 1998			
PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU			
Revenue Neutral Reconciliation (RNR)			
4	1999 Forecast Total Annual Retail Revenues	1,343,542	
5	Revenue Neutral Reconciliation (RNR) Factor	-0.20%	
6	Reduction in Gross Receipt Tax Liability (Line 4 X Line 5)		\$ (2,687)
7	Public Utility Realty Tax December 1998 Additional Penelec Assessment	\$ 4,360,683	
8	Jurisdictional Allocation:		
	Penelec Retail Revenues	\$ 685,799,708	96.787%
	Elkland Revenues	\$ 1,343,542	0.190%
	New York Revenues	\$ 5,570,036	0.786%
	FERC Revenues	15,855,315	2.238%
	Total	\$ 708,568,601	100.000%
9	Elkland PA Jurisdictional Amount (Line 7 X 0.190%)		<u>\$8,268</u>
10	Tax to be (Refunded)/Recovered (Line 6 + Line 9)		<u>\$ 5,581</u>
11	Taxes to be (Refunded)/Recovered Through Surcharge (Line 10/0.956)		<u>\$ 5,838</u>

DOCKETED
 JAN 13 1999

**DOCUMENT
 FOLDER**

Pennsylvania Electric Company
 Elkland Service Area
 Forecast Annual Retail Revenues
 1999

	<u>Delivery Service Customers</u>	<u>Full Service Customers</u>	<u>Total</u>
Distribution	69,316,079	196,602,869	265,918,948
Transmission	-	29,227,961	29,227,961
CTC	20,260,201	29,135,358	49,395,559
Generation	-	341,257,240	341,257,240
 Penelec Retail Total	 89,576,280	 596,223,428	 685,799,708
 Elkland			 1,343,542
 New York			 5,570,036
 FERC			 15,855,315
 Total Company			 708,568,601

ORIGINAL



R-009 84579

2800 Pottsville Pike
Post Office Box 16001
Reading, PA 19640-0001
Tel 610-929-3601

December 23, 1998

Mr. James J. McNulty
Secretary of Bureau
Pennsylvania Public Utility Commission
North Office Building
North Street & Commonwealth Avenue
Harrisburg, PA 17102

RECEIVED

DEC 23 1998

RE: Pennsylvania Electric Company
Tariff Electric Pa. PUC No. 77
State Tax Adjustment Surcharge

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty:

Transmitted herewith for filing are eight (8) copies of the computation of the State Tax Adjustment Surcharge under Pennsylvania Electric Company's Tariff Electric Pa. PUC No. 77.

The purpose of this filing is to recognize two tax changes: a decrease in the effective Gross Receipts Tax rate of 0.2% due to the Revenue-Neutral Reconciliation Rate published in the Pennsylvania Bulletin on November 28, 1998 and an increase in the Pennsylvania Public Utility Realty Tax for the additional assessment made in December 1998. The calculations result in a rate of 0.43%.

The Company does not plan on billing its customers for this increase.

Enclosed is an extra copy of this transmittal letter in order that you may indicate receipt of this filing.

Sincerely,

David Carroll
Director - PA Rates

Attachment

cc: I. A. Popowsky, Esq.
B. A. Ryan, Esq.
R. F. Wilson

DOCUMENT
FOLDER

PENNSYLVANIA ELECTRIC COMPANY
 Calculation of Pennsylvania Tax Adjustment Surcharge
 To Be Added to Electric Customers' Bills
 Effective for Service Rendered On and After January 1, 1999

Line No.	Description	Amount	
		(1)	(2)
1	1999 Forecast Total Annual Retail Revenues (see page 2)		\$685,799,708
2	Taxes to be (Refunded)/Recovered Through Surcharge (line 11)		\$ 2,980,083
3	Surcharge to be Applied to Customers' Bills (Line 2/ Line 1)		0.43%
<p>RECEIVED</p> <p>DEC 25 1998</p> <p>PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU</p>			
Revenue Neutral Reconciliation (RNR)			
4	1999 Forecast Total Annual Retail Revenues (see page 2)	685,799,708	
5	Revenue Neutral Reconciliation (RNR) Factor	<u>-0.20%</u>	
6	Reduction in Gross Receipt Tax Liability (Line 4 X Line 5)		\$ (1,371,599)
7	Public Utility Realty Tax December 1998 Additional Penelec Assessment	\$ 4,360,683	
8	Jurisdictional Allocation:		
	Penelec Retail Revenues	\$ 685,799,708	96.787%
	Elkland Revenues	\$ 1,343,542	0.190%
	New York Revenues	\$ 5,570,036	0.786%
	FERC Revenues	<u>15,855,315</u>	<u>2.238%</u>
	Total	\$ 708,568,601	100.000%
9	Penelec PA Jurisdictional Amount (Line 7 X 96.787%)		<u>\$4,220,558</u>
10	Tax to be (Refunded)/Recovered (Line 6 + Line 9)		<u>\$ 2,848,959</u>
11	Taxes to be (Refunded)/Recovered Through Surcharge (Line 10/0.956)		<u>\$ 2,980,083</u>

DOCKETED
 JAN 13 1999

**DOCUMENT
 FOLDER**

Pennsylvania Electric Company
Forecast Annual Retail Revenues
1999

	<u>Delivery Service Customers</u>	<u>Full Service Customers</u>	<u>Total</u>
Distribution	69,316,079	196,602,869	265,918,948
Transmission	-	29,227,961	29,227,961
CTC	20,260,201	29,135,358	49,395,559
Generation	-	341,257,240	341,257,240
Penelec Retail Total	89,576,280	596,223,428	685,799,708
Elkland			1,343,542
New York			5,570,036
FERC			15,855,315
Total Company			708,568,601

R000984579

030522

99 JAN -8 AM 9:05

330-384-5151

January 5, 1999

RECEIVED
SECRETARY'S BUREAU

Mr. James J. McNulty
Pennsylvania Public Utility Commission
Commonwealth and North Streets
North Office Building
Harrisburg, PA 17120

DOCKETED
JAN 21 1999

Dear Secretary McNulty:

Pennsylvania Power Company (Penn Power) has calculated the impact of the Revenue Neutral Reconciliation Rate provided in 66 Pa.C.S. § 2810 to be a decrease of \$571,515. Penn Power has likewise calculated the impact of its recently received additional PURTA assessment to be an increase of \$758,260. The support for these calculations is attached, with the net impact being an increase of \$186,745.

Even though the attached work papers support an increase in the current State Tax Surcharge Adjustment (STAS) Rider from its current level of 0% to .07%, Penn Power proposes that no change be made at this time.

Very truly yours,

Kevin L. Norris

Kevin L. Norris
Director, Regulatory Analysis

**DOCUMENT
FOLDER**

ned
Enclosures

cc: SLFeld)
Robert F. Wilson, PPUC)
IAPopowsky, Office of Consumer Advocate)
BARyan, Office of Small Business Advocate)

With Enclosures

RECEIVED

JAN 11 1999

DEPT OF FINED UTILITY SERV:

PENNSYLVANIA POWER COMPANY

Surcharge Computation as Outlined in Pennsylvania
Public Utility Commission Order Dated March 10, 1970
Effective January 1, 1999

A-1 Capital Stock Tax

Taxable Gross Receipts per 1997 PA Gross
Receipts Tax Report - \$285,757,382 times -2 Mills \$ (571,515)
(Decrease from 44 to 42 mills)

A-2 Public Utility Realty Tax

Additional 1997 PURTA Assessment 758,260

A-3 Total of Lines A-1 and A-2 \$ 186,745

A-4 PUC Jurisdictional Allocation Factor 0.9527

A-5 Allocated tax increase \$ 177,912

A-6 Line A-5 divided by .958 \$ 185,712

A-7 Line A-6 divided by \$282,398,679
Representing the Gross Intrastate Operating Revenues
for the Year 1997 per Attached Exhibit A. 0.07%

RECEIVED

JAN 11 1999

STATE OF PENNSYLVANIA DEPARTMENT OF REVENUE

Exhibit A

PENNSYLVANIA POWER COMPANY

Gross Intrastate Operating Revenues
Year Ended December 31, 1997

Revenues from Sales - FERC #1, Page 300, Line 12	\$313,958,122
Less: Sales for Resale - FERC #1 Page 300, Line 11	32,310,706
Energy Clause Revenues	0
Surcharge Revenues	0
Plus: Revenues from Forfeited Discounts per Books - FERC #1, Page 300, Line 16	751,263
Gross Intrastate Operating Revenues	<u><u>\$282,398,679</u></u>

RECEIVED

JAN 11 1999

BOARD OF FIXED UTILITY SERVICES



RCT-900A (12-98)

December 22, 1998

PENNSYLVANIA POWER CO
76 S MAIN ST

RECEIVED

JAN 11 1999

AKRON OH 44308

DEPT OF FIXED UTILITY SERV

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax

Tax Period: 12/97

Department Use Only

Box Number: 3500089	Report Code: KA
EIN: 250718810	
PENNSYLVANIA POWER CO	
76 S MAIN ST	
AKRON OH 44308	

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$34,050,857.14 x 0.0222684 =	5758,260.00

Amount Paid:



Duquesne Light

411 Seventh Avenue
P.O. Box 1930
Pittsburgh, PA 15230-1930

RS
LM
Elec Need a Docket No.
for STATE

DOCUMENT
FOLDER

(412) 393-6000

January 8, 1999

R-00984579
RECEIVED

JAN 14 1999

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

Mr. Robert F. Wilson, Manager
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Dear Mr. Wilson:

Pursuant to the discussions between the electric companies and you and your staff at the PEA meeting on December 17th, Duquesne Light Company proposes to offset the effects of the Revenue Neutral Reconciliation Rate effective January 1, 1999 and the recent additional PURTA assessment. The result of the offset is an increase in the Company's projected tax liability. However, Duquesne will not be seeking recovery of the additional taxes at this time. Accordingly, the State Tax Adjustment Surcharge billed under Rider No. 10 of Duquesne's tariff will remain at its current level of (0.0841%).

Attached for your review is a calculation of the net impact of the tax changes as well as a copy of the additional PURTA assessment.

If you have any questions regarding this information, please contact Nancy J. Krajovic at (412) 393-6334.

Sincerely,

Morgan K. O'Brien
Morgan K. O'Brien
Vice President - Finance

RECEIVED

JAN 11 1999

Attachments

END OF FIXED UTILITY SERVICE

DOCKETED
JAN 21 1999



bc: Mr. F. M. Nadolny w/attachments
Mr. J. D. Lytle "
Ms. N. J. D. Krajovic "
Mr. M. G. Karl "

DUQUESNE LIGHT COMPANY
Calculation of RNR and PURTA Tax Impact for 1999

Projected 1999 revenues subject to Gross Receipts Tax *	\$763,173,238.03
Revenue Neutral Reconciliation Rate	<u>-0.20%</u>
Projected reduction in Gross Receipts Tax liability for 1999	-\$1,526,346.48
Additional PURTA Assessment (see attached statement)	<u>\$2,189,395.00</u>
Net change in projected taxes	<u>\$663,048.52</u>

* - 1999 projected revenues reflect the Company's expectations regarding the level of customer participation in Electric Choice.

