

pp&L

EXHIBIT NO. 2

Volume 1

8/18/97

Filing Guidelines

12/6/97

Sections A - C

NOV 4 1997

Docket No. R-00973954

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RP - D.1.
M. J. Berish

- Q. Provide the most recent actual property tax assessments and rates for each taxing jurisdiction whose annual assessment is \$20,000 or more.
- A. The most recent actual property tax assessments and rates for each taxing jurisdiction whose annual assessment is \$20,000 or more is provided in Attachment 1.

**PENNSYLVANIA POWER & LIGHT COMPANY
JURISDICTION INFORMATION FOR
1996 PROPERTY TAXES**

<u>Jurisdiction</u>	<u>Property Assessment</u>	<u>Type</u>	<u>Tax Rate</u>	<u>1996 Tax</u>
Anthony Township (31 properties)	\$ 173,560	School County/Township	94.5 mils 24.5 mils	\$ 16,074 4,167 <u>\$ 20,241</u>
Bangor Area School District (25 properties)	\$ 2,001,600	School	29 mils	<u>\$ 56,885</u>
City of Allentown (21 properties)	\$ 728,400	School City	31.27 mils 12.22 mils	\$ 22,322 8,723 <u>\$ 31,045</u>
Conyngnam Township (39 properties)	\$ 185,340	School County/Township	218 mils 74.4 mils	\$ 39,596 13,514 <u>\$ 53,110</u>
County of Northampton (83 properties)	\$ 3,603,900	County	6.5 mils	<u>\$ 22,957</u>
Derry Township-Dauphin County (3 properties)	\$ 1,047,500	School County/Township	16.2941 mils 8.865 mils	\$ 16,727 9,100 <u>\$ 25,827</u>
Derry Township-Montour County (59 properties)	\$ 365,570	School County/Township	87.67 mils 23.5 mils	\$ 31,409 8,419 <u>\$ 39,828</u>
Penn Manor School District (82 properties)	\$ 333,320	School	73.4 mils	<u>\$ 23,976</u>
Salem Township-Luzerne County (35 properties)	\$ 274,520	School County	153 mils 60.4 mils	\$ 41,162 16,249 <u>\$ 57,411</u>
Southern Lehigh School District (15 properties)	\$ 960,450	School	22.5 mils	<u>\$ 21,178</u>
Swatara Township (1 property)	\$ 1,511,000	School County/Township	16.73 mils 10.156 mils	\$ 24,773 15,039 <u>\$ 39,812</u>
Township of South Whitehall (11 properties)	\$ 1,219,150 \$ 1,242,100	School County/Township	20.4 mils 12.21 mils	\$ 24,373 14,863 <u>\$ 39,236</u>
Upper Macungie Township (17 properties)	\$ 710,700	School County/Township Strt Light/Hydrant	20.4 mils 8.31 mils -	\$ 14,208 5,788 275 <u>\$ 20,271</u>

- Q. Indicate whether base year taxes include any assessments or refunds related to prior period taxes. Indicate the amount, the dates covered by the assessment or refund and the period in which the related income or expense was included, and the date the assessment or refund was reflected on the Company's books. Explain whether reserves had been established prior to being billed for any assessment or any account receivable had been recorded prior to the Company's receiving a refund.
- A. During 1996, PP&L recorded a debit to its accounts receivable (taxes payable) and adjusted its deferred income tax balances for prior period refund claims. An amended income tax return related to calendar year 1994 was filed to claim deductions for software development costs which were capitalized for book purposes. The total refund requested for Federal income tax, state income tax, and Federal environmental tax was \$3,109,284 which was offset by deferred income taxes for property related items of \$3,101,290. The net increase to income associated with this amendment to the 1994 income tax return was \$7,994. An additional claim related to the calendar year 1991 - 1995 income tax returns was filed to claim deductions for research and experimental expenditures which were capitalized for book purposes and to claim credits for research and experimental expenditures. The refund claimed for Federal income tax, state income tax, and Federal environmental tax totaled \$33,107,631, net of risk reserves. This current benefit was offset by deferred income taxes for property-related items of \$29,379,123. The net benefit to income for this filing is \$3,728,508. In addition, 1996 income tax expense was adjusted for the filing of the 1995 Federal income tax return. The filing of this return resulted in a reduction of \$2,850,203 to 1996 income tax expense with a corresponding net benefit to income.