01/06/99
NJDK
Regulatory Affairs



RCT-900A (12-98)

December 22, 1998

DUQUESNE LIGHT CO
1 OXFORD CTR
301 GRANT ST
PITTSBURGH PA 15279

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax
Tax Period: 12/97

Department Use Only

Box Number: 3500023	Report Code: KA
EIN: 250451600	
DUQUESNE LIGHT CO 1 OXFORD CTR 301 GRANT ST PITTSBURGH PA 15279	

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$98,318,276.90 x 0.0222684 =	\$2,189,395.00
Amount Paid:	



Mark R. Dingman
Vice President and General Manager

ORIGINAL
UGI Utilities, Inc.
Hanover Industrial Estates
400 Stewart Road
Post Office Box 3200
Willesboro, PA 17723-3100

(717) 819-1212 Telephone

R-00984579

January 8, 1999

Via Federal Express

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Avenue and North Street
P.O. Box 3265, North Office Building
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED

JAN 08 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: State Tax Adjustment Surcharge

Dear Secretary McNulty:

In accordance with the Commission Order pertaining to the State Tax Adjustment Procedure dated March 10, 1970, UGI Utilities, Inc. - Electric Division hereby files an original and eight (8) copies of Supplement No. 1 to Tariff Electric Pa. P.U.C. No. 5 together with the computation deriving the State Tax Surcharge of -0.14% to become effective for service rendered on and after January 18, 1999.

If you need any further information, please contact John Barney, Vice President - Finance & Accounting, at (610) 796-3537.

Please acknowledge receipt of this filing on the enclosed copy of this letter.

Sincerely,

swd/plw
Attachment(s)

- cc: Office of Consumer Advocate
- Office of Trial Staff
- Office of Small Business Advocate
- Office of Special Assistants
- Law Bureau

5

UGI UTILITIES, INC.
ELECTRIC DIVISION
ELECTRIC SERVICE TARIFF

LUZERNE COUNTY

City of Nanticoke, and Boroughs of Courtdale, Dallas, Edwardsville, Forty-Fort, Harvey's Lake, Kingston, Larksville, Luzerne, New Columbus, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Wyoming and Wyoming.

First Class Townships of Hanover and Newport, and Second Class Townships, of Conyngham, Dallas, Fairmount, Franklin, Hunlock, Huntington, Jackson, Kingston, Lake, Lehman, Plymouth, Ross and Union.

WYOMING COUNTY

Townships of Monroe and Noxen

Issued: January 8, 1999

Effective: January 18, 1999

BY: M. R. Dingman
Vice President and General Manager
400 Stewart Road
Wilkes-Barre, Pennsylvania 18773

Issued under order of the
Pennsylvania Public Utility
Commission State Tax Surcharge
Procedure dated March 10, 1970

ELECTRIC DIVISION
400 Stewart Road
P. O. Box 3200
Wilkes-Barre, Pennsylvania 18773-3200

DOCUMENT
FOLDER

NOTICE

THIS TARIFF MAKES DECREASES TO EXISTING RATES AND RULES (PAGE 2)

DOCKETED

FEB 01 1999

UGI UTILITIES, INC.
ELECTRIC DIVISION

Supplement No. 1 to
Electric - Pa. PUC No. 5
First Revised Page No. 2
Canceling Original Page No. 2

LIST OF CHANGES MADE BY THIS TARIFF

RULE 17 - STATE TAX SURCHARGE APPLICABLE TO ALL RATES - PAGE 25

The State Tax Surcharge, applicable to all rates in this Tariff, has been recomputed and is decreased from 0% to -0.14%.

Issued: January 8, 1999

Effective: January 18, 1999

RULES AND REGULATIONS (continued)

17. STATE TAX SURCHARGE APPLICABLE TO ALL RATES

In addition to the net charges provided in this Tariff, a surcharge of -0.14% will apply to all service rendered on and after January 18, 1999.

The above surcharge will be recomputed using the same elements prescribed by the Commission.

- (a) When any of the tax rates used in calculation of the surcharge are changed;
- (b) Whenever the utility makes effective increased or decreased rates;
- (c) And on March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputation; and that if the recomputed surcharge is less than the one in effect, the utility will, and if the recomputed surcharge is more than the one in effect the utility may submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date which shall be 10 days after filing.

**UGI UTILITIES, INC. - ELECTRIC DIVISION
 COMPUTATION OF STATE TAX ADJUSTMENT SURCHARGE
 BASED UPON 12 MONTHS ENDED SEPTEMBER 30, 1998**

	Amount	Reference
Decrease in Revenue Required to Recover:		
1. Capital Stock Tax @ 11.99 Mills	(\$25,974)	Exhibit 1 Line 4
2. Supplemental PURTA Tax - 1997	70,130	See Attached Documentation
3. RNR - GRT tax rate decrease	(143,226)	Exhibit 2 Line 5
4. Total Decrease in Revenue	(\$99,070)	
5. Total Decrease in Revenue Required Including Adjustment for Gross Receipts Tax on Decreased Revenue	(\$103,414)	(4) / 0.958
6. Gross Operating Revenue	\$72,077,727	Exhibit 3 Line 3
7. STA Rate	-0.14%	(5) / (6)

**UGI Utilities, Inc.
Capital Stock Tax
Gas and Electric**

EXHIBIT 1

	<u>Gas</u>	<u>Electric</u>	<u>Total</u>	<u>Reference</u>
Penna. Capital Stock Tax				
1. Resettlement Capital Stock Tax Tax Year 9-30-96			213,602,172	Statement Attached
2. Tax at 12.75 Mills			2,723,428	(1) X .01275
2a. Tax at 11.99 Mills			2,561,090	(1) X .01199
2b. Difference	-0.00076		(162,338)	
3. Allocated to Operations %	84%	16%	100%	Allocation
4. Amount	(136,364)	(25,974)	(162,338)	(2b) X (3)

REV. 534 EA - (7-95)

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE
 BOARD OF APPEALS
 DEPT. 381021
 HARRISBURG, PA 17124-1021



**BOARD OF APPEALS
 RESETTLEMENT
 (Official)**

T/C OF RESETTLEMENT

BOX NUMBER 0176169

DOCKET NUMBER 9806055

COMPANY

ATTN: N DAVID RAHAL
 KEEFER WOOD ALLEN & RAHAL LLP
 PO BOX 11963
 HARRISBURG PA 17108-1963

UGI UTILITIES INC

98652471

TYPE OF TAX:
 01 CAPITAL STOCK TAX
 02 FRANCHISE TAX

IN ACCOUNT WITH THE COMMONWEALTH OF PENNSYLVANIA

RESETTLEMENT OF CAPITAL STOCK / FRANCHISE TAX			TAX DEBIT OR CREDIT
WORK SHEETS <input checked="" type="checkbox"/> 829 <input type="checkbox"/> WHITE	for the <u>1</u> year or <u>1363</u> days ended <u>9/30</u> 19 <u>96</u>		<u>92,026.01</u> 02
	to supersede settlement/resettlement made <u>2/19</u> 19 <u>98</u>		PENALTY DEBIT OR CREDIT
	in the amount of <u>2,815,454</u> - 0 - (Tax)	(Penalty) <u>2,815,454</u>	<u>- 0 -</u> 201/202
	Proportion of Taxable Assets	Value of Capital Stock as appraised By Department of Revenue	Taxable Value of Capital Stock
	\$ <u>627,817,265</u>	\$ <u>221,956,158</u>	\$ <u>213,602,172</u>
	\$ <u>652,371,253</u>	\$ <u>962,362</u>	
	Total of Proportions		
		Taxable Value	<u>213,602,172</u>
	Tax at rate of <u>12 3/4</u> MFLA		\$ <u>2,723,428</u>
	Penalty (For failure to file report within time limit prescribed by law)		\$
	*If applicable		

Department of Revenue
 S.S. AUG 17 1998
 Harrisburg, PA, 19
RESETTLED AND DELIVERED TO AUDITOR GENERAL
Michael J. Tyler
 FOR THE SECRETARY OF REVENUE
 Michael J. Tyler

Department of the Auditor General
 AUG 13 1998
 Harrisburg, PA, 19
AUDITED AND APPROVED:
[Signature]
 FOR THE AUDITOR GENERAL

BUREAU OF CORPORATION TAXES
SPECIALTY TAX UNIT
DEPT. 280704
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



RCT-900A (12-98)

December 22, 1998

LUZERNE ELECTRIC DIVISION
PO BOX 858

VALLEY FORCE PA 19481

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax
Tax Period: 12/97

Department Use Only

Box Number:	3500205	Report Code:	KA
EIN:	231174060		
LUZERNE ELECTRIC DIVISION PO BOX 858 VALLEY FORCE PA 19481			

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$3,149,309.52 x 0.0222684 =	578,130.00

Amount Paid:

RCT-900A (12-98)

UGI Utilities, Inc. - Electric Division
Calculation of Increase in Pennsylvania Gross Receipts Tax
12 Months Ended September 30, 1998

Exhibit 2

	Amount	Reference
1. Revenue from Sales of Electricity	\$71,731,505	(1)
Adj. for Unbilled Revenue	31,575	(1)
Adj. for ECR Revenue	0	(1)
 Billed Base Revenue	 71,763,080	
2. Add: Late Payment Charges	314,647	(1)
3. Less: Uncollectible Accounts	(464,634)	(1)
4. Sub-total Estimated Taxable Revenue for the Year	71,613,093	Sum (1) thru (3)
5. Decrease in GRT	(143,226)	(4) X -002

(1) Company Records

**UGI Utilities, Inc. - Electric Division
Development of Gross Operating Revenue to Which
State Tax Adjustment Surcharge is Applied
12 Months Ended September 30, 1998**

Exhibit 3

	Amount	Reference
1. Billed Base Revenue	\$71,763,080	Company Records
2. ADD: Late Payment Charges	314,647	Company Records
3. STAS Revenue Base	\$72,077,727	(1) + (2)



PECO ENERGY

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215-841-5760

ORIGINAL

January 20, 1999

R-00984579

RECEIVED

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - P. O. Box 3265
Harrisburg, PA 17105

JAN 20 1999

DOCKETED

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

FEB 01 1999

Dear Mr. McNulty:

Subject: State Tax Adjustment Surcharge -- Electric Operations

The Company has reviewed the effects of the announced change in the Revenue Neutral Reconciliation (RNR) rate for 1999 and has concluded that no change in the State Tax Adjustment Surcharge (STAS) is warranted at this time. As indicated in the May 4, 1998 STAS filing, the Company will incur a shortfall of \$1,251,631 as a result of PURTA and Capital Stock Tax effects in the current STAS period (April 1, 1998 to March 31, 1999). In the May 4, 1998 filing the Company did not request an increase in the STAS rate to recover this shortfall. The RNR effects for the remainder of the current STAS period (January through March 1999) amount to a credit value of \$1,315,155 (see Attachment A). The net of the \$1,251,631 May 4, 1998 filing amount due from customers and the \$1,315,155 credit for RNR effects due to customers is \$63,524. This amount is de minimis in nature, and therefore, the STAS will remain at zero through the period ending March 31, 1999.

Would you please acknowledge the foregoing on the enclosed copy of this letter.

Sincerely,

cc: G. Bartron, Director, Bureau of Audits
C. F. Hoffman, Director, Office of Trial Staff
R. F. Wilson, Manager, Office of Special Assistants
Office of Consumer Advocate
Office of Small Business Advocate

DOCUMENT

90

Attachment A

PECO Energy Company - Electric Operations
Effect of Revenue Neutral Reconciliation (RNR)
Computation of Decrease in
Gross Receipts Tax
January 1, 1999 Thru March 31, 1999

		<u>Reference</u>
1 . Annual Base for Computation of GRT	\$3,302,549,905	Attachment B
2 . Less :		
12 Mo. effect of 5/14/98		
Restructuring Order Rate Reduction	\$264,203,992	Ln. 1 * 8 % Decrease
3 . Less :		
Reduction due to customers choosing		
competitive electric supply	<u>\$518,508,524</u>	Company est.
4 . Adjusted base	\$2,519,837,389	
5 . 2 Mill decrease in Gross Receipts	(\$5,039,675)	Ln. 4 * 0.002
Tax from 44 mills to 42 mills from RNR		
6 . Revenue Requirement - including		
Gross Receipts Tax Effect	(\$5,260,621)	Ln. 5 / 0.958
7 . Portion included from 1/1/99 - 3/31/99	(\$1,315,155)	Ln. 6 * 0.25

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JAN 20 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company - Electric Operations
Pennsylvania Gross Receipts Tax Base

January 1, 1999 Thru March 31, 1999

1 .	<u>Booked Revenue from Sales</u>	\$4,101,953,459	FERC # 1, Pg. 301, Ln. 14
2 .	Less : Non - jurisdictional revenue		
	Sales for Resale	\$786,491,611	FERC # 1, Pg. 301, Ln. 11
	Interdepartmental Revenues	\$5,468,278	FERC # 1, Pg. 301, Ln. 9
3 .	Less : LILR Revenue not subject to STAS	\$7,443,665	Company Records
4 .	<u>Taxable Revenues Subject to STAS</u>	\$3,302,549,905	

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JAN 20 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



PECO ENERGY

DOCUMENT
FOLDER

January 22, 1999

Alfred A. Miller
Director
Rates & Regulatory Affairs

ORIGINAL
PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5760

Q-00984579

VIA FEDERAL EXPRESS

RECEIVED

JAN 22 1999

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - P. O. Box 3265
Harrisburg, PA 17105

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary McNulty:

Subject: State Tax Adjustment Surcharge (STAS) - Electric Operations
(Amended)

This filing amends the STAS filing made January 20, 1999, by including the effects of the additional PURTA millage assessment recently received for the year 1997.

Attachment A shows the net effect of the Revenue Neutral Reconciliation (RNR) credit to the 1999 Gross Receipts Tax rate and the increased PURTA millage assessment. This net effect is an amount due from customers of \$2,530,752 through March 31, 1999, the end of the current STAS period. The Company is not currently requesting to increase it's STAS rate (currently set at zero) to recover this amount. These effects, as well as the Capital Stock Tax rate decrease and prior PURTA millage assessment addressed in the Company's May 4, 1998 STAS filing will be fully reconciled as part of the annual STAS filing to be made by March 21, 1999.

Would you please acknowledge the foregoing on the enclosed copy of this letter.

Sincerely,

- cc: G. Bartron, Director, Bureau of Audits
- C. F. Hoffman, Director, Office of Trial Staff
- R. F. Wilson, Manager, Office of Special Assistants
- Office of Consumer Advocate
- Office of Small Business Advocate

EEF

PECO Energy Company - Electric Operations
Gross Receipts Tax and PURTA Adjustments
STAS Period Ending 3/31/99

		<u>Reference</u>
1 . Effect of 2 Mill Decrease in Gross Receipts Tax from RNR	(\$1,259,919)	Ln. 6, Page 2 of 5
2 . Additional PURTA Assessment	<u>\$3,684,379</u>	Ln. 1, Page 4 of 5
3 . Sub - total	\$2,424,460	
4 . Revenue Effect with Gross Receipts Tax	\$2,530,752	Ln. 3 / 0.958

DOCUMENT
FOLDER

DOCKETED
JAN 29 1999

PECO Energy Company - Electric Operations
Effect of Revenue Neutral Reconciliation (RNR)
Computation of Decrease in
Gross Receipts Tax
January 1, 1999 Thru March 31, 1999

		<u>Reference</u>
1 . Annual Base for Computation of GRT	\$3,302,549,905	Page 3 of 5
2 . Less :		
12 Mo. effect of 5/14/98		
Restructuring Order Rate Reduction	\$264,203,992	Ln. 1 * 8 % Decrease
3 . Less :		
Reduction due to customers choosing		
competitive electric supply	<u>\$518,508,524</u>	Company est.
4 . Adjusted base	\$2,519,837,389	
5 . 2 Mill decrease in Gross Receipts	(\$5,039,675)	Ln. 4 * 0.002
Tax from 44 mills to 42 mills from RNR		
6 . Portion included from 1/1/99 - 3/31/99	(\$1,259,919)	Ln. 5 * 0.25

PECO Energy Company - Electric Operations
Pennsylvania Gross Receipts Tax Base

January 1, 1999 Thru March 31, 1999

1 . <u>Booked Revenue from Sales</u>	\$4,101,953,459	FERC # 1, Pg. 301, Ln. 14
2 . Less : Non - jurisdictional revenue		
Sales for Resale	\$786,491,611	FERC # 1, Pg. 301, Ln. 11
Interdepartmental Revenues	\$5,468,278	FERC # 1, Pg. 301, Ln. 9
3 . Less : LILR Revenue not subject to STAS	\$7,443,665	Company Records
4 . <u>Taxable Revenues Subject to STAS</u>	\$3,302,549,905	

PECO Energy Company
PURTA Adjustment

	<u>Total</u>	<u>Electric</u>	<u>Gas</u>
1 . Additional PURTA Assessment at 22.2684 Mills (a)	\$4,102,872	\$3,684,379	\$418,493

(a) Per Attachment A, Page 5 of 5, Electric (89.8%) and Gas (10.2%) based on PURTA base.



TAXES DIVISION

DIR. ___ OH ___ YFP ___ MJT ___
MFR ___ WFD ___ PAX ___ SNAI ___
FILE ___ LMN ___ JAV ___ EEH ___
JFG ___ KKG ___ EDL ___

RCT-900A (12-98)

December 22, 1998

DEC 28 '98

PECO ENERGY CO
2301 MARKET ST
S18-4
PHILADELPHIA PA 19101

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax

Tax Period: 12 / 97

Department Use Only

Box Number:	3500103	Report Code:	KA
EIN:	230970240		
PECO ENERGY CO 2301 MARKET ST S18-4 PHILADELPHIA PA 19101			

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$184,246,000.00 x 0.0222684 =	\$4,102,872.00

Amount Paid:

DOCUMENT
FOLDER

MCNEES, WALLACE & NURICK
ATTORNEYS AT LAW

100 PINE STREET
P. O. BOX 1166
HARRISBURG, PA 17108-1166
TELEPHONE (717) 232-8000
FAX (717) 237-5300
<http://www.mwn.com>

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99 JAN 22 PM 2:17
PA. P.U.C.
SECRETARY'S BUREAU
January 22, 1999

PAMELA C. POLACEK
DIRECT DIAL: (717) 237-5368
E-MAIL ADDRESS: PPOLACEK@MWN.COM

ORIGINAL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

VIA HAND DELIVERY

**Re: Citizens' Electric Company, State Tax Adjustment Surcharge
Docket No. R-00984579**

Dear Secretary McNulty:

Enclosed for filing with the Commission are an original and eight (8) copies of Citizens' Electric Company's ("Citizens" or the "Company"), Supplement No. 1 to Electric-Pa. P.U.C. No. 14, issued January 21, 1999, to become effective on ten days' notice, or on February 1, 1999. By Supplement No. 1, Citizens' State Tax Adjustment Surcharge ("STAS") is recalculated to reflect a reassessment of the Company's Public Utility Realty Tax Act ("PURTA") liability and a change in the gross receipts tax. Supplement No. 1 proposes to reduce the STAS rate from the current level of -0.06% to -0.14%, effective for service rendered on or after February 1, 1999. The supporting documents showing the recalculation of the Company's STAS are included in this filing at Appendix "A."

Supplement No. 1 also proposes to reduce the Stranded Cost Recovery Rate ("SCRR") from 0.366 cents per kWh, to 0.365 cents per kWh, applicable to Rate Schedules RS, GLP-1, GLP-3, MBL, and SH. The proposed reduction in the SCRR reflects a decrease in the gross receipts tax from 0.044 to 0.042. The supporting document showing the recalculation of the Company's SCRR is attached as Appendix "B."

Citizens' respectfully requests waiver of the Commission's public notice requirements at 52 Pa. Code § 53.45, because the proposed changes contemplated in Supplement No. 1 are rate reductions.

70

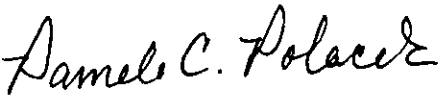
EEF

James J. McNulty, Secretary
January 22, 1999
Page 2

Copies of this filing are being served upon the parties indicated below. Please date stamp the extra copy of this transmittal letter and kindly return it to us for our filing purposes. Thank you for your attention to this matter.