- Q. Has the Company applied for or is it attempting to negotiate refunds from federal, local, or state taxing authorities? If yes, provide a full explanation and quantify the possible refund or abatement in question. Provide similar information if additional assessments are anticipated.
- A. The Company has income tax refund claims pending with the Federal government for 1991 and 1992. There also is a Pennsylvania gross receipts tax issue in the appeals process and an examination is in process for Pennsylvania sales and use tax.

The 1991 issue involves the refund to customers related to the change of accounting methods for power plant spare parts inventory. The PUC approved the Company's proposal to refund the benefits of this accounting change to customers over sixty months at Docket No. R-911899. However, the obligation to make the refunds and the amount of refunds were fixed and determinable in 1991. Therefore, the Company took the position that the amount of the refund was properly accruable for Federal Income Tax purposes in 1991 and filed a refund claim for that year in the amount of \$30,040,499. The IRS denied the claim, but the Company continues to pursue the matter in appeals. The Company also continues to deduct the customer refunds as paid. Therefore, if the Internal Revenue Service ultimately grants the refund claim, the Company will amend the 1991 through 1995 returns to eliminate the duplicative deduction claimed in these years. Thus, the benefit of the refund claim will only be interest and any rate differential applicable to the years in question.

The 1992 issue involves an assessment, mandated by the Energy Policy Act of 1992, on electric utilities that used nuclear fuel enriched at Department of Energy uranium enrichment facilities. The payments are to continue to the DOE for a period of the earlier of fifteen years or when a specific amount has been collected. Because the nature of the liability is a retroactive price adjustment, the Company claimed the entire assessment as an increase in the cost basis of nuclear fuel which increased the depreciation deduction. The additional depreciation deduction resulted in the refund claim of \$9,351,120. The IRS has not yet responded to this claim. Until the matter is settled, the Company continues to deduct the assessments as paid. Therefore, if the Internal Revenue Service ultimately grants the refund claim, The Company will amend income tax returns from 1992 forward to eliminate the duplicative deduction claimed in these returns. Thus the benefit of the refund claim would only be interest and any rate differential applicable to the years involved.

The issue regarding the Pennsylvania gross receipts tax is whether receipts designated as coming "from consumers forfeited discounts and penalties" constitute taxable gross receipts. The Company has received adverse determinations from both the Board of Appeals and Board of Finance and Revenue. A subsequent appeal to the Commonwealth Court was rejected. Currently, the case is being appealed to Pennsylvania Supreme Court. The total amount of tax before applicable state and Federal income taxes is \$2,688,139 for the years 1987 through 1995.

The Company is currently under a sales and use tax audit for the period June 30, 1991 through May 31, 1995. It is too early in the audit process for the Company to quantify the additional tax liability that could result from the examination.

- Q. Provide workpapers and supporting documentation showing the derivation of the base year level of each tax, other than income taxes, reflected in the Company' filing.
- A. Taxes, other than income taxes, that are reflected in the Company's filing are summarized below. Detail schedules showing the derivation of the base year level of tax also are referenced where applicable.