Very truly yours,

McNEES, WALLACE & NURICK

By 
David M. Kleppinger
Pamela C. Polacek

Counsel to Citizens' Electric Company

PCP/gm

Enclosures

- c: Mr. Kerry Klinefelter, Bureau of Fixed Utility Services (w/enc.)-via hand delivery
- Ms. Rhonda J. Staver, Bureau of Fixed Utility Services (w/enc.)-via hand delivery
- Irwin A. Popowsky, Esq., Office of Consumer Advocate (w/enc.)-via first class mail
- Bernard A. Ryan, Jr., Esq., Office of Small Business Advocate (w/enc.)-via first class mail

Supplement No. 1
to
Electric-Pa. P.U.C. No. 14

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

DOCKETED

JAN 29 1999

RULES AND REGULATIONS AND RATE SCHEDULES FOR ELECTRIC SERVICE

IN

LEWISBURG BOROUGH; BUFFALO, EAST BUFFALO AND KELLY
TOWNSHIPS, UNION COUNTY; AND WEST CHILLISQUAQUE
TOWNSHIP, NORTHUMBERLAND COUNTY, PENNSYLVANIA

DOCUMENT
FOLDER

Issued January 22, 1999

Effective February 1, 1999

Issued by
ERIC L. BROUSE, PRESIDENT
1775 Industrial Boulevard
Lewisburg, PA 17837

NOTICE !

THIS TARIFF SUPPLEMENT MAKES **}}Decreases}}** IN EXISTING RATES

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99 JAN 22 PM 2:17
PA.P.U.C.
SECRETARY'S BUREAU

LIST OF CHANGES MADE IN THIS SUPPLEMENT

Page 37:

The State Tax Adjustment Surcharge (" STAS") is reduced from -0.06% to -0.14%, effective for service on or after February 1, 1999, due to the reassessment of the Company's Public Utility Realty Tax Act (" PURTA") liability and a change in the gross receipts tax.

Pages 41, 43, 45, 47, 53:

The Stranded Cost Recovery Rate (" SCRR") is reduced from 0.366 to 0.365 cents per kWh, to reflect the decrease in the gross receipts tax from .044 to .042, applicable to Rate Schedules RS, GLP-1, GLP-3, MBL, and SH.

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26 - Determination of Demand	Original 17	
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Sales to Qualifying Facilities, SPPs and Cogeneration Facilities of Over 50 kW.	Original 59,60,61	

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of -0.14% will apply to all bills for service rendered on or after February 1, 1999.

(D)
(C)

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge. Such recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be ten days after filing. Any charges or credits in the surcharge shall be rolled into the base rates in the Company's next base rate proceeding.

Note: The STAS rate of -0.14% is a rate reduction only for the applicable time period and is not a reduction in the statutory rate cap that was in effect as of January 1, 1997. See 66 Pa.C.S. § 2804(4).

(C)
(C)
(C)

**SCHEDULE RS
RESIDENTIAL SERVICE**

APPLICATION OF SCHEDULE

Service supplied in accordance with Company's Residential Service Requirements contained in Rule 31, in Company's Rules and Regulations.

NET MONTHLY DISTRIBUTION RATE

\$3.56 Customer Charge

1.7615 cents per kWh for the first 200 kWh

1.5115 cents per kWh for the next 800 kWh

1.1115 cents per kWh for all additional kWh

ENERGY CHARGE PRICES

For customers purchasing energy from Citizens' Electric Company's PLR Service, the energy charge is a variable market rate and will not apply to customers purchasing energy from other PUC approved Electric Generation Suppliers. The current maximum energy charge is 3.7625 cents per kWh. This rate includes transmission charges.

The Stranded Cost Recovery Rate of 0.365 cents per kWh applies to all kWh supplied under this rate. (D)

Customers returning to the Company for PLR Service shall have the option of: (1) receiving generation service from the Company for a period of one (1) year subject to the rate cap; or (2) receiving generation service at a monthly published generation market rate without the benefit of the generation rate cap.

TWO OR MORE SEPARATE DWELLING UNITS

When two or more separate dwelling units are supplied through one meter, the initial charge and the kWh in each block will be multiplied by the number of dwelling units supplied.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate Clause.

**SCHEDULE GLP-1
GENERAL LIGHT AND POWER SERVICE**

APPLICATION OF SCHEDULE

This rate schedule is for small general light and power service at secondary voltage or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

6.7715 cents per kWh for First Energy Block
2.4915 cents per kWh for the next 850 kWh
0.9415 cents per kWh for all additional kWh

The first energy block shall consist of 150 kilowatt hours, plus 60 kilowatt hours of each additional kilowatt of billing demand over 5 kilowatts.

ENERGY CHARGE PRICES

For customers purchasing energy from Citizens' Electric Company's PLR Service, the energy charge is a variable market rate and will not apply to customers purchasing energy from other PUC approved Electric Generation Suppliers. The current maximum energy charge is 3.7625 cents per kWh. This rate includes transmission charges.

The Stranded Cost Recovery Rate of 0.365 cents per kWh applies to all kWh supplied under this rate. (D)

Customers returning to the Company for PLR Service shall have the option of: (1) receiving generation service from the Company for a period of one (1) year subject to the rate cap; or (2) receiving generation service at a monthly published generation market rate without the benefit of the generation rate cap.

MINIMUM CHARGE

\$2.34 for the first 5 kilowatts of billing demand plus \$1.46 per kilowatt for each additional kilowatt of billing demand of the current month, but not less than 50% of the highest billing demand of the preceding eleven months.

BILLING DEMAND

The average kilowatts supplied during the 15-minute period of maximum use during the current month.

Pending the installation of a demand meter, billing demand shall be determined by dividing the kilowatt-hour use by 200.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate Clause.

**SCHEDULE GLP-3
GENERAL LIGHT AND POWER SERVICE
50 KILOWATTS MINIMUM**

APPLICATION OF SCHEDULE

General light and power service for not less than 50 kilowatts from available lines of three phase 230 volts or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

\$40.63 Customer Charge

\$4.21 per kilowatt for the first 150 kilowatts of the Billing kW

\$3.45 per kilowatt for all additional kilowatts of the Billing kW

1.1700 cents per kWh for 30 kWh per kilowatt of the Billing kW

0.1420 cents per kWh for all additional kWh

ENERGY CHARGE PRICES

For customers purchasing energy from Citizens' Electric Company's PLR Service, the energy charge is a variable market rate and will not apply to customers purchasing energy from other PUC approved Electric Generation Suppliers. The current maximum energy charge is 3.7625 cents per kWh. This rate includes transmission charges.

The Stranded Cost Recovery Rate of 0.365 cents per kWh applies to all kWh supplied under this rate. (D)

Customers returning to the Company for PLR Service shall have the option of: (1) receiving generation service from the Company for a period of one (1) year subject to the rate cap; or (2) receiving generation service at a monthly published generation market rate without the benefit of the generation rate cap.

MINIMUM CHARGE

The monthly minimum charge is the customer charge of \$40.63, plus the minimum billing demand requirement of this rate schedule but not less than 50 kW.

BILLING DEMAND

The average kilowatts supplied during the 15-minute period of maximum use during the current month, but not less than 50% of the highest during the preceding eleven months.

VOLTAGE DISCOUNT

15¢ per kilowatt of billing demand when service is supplied at 12,000 volts for loads over 1000 kilowatts.

**SCHEDULE MBL
MUNICIPAL BOULEVARD STREET LIGHTING SERVICE BY CONTRACT
WITH MUNICIPAL AUTHORITIES**

AVAILABILITY

This schedule applies to street lighting with incandescent lamps controlled by Company when proper underground cables and lighting standards are available in the Borough of Lewisburg, Pennsylvania.

NET MONTHLY DISTRIBUTION RATE

3.7315 cents per kWh.

ENERGY CHARGE PRICES

For customers purchasing energy from Citizens' Electric Company's PLR Service, the energy charge is a variable market rate and will not apply to customers purchasing energy from other PUC approved Electric Generation Suppliers. The current maximum energy charge is 3.7625 cents per kWh. This rate includes transmission charges.

The Stranded Cost Recovery Rate of 0.365 cents per kWh applies to all kWh supplied under this rate. (D)

PAYMENT

Bills will be rendered each month and when bills are paid within 20 days from the date thereof, the above net rate applies. When not paid, the gross rate applies which is the above net rate plus 5% of the unpaid balance of the monthly bill, except in case of discontinuance of service when bills are due and payable on presentation.

HOURS OF SERVICE

All all-night Boulevard lamps will be lighted from one-half hour after sunset to one-half hour before sunrise each and every night, or with automatic controls which operate according to degree of darkness.

EQUIPMENT AND SERVICE

Company will furnish and maintain standard electrical equipment, such as wire, conduit, and necessary controls. The Borough will assist with the installation and will supply the standards. Any other maintenance and servicing of the system including replacement of lamps and globes shall be performed by the Borough or at Borough expense.

**SCHEDULE SH
SPACE HEATING**

APPLICATION OF SCHEDULE

This rate schedule is in the process of elimination and is available only to customers and service locations supplied hereunder continuously on and after August 8, 1981. For Space Heating through a separate meter for single phase service or three phase service, if available. Use of service for air conditioning and water heating equipment may be supplied hereunder in connection with the space heating equipment, all in accordance with the requirements specified herein.

NET MONTHLY DISTRIBUTION RATE

\$3.77 Customer Charge
1.1915 cents per kWh.

ENERGY CHARGE PRICES

For customers purchasing energy from Citizens' Electric Company's PLR Service, the energy charge is a variable market rate and will not apply to customers purchasing energy from other PUC approved Electric Generation Suppliers. The current maximum energy charge is 3.7625 cents per kWh. This rate includes transmission charges.

The Stranded Cost Recovery Rate of 0.365 cents per kWh applies to all kWh supplied under this rate.

(D)

Customers returning to the Company for PLR Service shall have the option of: (1) receiving generation service from the Company for a period of one (1) year subject to the rate cap; or (2) receiving generation service at a monthly published generation market rate without the benefit of the generation rate cap.

SPACE HEATING REQUIREMENTS

Electric space heating units, including electrically operated year-round air conditioning and heating equipment, shall be the sole means of heating any building supplied hereunder.

Service hereunder shall be supplied at the same point of delivery as the general light and power service to the building.

Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted in conjunction with service supplied hereunder without violating the total electric requirement of the rate.