<u>Description</u>	<u>Amount (000's)</u>	<u>Reference</u>
Pennsylvania Gross Receipts Tax	\$104,729	Attachment 1
Pennsylvania Public Utility Realty Tax	44,405	Attachment 2
Pennsylvania Capital Stock Tax	34,163	Attachment 3
Payroll Taxes - FICA & Medicare	18,330	Attachment 4
Payroll Taxes - FUTA	264	Attachment 5
Payroll Taxes - SUTA	913	Attachment 6
Federal Environmental Tax	(128)	Attachment 7
Local Real Estate Taxes	730	(A)
Pennsylvania Sales & Use Tax	<u> (63)</u>	(B)
Total 1996 Taxes Other than Income	<u>\$203,343</u>	

- (A) The Company receives numerous local property tax bills from many taxing jurisdictions. Assessment and tax rate detail for taxing jurisdictions whose annual tax is greater than \$20,000 is provided in the response to Question RP - D.1.
- (B) Adjustments are recorded to reverse Use tax that was accrued on Materials and Supplies Inventory usage of exempt material.

**RP - D.4.
ATTACHMENT 1**

Pennsylvania Power & Light Company
Pennsylvania Gross Receipts Tax
Year Ended December 31, 1996
(Thousands of Dollars)

<u>1996 Base Year Calculation:</u>	<u>Total</u>
Operating Revenues-Electric Sales:	
Residential-Billed	\$ 1,001,016
Commercial-Billed	803,729
Industrial-Billed	555,960
Street Lighting	17,814
Public Authorities-Flood Pumping	66
Railroads and Railways	4,680
 Sales for Resale-Municipalities	 31,023
 Late Payment Charges	 8,085
 Less Uncollectible Accounts Written Off	 <u>(29,215)</u>
 Gross Receipts Tax Base	 2,393,158
 Tax Rate	 <u>0.044</u>
 Gross Receipts Tax on Billed Revenues	 105,299
 Gross Receipts Tax on Unbilled Revenues:	
Tax on Unbilled Revenues at 12/31/96	\$ 4,673
Less Tax on Unbilled Revenues at 12/31/95	<u>(5,231)</u>
Decrease during the year	(558)
 Adjustment for Rounding	 <u>(12)</u>
 Total 1996 Pennsylvania Gross Receipts Tax	 <u><u>\$ 104,729</u></u>

**RP - D.4.
ATTACHMENT 2**

Pennsylvania Power & Light Company
Pennsylvania Public Utility Realty Tax (PURTA)
Year Ended December 31, 1996
(Thousands of Dollars)

<u>Description:</u>	<u>Amount</u>
<u>1996 Base Year Calculation:</u>	
PURTA Base:	
Land	\$ 24,560
Structures and Improvements	1,527,060
Less Reserve for Depreciation	<u>(509,487)</u>
Total Base	1,042,133
Rate @ 42 mils	<u>0.042</u>
Estimated PURTA Tax - 1996	43,770
Adjustment for Rounding	<u>230</u>
Total Base Year 1996 PURTA Expense	\$ 44,000
1994 Additional Tax Assessment Title 72 P.S. ¶ 8104-A(b)	530
1995 Additional Tax Assessment Title 72 P.S. ¶ 8104-A(b)	731
Prior Year Adjustments:	
Tax per Return as Filed-1995	45,344
Provision Recorded per Books-1995	<u>46,200</u>
Adjustment	<u>(856)</u>
Total 1996 PURTA Expense	<u>\$ 44,405</u>

**RP - D.4.
ATTACHMENT 3**

Pennsylvania Power & Light Company
Pennsylvania Capital Stock Tax
Year Ended December 31, 1996
(Thousands of Dollars)