APPENDIX A

**RECALCULATION OF THE COMPANY'S
STATE TAX ADJUSTMENT SURCHARGE**

CITIZENS' ELECTRIC COMPANY
 Reconciliation of State Tax Adjustment Surcharge
 for the Period May 10, 1998 through January 31, 1999

ATTACHMENT A
 Page 1 of 2

	<u>Amount</u>	
1. Capital Stock Tax	\$3,599	
2. Corporate Net Income Tax	0	
3. Utility Realty Tax	0	
4. Gross Receipts Tax	<u>0</u>	
5. Total of Items 1, 2, 3, and 4	\$3,599	
6. Revised taxliability for the period January 1, 1998 through January 31, 1999 (Line 5 divided by complement of Gross Receipts Tax Rate .958)		\$3,757
7. STAS Revenue Collections		
Capital Stock Tax	\$3,330	
Corp. Net Income Tax	0	
Public Utility Realty Tax	0	
Gross Receipts Tax	<u>0</u>	
8. Less: Total revenue refunded from May 1998 through January 1999 (Page 9)		<u>\$3,330</u>
9. (Over)/Under Refund (Line 6 minus Line 8)		<u><u>\$427</u></u>

CITIZENS' ELECTRIC COMPANY
Capital Stock Tax Adjustment

ATTACHMENT A
Page 2 of 2

Decrease in capital stock January 1, 1998 through January 31, 1999

1. Value of Capital Stock Per official settlement dated 1996 (Page 6)	4,522,313
2. Statutory exemption - based on new law	<u>100,000</u>
3. Value of Capital Stock less statutory exemption	4,422,313
4. Apportionment percentage	<u>0.986826</u>
5. Taxable value of Capital Stock	4,364,053
6. Tax rate - effective January 1, 1998 (11.99 mills)	<u>0.01199</u>
7. Pa. Capital Stock Tax based on new law	52,325
8. Pa. Capital Stock Tax (Based on 1996 settled value and 1996 tax rates, Page 6)	<u>55,642</u>
9. Tax decrease	3,317
10. Effective time period (1/1/98 - 1/31/99) 396/365	<u>1.084932</u>
11. Allocated tax decrease January 1, 1998 through January 31, 1999	<u><u>\$3,599</u></u>

CITIZENS' ELECTRIC COMPANY
 Computation of State Tax Adjustment Surcharge
 for the Period January 1, 1999 through December 31, 1999

ATTACHMENT B
 Page 1 of 3

	<u>Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	\$0	
2. Corporate Net Income Tax	0	
3. Utility Realty Tax	6,424	A
4. Gross Receipts Tax	<u>0</u>	
5. Total of Lines 1, 2, 3, and 4	6,424	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	(16,912)	B
7. Total of Lines 5 and 6	(10,488)	
8. Line 7 divided by complement of Gross Receipts Tax Rate .958	(10,948)	
9. STAS reconciliation for period May 10, 1998 through January 31, 1999 (Page 1)	<u>(427)</u>	
10. Total of Lines 8 and 9	<u>(\$11,375)</u>	
11. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pa. Public Utility Commission for the period January 1, 1997 through December 31, 1997 (Page 10)	<u>\$7,893,507</u>	
12. Surcharge rate to be refunded for the period January 1, 1999 through December 31, 1999 (Line 10 divided by Line 11)	<u>-0.14%</u>	

CITIZENS' ELECTRIC COMPANY
Pennsylvania Public Utility Realty Tax
Report Due April 15, 1998

ATTACHMENT B
Page 2 of 3
Schedule A

1. Total plant taxable value at December 31, 1997 (Per report due April 15, 1998 - attached, Page 7)	\$288,491
2. Pa. Public Utility Realty Tax (Based on applied rate of 64.2684 mills, Pages 7 & 8)	18,541
3. Pa. Public Utility Realty Tax (Based on rate of 42.0000 mills, Page 7)	<u>12,117</u>
4. Increase in Pa. Public Utility Realty Tax	6,424
5. PUC jurisdictional allocation factor	1
6. Allocated tax increase	<u><u>\$6,424</u></u>

CITIZENS' ELECTRIC COMPANY
Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

ATTACHMENT B
Page 3 of 3
Schedule B

1. Projected taxable revenues for Pa. gross receipts tax for period January 1, 1999 to December 31, 1999	\$8,456,000
2. RNR tax rate adjustment as published by the Department of Revenue in the Pennsylvania Bulletin on November 28, 1998	<u>(0.002)</u>
3. Projected decrease in applicable 1999 gross receipts tax liability based on RNR tax rate adjustment	<u>(\$16,912)</u>



OFFICIAL NOTICE OF SETTLEMENT

RE: 0225-090 REV-57 CT AFP (9-96)
01/01/96 TO 12/31/96
DLN 97-7-40715

BEARD & COMPANY INC
READING PA 19603

CITIZENS ELECTRIC COMPAN
1775 INDUSTRIAL BLVD
LEWISBURG PA 17837

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND
THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	55,642	55,642

----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	19	19

----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	63,339	63,339

DEPARTMENT OF REVENUE
ROSALIND WAYNE

MAILING DATE

02/21/98

AUDITED AND APPROVED BY
DEPARTMENT OF AUDITOR GENERAL
BRYAN MYERS

03/19/98

03/18/98

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A
PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021,
HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE.
PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION.

CSFF AND LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:
PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

THIS RETURN WAS SETTLED AS FILED
PLEASE RETAIN THIS COPY FOR YOUR RECORDS

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/92 TO 12/31/92		463,808	PY
01/01/93 TO 12/31/93		470,738	PY
01/01/94 TO 12/31/94		467,519	PY
01/01/95 TO 12/31/95		475,636	PY
01/01/96 TO 12/31/96	497,151		
TOTAL BOOK INCOME		2,374,852	
AVERAGE NET INCOME	474,971	474,970	
EQUITY YEAR ENDING	5,393,240		
EQUITY YEAR BEGINNING	5,123,664	5,123,664	PY
NET WORTH	5,393,240	5,393,240	
CAPITAL STOCK VALUE	4,422,313	4,422,307	
APPORTIONMENT PROPORTION	.986826	.986826	
CAPITAL STOCK/FRANCHISE TAX	55,642	55,642	

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - NUMERATOR	7,396,646
SINGLE FACTOR - DENOMINATOR	7,495,387

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	4,909	
LOANS TAX	19	19

----- SECTION C - CORPORATE NET INCOME TAX -----

NET INCOME	601,067	
DIVIDENDS	22,659	
US INTEREST		
OTHER	7,726	
TOTAL DEDUCTIONS	30,385	30,385
INCOME TAXES	63,339	
TAX PREFERENCE ITEMS		
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	63,339	63,339
ADJUSTED INCOME	634,021	634,021
TOTAL NONBUSINESS INCOME		0
INCOME TO BE APPORTIONED		634,021
APPORTIONMENT PROPORTION		1.000000
PA APPORTIONED INCOME		634,021
PA NONBUSINESS INCOME		0
INCOME PRIOR TO NL DEDUCTION	634,021	634,021
NET LOSS DEDUCTION	0	0
PA TAXABLE INCOME		634,021
CORPORATE NET INCOME TAX	63,339	63,339

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR		NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-88	0		
12-31-89	0	12-31-89	0
12-31-90	0	12-31-90	0
12-31-91	0	12-31-91	0
12-31-92	0	12-31-92	0
12-31-93	0	12-31-93	0
12-31-94	0	12-31-94	0
12-31-95	0	12-31-95	0
		12-31-96	0

PUBLIC UTILITY REALTY TAX REPORT

IMPORTANT! PUBLIC UTILITY TAX REPORTS MUST BE FILED ON OR BEFORE APRIL 15 REFLECTING THE STATE TAXABLE VALUE OF PUBLIC UTILITY REALTY AT THE END OF THE PRECEDING CALENDAR YEAR. PENALTY AND INTEREST WILL BE ADDED TO THE TAX AS PROVIDED IN THE ACT. MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE, ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S), TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407 HARRISBURG, PA 17128-0407.

FIRST REPORT LAST REPORT AMENDED REPORT

UTILITY NAME KA 12 0100 BOX NO 3500-001 CITIZENS ELECTRIC CO	PURTA BOX NUMBER
COMPLETE ADDRESS 1775 INDUSTRIAL BLVD PO BOX 551 LEWISBURG PA 17837	FEDERAL EMPLOYER IDENTIFICATION NUMBER 24-0546850
CITY	TAX YEAR ENDING December 31, 1997
STATE	ZIP CODE

1. COUNTIES IN WHICH UTILITY OWNS AND/OR FURNISHES PUBLIC UTILITY SERVICE: (Attach schedule if additional space is necessary.)

2. REPORT THE FOLLOWING AS TO LAND OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE:

A. BOOK COST	33,573
B. BOOK COST OF LAND INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	21,704
C. VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (A MINUS B)	11,869
D. BOOK DEPLETION RESERVE ACCRUED AGAINST C	NONE
E. NET VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (C MINUS D)	11,869

3. REPORT THE FOLLOWING AS TO ALL OTHER "UTILITY REALTY" AS DEFINED BY ARTICLE 11 (a) § 1101-A. OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT OR CONSTRUCTION FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE.

A. BOOK COST	497,239
B. BOOK COST OF UTILITY REALTY INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	NONE
C. VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (A MINUS B)	497,239
D. BOOK DEPRECIATION RESERVE ACCRUED AGAINST C (See instructions below.)	220,617
E. NET VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (C MINUS D)	276,622

**PUBLIC UTILITY REALTY TAX
DUE WITH THIS REPORT**

4. STATE TAXABLE VALUE (2E PLUS 3E)	288,491	x .042	= 12,117
-------------------------------------	---------	--------	----------

AMOUNT DUE COMMONWEALTH. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block. \$ _____
Mail completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

INSTRUCTIONS: (SEE REVERSE SIDE FOR GENERAL INSTRUCTIONS.)

Item 2 - Show depreciable land improvements under Item 3.

Item 3 - (a) For any public utility which was required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation accrued against Item 3C. If the amount shown in Item 3D was determined by prorating, attach to this report the computations used in such prorating.

(b) For any public utility which was not required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation against Item 3C, or 50% of Item 3C, whichever is greater.

Check here () if the 50% of Item 3C is used in Item 3D.

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If prepared by a person other than taxpayer, the declaration is based on all information of which preparer has any knowledge.

SIGNATURE OF OFFICER OF COMPANY <i>[Signature]</i>		
TITLE VICE PRESIDENT/TREASURER	DATE 02-24-98	TELEPHONE NUMBER (717) 522-6142
INDIVIDUAL OR FIRM SIGNATURE OF PREPARER SAME AS ABOVE		
STREET ADDRESS		
CITY		
STATE	ZIP CODE	DATE



RCT-900A (12-98)

December 22, 1998

CITIZENS ELECTRIC CO
1775 INDUSTRIAL BLVD
PO BOX 551
LEWISBURG PA 17837

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon		Department Use Only	
Public Utility Realty Tax			
Tax Period: 12/97			
Box Number: 3500001	Report Code: KA		
EIN: 240546850			
CITIZENS ELECTRIC CO 1775 INDUSTRIAL BLVD PO BOX 551 LEWISBURG PA 17837		CALCULATION OF REASSESSMENT	
		Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
		\$288,500.00 x 0.0222684 =	\$6,424.00
		Amount Paid:	6424.00

CITIZENS' ELECTRIC COMPANY
 STAS REVENUE COLLECTED
 FOR PERIOD 5/10/98 THROUGH 1/31/99

1	2	3	4
<u>Month</u>	<u>Electric Revenue Billed</u>	<u>Rate Tax Surcharge</u>	<u>Amount Tax Surcharge</u>
<u>1998</u>			
May (Prorated)	726,507	-0.06%	(36)
June (Prorated)	689,009	-0.06%	(348)
July	620,302	-0.06%	(372)
August	746,359	-0.06%	(448)
September	730,213	-0.06%	(438)
October	631,759	-0.06%	(379)
November	703,008	-0.06%	(422)
December	730,854	-0.06%	(439)
<u>1999</u>			
January (Estimated)	747,000	-0.06%	(448)
Total STAS Collected	6,325,011		(3,330)

CITIZENS' ELECTRIC COMPANY
OPERATING REVENUES

Revenue billed for 12 month period ending December 31, 1997

Residential	\$3,960,325	
Commercial & Industrial	5,031,559	
Public Street & Highway Lighting	89,834	
Customer Forfeited Discounts	<u>23,019</u>	
 Total Gross Electric Revenue		 \$9,104,737
Less: Receipts through Energy Cost Rate not subject to State Tax Surcharge (1/1/97 - 12/31/97)		 <u>484,269</u>
Gross electric revenue Including Tax Surcharge		8,620,468
Less: Tax Surcharge collected (1/1/97 - 12/31/97)		<u>(5,670)</u>
		8,626,138
Effective time period (02/01/99 - 12-31-99) 334/365		<u>0.915068</u>
Total adjusted electric revenue		<u><u>\$7,893,507</u></u>

CITIZENS' ELECTRIC COMPANY
 Projected Revenues from Service Under Rates
 For the Application Period January 1, 1999 to December 31, 1999

<u>Month</u>	<u>kWh Sales</u>	<u>Base Rate Revenue</u>	<u>Forfeited Discounts</u>	<u>Projected Revenues</u>
January	14,500,000	812,000	2,000	814,000
February	16,100,000	901,600	2,000	903,600
March	14,200,000	795,200	2,000	797,200
April	13,500,000	756,100	1,000	757,100
May	11,500,000	644,000	2,000	646,000
June	9,700,000	543,200	2,000	545,200
July	10,600,000	593,700	1,000	594,700
August	11,700,000	655,200	2,000	657,200
September	11,200,000	627,200	2,000	629,200
October	10,500,000	588,100	2,000	590,100
November	12,700,000	711,200	2,000	713,200
December	<u>14,400,000</u>	<u>806,500</u>	<u>2,000</u>	<u>808,500</u>
Totals	150,600,000	8,434,000	22,000	<u>8,456,000</u>

APPENDIX B

**RECALCULATION OF THE COMPANY'S
STRANDED COST RECOVERY RATE**

STRANDED COST RECOVERY RATE (SCRR)

Formula: $SCRR = SCR \times \frac{1}{1 - T}$

SCRR = Stranded Cost Recovery Rate, in cents per kilowatt hour, to be applied to each kilowatt hour supplied to a Customer for the period *in which the Company is assessed stranded costs under FERC Commission Order No. 888.*

SCR = 0.35 cents. The stranded costs per kilowatt hour in accordance with the Federal Energy Regulatory Commission Order No. 888 procedures.

T = 0.042. The Pennsylvania Gross Receipts Tax rate in effect during the billing period expressed in decimal form.

CALCULATIONS:

$$SCRR = 0.35 \times \frac{1}{1 - 0.042}$$

$$SCRR = 0.35 \times \frac{1}{0.958}$$

$$SCRR = \underline{\underline{0.365 \text{ cents/kWh}}}$$



Wellsboro Electric Company

P.O. Box 138 • 33 Austin Street • Wellsboro, PA 16901 • (717) 724-3516 • FAX (717) 724-1798

January 25, 1999

James J. McNulty, Secretary
Pennsylvania PUC
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105

ORIGINAL

Re: Wellsboro Electric Company
1999 State Tax Adjustment Surcharge
R-00984579

**DOCUMENT
FOLDER**

RECEIVED
SECRETARY'S BUREAU
99 JAN 27 AM 09:23

Dear Mr. McNulty:

Enclosed for filing are eight (8) copies of a recomputation of Wellsboro Electric's State Tax Adjustment Surcharge ("STAS"). This filing includes requirements for adjustments under the Revenue Neutral Reconciliation ("RNR") provision and a reassessment of Wellsboro Electric's Public Utility Realty Tax ("PURTA") liability.

Recomputation of the Company's STAS indicates an increase in the STAS from the current negative rate (refund) of $-.0274\%$ to a positive rate of $.0491\%$ for application during the period from April 1, 1999 to March 31, 2000. While it would be permissible to raise the STAS from the negative $.0274\%$ to a 0.00% STAS under the "rate cap" imposed under Electricity Generation Customer Choice and Competition Act ("Act"), the Company will most likely elect to maintain the currently effective STAS tariff rate of $-.0274\%$ and will forego recovery of this state tax liability at the time of the final reconciliation as of March 31, 1999.

In addition, we want to state that the STAS rate is a rate reduction only for the applicable time period and is not a reduction in the statutory rate cap that is in effect.

Please date and time stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

DOCKETED
FEB 02 1999

Very truly yours,

Scot F. Boyce, Sr.

Scot Boyce, Sr.
Vice President of Finance and Administration

Enclosures

cc: Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff

SRB

COMPUTATION OF STATE TAX ADJUSTMENT SURCHARGE
AS OF JAN 1, 1999, BASED ON CALENDAR YEAR 1997 OPERATIONS

	Amount	Schedule Number
1. Capital stock tax	(1,064)	A
2. Corporate net income tax	0	
3. Utility realty tax	16,671	B
4. Gross receipts tax		
5. Total of items 1, 2, 3, and 4	<u>15,607</u>	
6. Revenue neutral reconciliation (RNR) tax adjustment	<u>(12,795)</u>	C
	2,812	
7. Item 5 divided by complement of Gross Receipts tax (.956)	2,941	
8. STAS reconciliation for period from June 1, 1998 through March 31, 1999	306	D
	<u>3,247</u>	
9. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the PA PUC projected for the application period January 1, 1999 through December 31, 1999--	<u>6,608,144</u>	E
10. Surcharge rate to be applied for the period Jan 1, 1999 through Dec 31, 1999 (line 7 divided by line 9)	<u><u>0.0491%</u></u>	

033649

RECEIVED
SECRETARY'S BUREAU
99 JAN 27 AM 8:25

Note: The STAS rate is a rate reduction only for the applicable time period and is not a reduction in the statutory rate cap that is in effect .

Schedule A
CAPITAL STOCK TAX ADJUSTMENT

1. Value of Capital Stock (Per official settlement dated 04/24/98 attached) (Value per settlement of \$ 1,005,644 plus 1996 statuary exemption of 100,000)	1,105,644
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statuary exemption	980,644
4. Apportionment percentage	<u>100.00%</u>
5. Taxable value of capital stock	980,644
6. Tax rate- 1998 (11.99 mills)	<u>0.01199</u>
7. Pa capital stock tax based on new law- 1998	11,758
8. Pa Capital Stock tax (Based on 1996 settled value and 1996 tax rates)	<u>12,822</u>
9. Tax decrease- 1998	(1,064)
10. PUC Jurisdictional allocation factor	<u>1.00</u>
11. Allocated tax decrease	<u>(1,064)</u>

Bureau of Corporation Taxes
DEPT. 280703
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

REPORT RECEIVED 04/07/97



OFFICIAL NOTICE OF SETTLEMENT

RE: 0294-208 REV-57 CT APP (11-96)
01/01/96 TO 12/31/96
DLN 97-7-41226

PENNYPACKER & ZEIGLER PC
2 WALN ST
WELLSBORO PA 16901

WELLSBOROUGH ELECTRIC COM
33 AUSTIN STREET
PO BOX 138
WELLSBORO PA 16901

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----			
TAX	AS REPORTED	AS SETTLED	
	12,822	12,822	
----- SECTION B - LOANS TAX -----			
TAX	AS REPORTED	AS SETTLED	
	18	18	
----- SECTION C - CORPORATE NET INCOME TAX -----			
TAX	AS REPORTED	AS SETTLED	
	0	0	

DEPARTMENT OF REVENUE	MAILING DATE	AUDITED AND APPROVED BY
DAVID VELAZQUEZ		DEPARTMENT OF AUDITOR GENERAL
		THOMAS HORAN
03/28/98	04/27/98	04/24/98

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021, HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE. PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:
PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.
Y1 AS REFLECTED ON SETTLEMENT NOTICE IN PRIOR YEAR(S).

RE: 0294-208 WELLSBORO OFFICIAL NOTICE OF SETTLEMENT PAGE 2
 ELECTRIC COOP 01/01/96 TO 12/31/96 DLN 97-7-41226

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/92 TO 12/31/92		150,000	PY
01/01/93 TO 12/31/93		93,454	PY
01/01/94 TO 12/31/94		97,561	PY
01/01/95 TO 12/31/95	126,221	126,796	Y1
01/01/96 TO 12/31/96	84,280		
TOTAL BOOK INCOME		552,091	
AVERAGE NET INCOME	110,303	110,418	
EQUITY YEAR ENDING	1,400,270		
EQUITY YEAR BEGINNING	1,325,405	1,324,730	PY
NET WORTH	1,400,270	1,400,270	
CAPITAL STOCK VALUE	1,005,644	1,006,249	
APPORTIONMENT PROPORTION		1.000000	
CAPITAL STOCK/FRANCHISE TAX	12,822	12,830	

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA
 PROPERTY FACTOR - TOTAL
 PAYROLL FACTOR - PA
 PAYROLL FACTOR - TOTAL
 SALES FACTOR - PA
 SALES FACTOR - TOTAL
 SINGLE FACTOR - NUMERATOR
 SINGLE FACTOR - DENOMINATOR

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	4,755	
LOANS TAX	18	18

----- SECTION C - CORPORATE NET INCOME TAX -----

NET INCOME	93,049-	
DIVIDENDS		
US INTEREST		
OTHER		
TOTAL DEDUCTIONS		0
INCOME TAXES	20,175	
TAX PREFERENCE ITEMS		
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	20,175	20,175
ADJUSTED INCOME	72,874-	72,874-
TOTAL NONBUSINESS INCOME		0
INCOME TO BE APPORTIONED		72,874-
APPORTIONMENT PROPORTION		1.000000
PA APPORTIONED INCOME		72,874-
PA NONBUSINESS INCOME		0
INCOME PRIOR TO NL DEDUCTION	72,874-	72,874-
NET LOSS DEDUCTION		
PA TAXABLE INCOME		72,874-
CORPORATE NET INCOME TAX	0	0

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA
 PROPERTY FACTOR - TOTAL
 PAYROLL FACTOR - PA
 PAYROLL FACTOR - TOTAL
 SALES FACTOR - PA
 SALES FACTOR - TOTAL
 SINGLE FACTOR - PA
 SINGLE FACTOR - TOTAL