1996 Base Year Calculation:

Book Income

Adjusted Book Income			
	1992	\$ 344,850	
	1993	344,917	
	1994	248,337	
	1995	324,745	
	1996	353,465	
Total		<u>1,616,314</u>	
Average Book Income		<u>323,263</u>	
Average Capitalized at 9.5%			\$ 3,402,768
<u>Net Worth</u>			
Net Worth at December 31		<u>3,084,323</u>	
Net Worth times 75%			<u>2,313,242</u>
Subtotal			<u>5,716,010</u>
Subtotal divided by 2			2,858,005
Less Statutory Exemption			<u>(100)</u>
Capital Stock Value			2,857,905
Apportionment Percentage			<u>0.939991</u>
Taxable Capital Stock Value			2,686,405
Tax Rate			<u>0.01275</u>
Estimated Capital Stock Tax - 1996			34,252
Adjustment for Rounding			<u>48</u>
Total Base Year 1996 Capital Stock Tax Expense			\$ 34,300
Prior Year Adjustments:			
Tax per Return Filed-1995		33,713	
Provision Recorded per Books-1995		<u>33,850</u>	
Adjustment			<u>(137)</u>
Total 1996 Pennsylvania Capital Stock Tax Expense			<u>\$ 34,163</u>

**RP - D.4.
ATTACHMENT 4**

Pennsylvania Power & Light Company
Payroll Taxes-Social Security (FICA) and Medicare
Year Ended December 31, 1996
(Thousands of Dollars)

<u>Description:</u>		<u>Amount</u>
<u>1996 Base Year Calculation:</u>		
Taxable Social Security Wages	\$ 358,232	
Tax Rate	<u>0.062</u>	
Social Security Tax		\$ 22,210
Taxable Medicare Wages	392,044	
Tax Rate	<u>0.015</u>	
Medicare Tax		<u>5,685</u>
Total Social Security and Medicare Tax		\$ 27,895
Accrual for tax on Wages earned but not Paid:		
Tax on Unpaid Wages at 12/31/96	219	
Tax on Unpaid Wages at 12/31/95	<u>0</u>	
Increase during the year		219
Less Amount Charged to Capital, Clearing & Other		(9,259)
Less Amount Billed to Allegheny Electric Cooperative		<u>(525)</u>
Total 1996 Social Security and Medicare Taxes		<u>\$ 18,330</u>

**RP - D.4.
ATTACHMENT 5**

Pennsylvania Power & Light Company
Payroll Taxes-Federal Unemployment Tax (FUTA)
Year Ended December 31, 1996
(Thousands of Dollars)

<u>Description:</u>		<u>Amount</u>
<u>1996 Base Year Calculation:</u>		
Taxable Federal Unemployment Wages	\$ 48,762	
Tax Rate	<u>0.008</u>	
Federal Unemployment Tax		\$ 390
Accrual for tax on Wages earned but not Paid:		
Tax on Unpaid Wages at 12/31/96	23	
Tax on Unpaid Wages at 12/31/95	<u>0</u>	
Increase during the year		23
Less Amount Charged to Capital, Clearing & Other		(141)
Less Amount Billed to Allegheny Electric Cooperative		<u>(8)</u>
Total 1996 Federal Unemployment Tax		<u><u>\$ 264</u></u>

**RP - D.4.
ATTACHMENT 6**

Pennsylvania Power & Light Company
Payroll Taxes-Pennsylvania Unemployment Tax (SUTA)
Year Ended December 31, 1996
(Thousands of Dollars)

<u>Description</u>		<u>Amount</u>
<u>1996 Base Year Calculation:</u>		
Taxable Pennsylvania Unemployment Wages	\$ 55,581	
Tax Rate	<u>0.024081</u>	
Pennsylvania Unemployment Tax		\$ 1,338
Accrual for tax on Wages earned but not Paid:		
Tax on Unpaid Wages at 12/31/96	69	
Tax on Unpaid Wages at 12/31/95	<u>0</u>	
Increase during the year		69
Less Amount Charged to Capital, Clearing & Other		(469)
Less Amount Billed to Allegheny Electric Cooperative		<u>(25)</u>
Total 1996 Pennsylvania Unemployment Tax		<u>\$ 913</u>

**RP - D.4.
ATTACHMENT 7**

Pennsylvania Power & Light Company
Federal Environmental Tax
Year Ended December 31, 1996
(Thousands of Dollars)