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR		NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-88	0	12-31-89	0
12-31-89	0 PY	12-31-90	0 PY
12-31-90	0 PY	12-31-91	0 PY
12-31-91	0 PY	12-31-92	0 PY
12-31-92	0 PY	12-31-93	0 PY
12-31-93	0 PY	12-31-94	0 PY
12-31-94	0 PY	12-31-95	0 PY
12-31-95	0	12-31-96	72,874

SETTLEMENT COMPUTATION
PENNSYLVANIA GROSS RECEIPTS TAX
ELECTRIC COMPANIES

RECEIVED 03-14-97 MAILED JAN 23 1998	OLN 97504188	CORPORATION TAX FILE (BOX) NUMBER 0294-208	TAX YEAR ENDING 12/31/96
	BUREAU USE		

MAILING INSTRUCTIONS

Mail settlement of this report to:

Name Timothy L. Gooch, CPA
Pennypacker & Zeigler, P.C.
Street 2 Wain Street
Wellsboro PA 16901
(CITY) (STATE) (ZIP CODE)

Wellsborough Electric Company
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901

DO NOT WRITE BELOW THIS LINE

SETTLEMENT - GROSS RECEIPTS TAX (ELECT)
(Official)

To Tax on GROSS RECEIPTS for the 12 months ended 12-31 19 96

GROSS RECEIPTS TAXABLE \$ 6,085,342.⁰⁰

Tax at the Rate of 4.4 (0.044) Mills (.050)

Penalty (for failure to file report within time limit prescribed by law)

Total Tax and Penalty

TYPE OF TAX

SELF ASSESSED TAX
267,755.00

TAX DEBIT OR CREDIT
0

TOTAL TAX
267,755.00

PENALTY DEBIT

TOTAL TAX AND PENALTY
267,755.00

DEPARTMENT OF REVENUE

Harrisburg, PA S.S. JAN 1 2 1998 19

SENT AND DELIVERED TO AUDITOR GENERAL:

[Signature]
(FOR THE SECRETARY OF REVENUE)

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA JAN 15 1998 19

AUDITED AND APPROVED:

[Signature] Bob Kintzer
(FOR THE AUDITOR GENERAL)

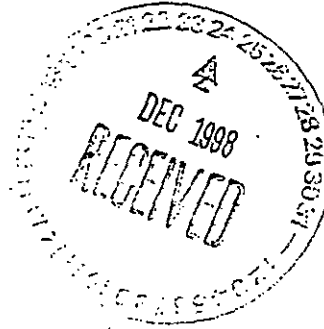
PUBLIC UTILITY TAX REASSESSMENT

1. Total plant taxable value at December 31, 1997 (Per report attached)	748,642
2. PA Public Utility Realty Tax (Based on rate of 64.2684 mills) (Reassessment)	48,114
3. PA Public Utility Realty Tax (Based on rate of 42.0000 mills) (Original return)	<u>31,443</u>
4. Increase in PA Public Utility Realty Tax	16,671
5. PA jurisdictional allocation factor	<u>1</u>
6. Allocated tax increase	<u><u>16,671</u></u>



RCT-900A (12-98)

December 22, 1998



WELLSBOROUGH ELECTRIC CO
33 AUSTIN ST

WELLSBORO PA 16901

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,
Thomas S. Rominiecki
Director

PURTA Coupon		Department Use Only	
Public Utility Realty Tax			
Tax Period:	12/97		
Box Number: 3500227	Report Code: KA	CALCULATION OF REASSESSMENT Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due \$748,642.86 x 0.0222684 = \$16,671.00 Amount Paid: 16,671.00	
EIN: 240756920			
WELLSBOROUGH ELECTRIC CO			
33 AUSTIN ST			
WELLSBORO PA 16901			



PUBLIC UTILITY REALTY TAX REPORT

IMPORTANT! PUBLIC UTILITY TAX REPORTS MUST BE FILED ON OR BEFORE APRIL 15 REFLECTING THE STATE TAXABLE VALUE OF PUBLIC UTILITY REALTY AT THE END OF THE PRECEDING CALENDAR YEAR. PENALTY AND INTEREST WILL BE ADDED TO THE TAX AS PROVIDED IN THE ACT. MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE, ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S), TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 280407, HARRISBURG, PA 17128-0407.

<input type="checkbox"/> FIRST REPORT	<input type="checkbox"/> LAST REPORT	<input type="checkbox"/> AMENDED REPORT			
UTILITY NAME KA 12 0100 BOX NO 3500-227 WELLSBOROUGH ELECTRIC			PURTA BOX NUMBER		
COMPLETE ADDRESS CO 33 AUSTIN ST WELLSBORO PA 16901			FEDERAL EMPLOYER IDENTIFICATION NUMBER		
CITY			STATE	ZIP CODE	TAX YEAR ENDING December 31, 19 97

1. COUNTIES IN WHICH UTILITY OWNS AND/OR FURNISHES PUBLIC UTILITY SERVICE: (Attach schedule if additional space is necessary.)

2. REPORT THE FOLLOWING AS TO LAND OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE:

A. BOOK COST	93,576	
B. BOOK COST OF LAND INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	(642)	
C. VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (A MINUS B)	92,934	
D. BOOK DEPLETION RESERVE ACCRUED AGAINST C		
E. NET VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (C MINUS D)	92,934	

3. REPORT THE FOLLOWING AS TO ALL OTHER "UTILITY REALTY" AS DEFINED BY ARTICLE 11 (a) § 1101-A, OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT OR CONSTRUCTION FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE.

A. BOOK COST	741,862	
B. BOOK COST OF UTILITY REALTY INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968		
C. VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (A MINUS B)	741,862	
D. BOOK DEPRECIATION RESERVE ACCRUED AGAINST C (See instructions below.)	86,160	
E. NET VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (C MINUS D)	655,702	PUBLIC UTILITY REALTY TAX DUE WITH THIS REPORT

4. STATE TAXABLE VALUE (2E PLUS 3E)	748,636	x .042	=	31,443
-------------------------------------	---------	--------	---	--------

AMOUNT DUE COMMONWEALTH. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block. \$ 28,300
 Mail completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

INSTRUCTIONS: (SEE REVERSE SIDE FOR GENERAL INSTRUCTIONS.)

- Item 2 - Show depreciable land improvements under Item 3.
- Item 3 - (a) For any public utility which was required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation accrued against Item 3C. If the amount shown in Item 3D was determined by prorating, attach to this report the computations used in such prorating.
- (b) For any public utility which was not required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, show in Item 3D the book reserve for depreciation against Item 3C, or 50% of Item 3C, whichever is greater.
- Check here () if the 50% of Item 3C is used in Item 3D.

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If prepared by a person other than taxpayer, the declaration is based on all information of which preparer has any knowledge.

SIGNATURE OF OFFICER OF COMPANY <i>Scott J. Boyce Sr.</i>			
TITLE <i>Treasurer</i>	DATE <i>3/10/98</i>	TELEPHONE NUMBER <i>(717) 724-3516</i>	
INDIVIDUAL OR FIRM SIGNATURE OF PREPARER <i>Pennypacker & Zeigler, P.C.</i>		TITLE <i>CPA</i>	
STREET ADDRESS <i>2 Waln Street</i>		TELEPHONE NUMBER <i>(717) 724-5000</i>	
CITY <i>Wellsboro,</i>	STATE <i>PA</i>	ZIP CODE <i>16901</i>	DATE <i>2/24/98</i>

WELLSBORO ELECTRIC COMPANY

ATTACHMENT A
PAGE 4 OF 4
Schedule C

1. Projected taxable revenues for PA for period January 1, 1999 to December 31, 1999	6,397,621
2. RNR tax rate adjustment as published by the PA Dept of Revenue in the Pa Bulletin on November 28, 1998	<u>(0.002)</u>
3. Projected decrease in applicable 1999 gross receipts tax liability based on RNR tax rate adjustment.	<u><u>(12,795)</u></u>

WELLSBORO ELECTRIC COMPANY

SCHEDULE D

RECONCILIATION OF STATE TAX ADJUSTMENT SURCHARGE FOR THE
PERIOD JUNE 1, 1998 THROUGH MARCH 31, 1999

REVISED TAX

Capital stock tax	1,064
Corporate net income tax	
Utility realty tax	
Gross receipts tax	
Total	1,064

Total revised tax divided by complement of Gross Receipts tax rate(.958)	1,111
---	-------

STAS Revenue Collections:

Capital stock tax	
June to December 1999 per Schedule D1	997
January 1999 estimated	140
February 1999 estimated	140
March 1999 estimated	140
Corporate net income tax	-
Utility realty tax	-
Gross receipts tax	-
	-

Less total revenue refunded from June 1998 through March 31, 1999	1,417
--	-------

(Over)under refund	(306)
--------------------	-------

WELLSBORO ELECTRIC COMPANY

1/13/99 12:04

SALES ANALYSIS AND REVENUE

ENERGY COST RATE - ECR

STATE TAX ADJUSTMENT SURCHARGE - STAS

1998	NET BILLING	ECR	STAS	NET TOTAL	PA SALES TAX	TOTAL BILLING	KWH	
JANUARY	547,741.88	(55.44)	0.00	547,686.44	7,126.73	554,813.17	9,127,481	
FEBRUARY	511,808.04	0.00	0.00	511,808.04	8,880.09	518,688.13	8,431,774	17,559,255
MARCH	508,387.74	1.48	0.12	508,389.34	8,782.18	515,171.52	8,445,859	26,005,114
APRIL	513,521.29	0.00	0.00	513,521.29	6,823.67	520,444.96	8,591,880	34,596,994
MAY	482,277.21	0.00	0.00	482,277.21	6,768.99	489,046.20	7,971,648	42,568,642
JUNE	540,833.67	0.00	(137.10)	540,696.57	7,737.71	548,434.28	9,114,180	51,682,802
JULY	557,754.90	0.00	(151.12)	557,603.78	8,705.25	566,309.03	9,464,029	61,146,831
AUGUST	529,169.58	0.00	(143.57)	529,025.99	8,783.73	537,789.72	8,765,695	69,912,526
SEPTEMBER	527,807.62	0.00	(143.06)	527,664.56	8,311.92	535,976.48	8,937,571	78,850,097
OCTOBER	517,198.71	0.00	(140.14)	517,058.57	7,705.94	524,764.51	8,608,779	87,458,876
NOVEMBER	516,994.11	0.00	(140.07)	516,854.04	7,383.43	524,237.47	8,576,498	96,035,374
DECEMBER	525,147.98	0.00	(142.00)	525,005.98	7,447.43	532,453.41	8,868,930	104,904,304
<hr/>								
	6,278,642.71	(53.98)	(996.94)	6,277,591.81	90,537.07	6,368,128.88	104,904,304	
Consumed but unbilled	0.00	0.00	0.00	0.00	0.00	0.00	0	
	6,278,642.71	(53.98)	(996.94)	6,277,591.81	90,537.07	6,368,128.88	104,904,304	

NOTE: Effective June 1, 1998 - P.U.C. approved (STAS) rate (.0274%)

NOTE: Effective December 01, 1997 - P.U.C. approved (ECR) rate to be rolled into base rate.

WELLSBORO ELECTRIC CO
STATE TAX ADJUSTMENT SURCHARGE - SCHEDULE E
GROSS RECEIPTS BASE

TOTAL SALES 1997	6,102,048
ADD: LATE PAYMENT CHARGES	15,821
RECOVERIES OF UNCOLLECTABLE ACCOUNTS	5,222
TAX SURCHARGE CREDITS	2,190
ECR CREDITS	212,184
LESS: SALES FOR RESALE	(5,827)
UNCOLLECTABLE ACCOUNTS	(18,470)
	<hr/>
	6,313,168
PROJECTED 1998 INCREASE FACTOR	<hr/>
	102.62%
PROJECTED GROSS RECEIPTS BASE - 1998	6,478,573
Projected 1999 increase factor	<hr/>
	102.00%
	<hr/>
	6,608,144
	<hr/>



ORIGINAL

ORANGE AND ROCKLAND One Blue Hill Plaza, Pearl River, New York 10965

DOCUMENT
FOLDER

R-00984579

January 29, 1999

Honorable James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Commonwealth and North Street
Harrisburg, Pennsylvania 17120

RECEIVED

JAN 29 1999

RE: Pike County Light & Power Company
State Tax Adjustment Surcharge (STAS) Filing

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed are five copies of Pike County Light and Power Company's State Tax Adjustment Surcharge (STAS) filing. This filing is being submitted to implement changes due to the revenue-neutral reconciliation calculation as provided in 66 Pa. C.S. Section 2810, which became effective January 1, 1999. Additionally, Pike County has included the impact of its recently received additional PURTA assessment which is an increase of \$550.

As reflected in the attached workpapers, the proposed electric STAS rate would increase from its current level of (0.37)% to (0.20)%. A customer using 500 kWh per month would see a minimal increase of approximately \$0.09 in their monthly bill. As provided for in the Company's State Tax Adjustment Surcharge Rider, the proposed effective date of this tariff change will be ten days from the date of this filing, February 8, 1999. If you have any questions, please call me at (914) 577-2940.

Very truly yours,

Paul Hofmann
Supervisor - Pricing

78

R-00984579

PIKE COUNTY LIGHT & POWER COMPANY

ORIGINAL

RATES AND RULES

GOVERNING THE

RECEIVED

FURNISHING OF

JAN 29 1999

DOCUMENT
FOLDER

ELECTRIC SERVICE

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

IN

THE BOROUGHS OF MATAMORAS AND MILFORD

AND VICINITY,

PIKE COUNTY, PENNSYLVANIA

(See Leaf No. 6)

DOCKETED
FEB 08 1999

ISSUED: January 29, 1999

EFFECTIVE: February 8, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
219-1/2 Broad Street
Milford, Pennsylvania

NOTICE

This Supplement increases the State Tax Adjustment Surcharge. (See Leaf No. 2)

2. CHANGES MADE BY THIS SUPPLEMENT

Supplement No. 71 has been filed to adjust the State Tax Adjustment Surcharge (10th Revised Leaf No. 50H).

ISSUED: January 29, 1999

EFFECTIVE: February 8, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
Milford, Pennsylvania

3. TABLE OF CONTENTS

	<u>Leaf Number</u>
1. Title Page	1 Supp. No. 71
2. Changes Made by This Tariff	2 55th Revised
3. Table of Contents	3 55th Revised, 4 9th Revised 5 48th Revised, 5A 15th Revised
4. Territory to Which Tariff Applies	6 Original
5. Abbreviations and Definitions	
5.1 Abbreviations	6 Original
5.2 Definitions	6 Original
	7, 8 1st Revised
	9 Original, 10 1st Revised
	10A Original

RULES & REGULATIONS

6. How to Obtain Service	
6.1 Applications	11 1st Revised
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6.3 Temporary Service	11 1st Revised
6.4 Extensions of Lines and Facilities	12 1st Revised
6.5 Cash Deposits for Non-Residential Customers	12, 13 1st Revised
6.6 Credit and Deposit Procedures For New Residential Applications	13 1st Revised, 13A, 13B Original
6.7 Cash Deposits For Residential Customers	13C, 13D, 13E, 13F Original
6.8 Composite Credit Group Deposits For Residential Customers	13F, 13G, 13H Original
6.9 Relocation or Removal of Facilities	13I Original
7. Characteristics of Service	
7.1 General	14 Original
7.2 Secondary Service	14 Original
7.3 Primary Service	15 Original
8. Service Connections	
8.1 General	16 Original
8.2 Location of Service Wires, Meter, Etc.	16 Original
8.3 Outdoor Metering	16 Original

(Continued)

ISSUED: January 29, 1999

EFFECTIVE: February 8, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
Milford, Pennsylvania

3. TABLE OF CONTENTS (Continued)

	<u>Leaf Number</u>
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Rider A-Company Purchases From Qualifying Facilities	50D 3rd Revised 50E, 50F 2nd Revised
Rider B-Temporary Negative Surcharge	50G 2nd Revised
State Tax Adjustment Surcharge	50H 10th Revised

(Continued)

ISSUED: January 29, 1999

EFFECTIVE: February 8, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
Milford, Pennsylvania

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, except (I) for charges or credits applied under the Energy Cost Rate and/or the Income Tax Adjustment, a credit of 0.20% will be charged for all service rendered on and after the effective date of this leaf.

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge. Such recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be ten days after filing. Any charges or credits in the surcharge shall be rolled into base rates in the Company's next base rate proceeding.

(I) Indicates Increase

ISSUED: January 29, 1999

EFFECTIVE: February 8, 1999

ISSUED BY: R. Lee Haney
Chief Financial Officer
Milford, Pennsylvania

PIKE COUNTY LIGHT AND POWER COMPANY

Determination of Electric STAS Recovery Rate
To Be Effective With Service Rendered On and After
June 10, 1998

R-00984579

ORIGINAL

Gross Receipts Tax:

Tax Rate Change:

New Rate - Effective January 1, 1991

4.400%

Current Rate Included in Base Rates

4.400%

Difference

0.000%

Incremental Tax Expense

\$0

Capital Stock Tax:

Taxable Value per 1997 Gross Receipts Tax Report

\$5,169,520

Revenue Neutral Reconciliation Calculation

New Rate - Effective January 1, 1999

(0.002)

(Decrease from 44 to 42 mills)

Incremental Tax Expense

(\$10,339)

Public Utility Realty Tax:

Additional 1997 PURTA Assessment

JAN 29 1999

\$550

Total Amount To Be Recovered

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

(\$9,789)

Divide by: Factor of Adjustment

0.9580

Total To Be Recovered Through STAS

(\$10,218)

Gross Intrastate Operating Revenues for the Year 1997

\$5,214,424

STAS Recovery Rate

-0.20%



RCT-900A (12-98)

December 22, 1998

PIKE COUNTY LIGHT & POWER CO
1 BLUE HILL PLAZA

DUE 2/5/99

PEARL RIVER NY 10965

Re: Pennsylvania Public Utility Realty Tax
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon
Public Utility Realty Tax
Tax Period: 12/97

Department Use Only

Box Number:	3500125	Report Code:	KA
EIN:	131725231		
PIKE COUNTY LIGHT & POWER CO 1 BLUE HILL PLAZA			
PEARL RIVER NY 10965			

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$24,690.48 x 0.0222684 =	\$550.00
Amount Paid:	

2 (1-98)

ent. mar



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

**GROSS RECEIPTS TAX REPORT
ELECTRIC, HYDRO-ELECTRIC
AND WATER POWER COMPANIES**

FIRST REPORT (Newly Incorporated/ Franchised) AMENDED REPORT

LAST REPORT (Going out-of-existence) COVERS LESS THAN A FULL 12-MO. PERIOD COMPOSITE REPORT

ACCOUNT ID
0940-198

ENTITY ID (EIN)
13-1725231

TAX PERIOD ENDING
December 31, 1997

NAME (Place Preprinted Label Here)
Pike County Light & Power Company

STREET ADDRESS
One Blue Hill Plaza

CITY STATE ZIP CODE
Pearl River NY 10965-3104

the Commonwealth of Pennsylvania, Department of Revenue, Harrisburg, Pennsylvania.
In compliance with the Act of March 4, 1971 P. L. 6 (Act No. 2), as amended, the following report is made of the gross receipts by the above named Corporation, Association, Partnership, Limited Partnership, Co-partnership, Individual or Individuals for the period mentioned above.

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

Gross Receipts from all sources \$ **5,268,235**

Gross Receipts within the state from all sources \$ **5,268,235**

SECTION A	TAXABLE GROSS RECEIPTS	NON-TAXABLE GROSS RECEIPTS
Gross sales of electric energy (not including sales for resale)	\$ 5,214,424	\$
Gross sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale	\$	\$
Gross charges for services rendered	\$	\$
Gross consumer's forfeited discounts and penalties	\$	\$
Gross sales to Federal government	\$	\$
Gross capacity charges	\$	\$
Gross standby charges	\$	\$
Gross demand charges	\$	\$
Gross all other sources. List separately. (attach separate sheet if additional space is needed)		
Electric uncollectible accounts	\$ (44,904)	\$
Rents from pole attachments	\$	\$ 90,976
Earnings and investments	\$	\$ 7,739
	\$	\$
	\$	\$
Total Gross Receipts Within The State	\$ 5,169,520	\$ 98,715

COPY

COMPUTATION BY TAXPAYER

GROSS RECEIPTS TAXABLE for the period covered by this report \$ **5,169,520**

at the rate of 44 mills \$ **227,459**

Penalty (for failure to file report within time limit prescribed by law) \$

Amount due Commonwealth. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block. \$ **227,459**

If you have not completed tax report to the PA Department of Revenue at the address listed on Page 3. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the EFT program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

AFFIRMATION

I hereby affirm under penalties prescribed by law that this Report (including any accompanying schedules and statements) has been examined by me, and to the best of my knowledge and belief is a true, correct and complete report.

Date: **3/13/98** Signature of Official: *Edward M. McKenna* Print or Type Name of Official: **Edward M. McKenna**

Street Address: **One Blue Hill Plaza** Title: **Controller**

City: **Pearl River** State: **NY** Zip Code: **10965-3104** Telephone Number: **(914) 577-2795**