<u>Description</u>	<u>Amount</u>
<u>1996 Base Year Calculation:</u>	
1996 Provision (A)	\$ -
 Prior Year Adjustments:	
Tax per Original Return as Filed-1995	\$ 702
Provision Recorded per Books-1995	750
Adjustment	<u>(48)</u>
Adjustment per Amended 1994 Return filed 9/13/96	(8)
Adjustments per Amended 1991-95 Returns filed 12/31/96	<u>(72)</u>
	<u>(128)</u>
 Total 1996 Federal Environmental Tax Expense	 <u><u>\$ (128)</u></u>

(A) The provision in the tax law related to environmental tax expired 12/31/95.

RP - D.5.
M. J. Berish
J. R. Schadt

- Q. Provide a schedule with the beginning and ending year 1996 deferred tax balances by source and/or timing differences. The schedule should separately provide for asset and liability deferred tax balances. The schedule should additionally display actual 1996 accruals and reversals. Provide a schedule showing projected accruals and reversals to the various deferred tax balances starting from year end 1996.
- A. See Attachments 1 and 2

**RP - D.5.
ATTACHMENT 1**

PENNSYLVANIA POWER & LIGHT COMPANY

1996 Deferred Income Taxes

	Federal					State					1996 Deferred Tax Activity	Balance 12/31/96
	Balance 12/31/95	(Reversal)	Accrual	Total Activity	Balance 12/31/96	Balance 12/31/95	(Reversal)	Accrual	Total Activity	Balance 12/31/96		
ASSETS												
NEEl Reserve Premium	152,211	(364,050)	211,839	(152,211)	0	34,436	(86,570)	52,134	(34,436)	0	(186,647)	0
Foreign Insurance Income	152,261	(152,261)	0	(152,261)	0	0	0	0	0	0	(152,261)	0
Reserve For Bad Debts Elec & Other	10,896,856	(4,392,724)	1,486,368	(2,906,356)	7,990,500	3,678,045	(1,475,398)	401,329	(1,074,069)	2,803,976	(3,980,425)	10,594,476
Reserve For Bad Debts Property Damage	30,836	(37,667)	78,154	40,487	71,323	10,891	(11,945)	24,783	12,838	23,729	53,325	95,052
Vacation Pay	6,215,464	(5,954,941)	6,055,450	100,509	6,315,973	1,959,538	(1,888,359)	1,920,229	31,870	1,891,408	132,379	8,307,381
Contribution In Aid Construction - Customers	10,656,952	(547,608)	2,168,849	1,621,241	12,278,193	3,533,889	(185,266)	696,438	511,172	4,045,061	2,132,413	16,323,254
Contribution In Aid Construction - Connection Fees	46,101	(5,996)	0	(5,996)	40,105	10,518	(1,371)	0	(1,371)	9,147	(7,367)	49,252
PURTA Capitalized	794,752	(252,005)	240,110	(11,895)	782,857	288,981	(84,793)	78,508	(6,285)	282,676	(18,180)	1,065,533
Administrative & General Costs Capitalized	4,510,414	(435,398)	658,900	221,502	4,731,916	1,582,867	(161,976)	213,533	51,557	1,834,424	273,059	6,366,340
Interest Capitalized	2,985,053	(2,827,303)	829,883	(1,997,420)	987,633	1,411,229	(1,062,689)	269,456	(793,233)	817,998	(2,790,653)	1,605,629
SSES Test Power	13,338,243	(718,050)	0	(718,050)	12,620,193	3,306,083	(178,247)	0	(178,247)	3,127,836	(896,297)	15,748,029
Gross Rec Tax-Late Pmt Chgs	743,262	(88,111)	180,152	112,041	855,303	255,105	(21,597)	57,126	35,529	290,634	147,570	1,145,937
Pension Contribution	36,506,141	0	9,404,511	9,404,511	45,910,652	13,045,179	0	2,982,238	2,982,238	16,027,417	12,386,749	61,938,069
Environmental Cleanup	3,021,485	(1,039,681)	717,930	(321,751)	2,699,734	1,039,525	(372,263)	219,371	(152,892)	886,833	(474,643)	3,586,367
SSES Operating Costs	12,357,169	(1,267,404)	0	(1,267,404)	11,089,765	3,058,507	(313,692)	0	(313,692)	2,744,815	(1,581,096)	13,834,580
GE Settlement Credit	2,048,913	(704,180)	0	(704,180)	1,344,733	841,267	(289,132)	0	(289,132)	552,135	(993,312)	1,898,868
Retired Miners' Health Costs	4,445,963	(470,851)	428,260	(42,391)	4,403,572	1,698,593	(149,247)	135,808	(13,441)	1,685,152	(55,832)	6,088,724
Post-Employment Benefits	1,779,789	0	262,779	262,779	2,042,568	726,892	0	83,328	83,328	810,220	346,107	2,852,788
Decommissioning Costs	1,354,496	(75)	66,760	66,685	1,421,181	423,169	(24)	21,169	21,145	444,314	87,830	1,865,495
Post-Retirement Benefits	0	0	1,773,376	1,773,376	1,773,376	0	0	562,346	562,346	562,346	2,335,722	2,335,722
PA CNI Refund	5,356,757	0	0	0	5,356,757	0	0	0	0	0	0	5,356,757
Energy Cost Rate Settlement	899,419	0	0	0	899,419	358,742	0	0	0	358,742	0	1,258,161
State Tax Adjustment Surcharge Credits	764,438	(805,508)	41,070	(764,438)	0	242,410	(255,433)	13,023	(242,410)	0	(1,006,848)	0
Incentive Compensation Plan	168,279	(89,464)	178,474	89,010	255,289	58,635	(32,506)	56,534	24,028	82,863	113,038	337,952
Low Level Radwaste Disposal Costs	870,332	(237,260)	859,709	622,449	1,492,781	278,962	(90,102)	272,820	182,518	461,480	804,967	1,954,261
Interim Storage-Spent Nuclear Fuel	543,497	0	617,135	617,135	1,160,632	191,544	0	195,700	195,700	387,244	812,835	1,547,876
Organizational Costs	253,571	(60,408)	0	(60,408)	193,163	96,267	(22,988)	0	(22,988)	73,299	(83,378)	266,462
Supplemental Executive Retirement Plan	3,010,104	0	450,156	450,156	3,460,260	989,064	0	142,746	142,746	1,131,810	592,902	4,592,070
NRC Regulations	0	0	2,782,074	2,782,074	2,782,074	0	0	892,217	892,217	892,217	3,664,291	3,664,291
Directors Retirement Plan	227,520	0	34,733	34,733	262,253	81,354	0	11,011	11,011	92,365	45,744	354,618
Keystone/Conemaugh Escrow	182,075	0	0	0	182,075	69,025	0	0	0	69,025	0	251,100
Capitalized Repairs	24,595	(3,012)	0	(3,012)	21,583	5,614	(687)	0	(687)	4,927	(3,699)	26,510
Payroll Taxes	0	0	97,870	97,870	97,870	0	0	31,035	31,035	31,035	128,905	128,905
Cleaning Accounts	352,394	(271,989)	0	(271,989)	80,405	111,747	(86,250)	0	(86,250)	25,497	(358,239)	105,902
Severance Pay	1,209,503	(1,478,604)	954,587	(524,017)	685,486	383,542	(468,877)	302,707	(166,170)	217,372	(690,187)	902,858
Fuel Inventory	56,342	(14,733)	0	(14,733)	41,609	17,867	(4,673)	0	(4,673)	13,194	(19,406)	54,803
Sales Tax Deficiency	283,433	0	0	0	283,433	116,375	0	0	0	116,375	0	399,808
M&S Inventory Adj-Invest Recovery	6,256,606	(4,897,621)	0	(4,897,621)	1,358,985	2,028,962	(1,553,073)	0	(1,553,073)	473,889	(6,450,694)	1,832,874
Int & Tax Real Prop	15,600	(14,291)	0	(14,291)	1,309	3,625	(3,304)	0	(3,304)	321	(17,595)	1,630
Deferred Compensation	581,318	(89,116)	92,347	3,231	584,549	153,047	(28,259)	29,285	1,026	154,073	4,257	738,822
Subtotal Assets	133,090,144	(27,200,111)	30,669,476	3,469,365	136,559,509	42,089,476	(8,828,701)	9,654,672	825,971	42,915,447	4,295,336	179,474,956
Supplemental Executive Retirement Plan	(1)		182,090	182,090	182,090			57,742	57,742	57,742	239,832	239,832
FASB 109 - Taxes Recoverable	(1)	104,412,770	(2,847,706)	(2,847,706)	101,565,064	31,354,932	(712,854)		(712,854)	30,642,078	(3,560,560)	132,207,142
Total Assets	237,502,914	(30,047,817)	30,851,566	803,749	238,306,663	73,444,408	(9,541,555)	9,712,414	170,859	73,615,267	874,608	311,921,930

(1) Activity charged or credited to balance sheet accounts

PENNSYLVANIA POWER & LIGHT COMPANY
1996 Deferred Income Taxes

Attachment 1
Page 2 of 2

	Federal				State				1996 Deferred Tax Activity	Balance 12/31/96		
	Balance 12/31/96	(Accrual)	Reversal	Total Activity	Balance 12/31/96	(Accrual)	Reversal	Total Activity				
LIABILITIES												
Pollution Control Facilities	(432,636)	(6,765,247)	94,416	(6,670,831)	(7,103,467)	(428)	(2,145,311)	132	(2,145,179)	(2,145,607)	(8,816,010)	(9,249,074)
ADR Class Life	(31,171,594)	0	2,569,116	2,569,116	(28,602,478)	(7,613,013)	0	814,680	814,680	(6,798,333)	3,383,796	(35,400,811)
Removal Costs	(3,813,681)	0	627,120	627,120	(3,186,561)	(923,188)	0	151,404	151,404	(771,784)	778,524	(3,958,345)
Martins Creek Test Fuel	(2,204,550)	0	152,040	152,040	(2,052,510)	(655,171)	0	45,180	45,180	(609,991)	197,220	(2,662,501)
ACRS & MACRS	(1,072,564,666)	(32,008,729)	49,506,816	17,498,087	(1,055,066,579)	0	0	0	0	0	17,498,087	(1,055,066,579)
Research & Experimentation Tax Deduction	0	(19,905,291)	0	(19,905,291)	(19,905,291)	0	(7,820,929)	0	(7,820,929)	(7,820,929)	(27,726,220)	(27,726,220)
Pensions Capitalized	(10,644,328)	(1,321,329)	45,996	(1,275,333)	(11,919,661)	(3,711,805)	(422,390)	12,240	(410,150)	(4,121,955)	(1,685,483)	(18,041,616)
Capitalized Software	(9,612,585)	(7,222,480)	737,089	(6,485,391)	(16,097,976)	(3,048,224)	(2,444,722)	233,736	(2,210,986)	(5,259,210)	(8,696,377)	(21,357,186)
Unfunded Future Tax Liability	(17,164,453)	(1,723,989)	0	(1,723,989)	(18,888,442)	(8,658,281)	(841,630)	0	(841,630)	(9,499,911)	(2,565,619)	(28,388,353)
FERC Full Normalization	28,568,116	(372,233)	2,693,445	2,321,212	30,889,328	(28,198,461)	(71,484)	1,685,837	1,614,353	(26,584,108)	3,935,565	4,305,220
Refueling Costs	(8,166,323)	(4,235,285)	5,943,946	1,708,661	(4,457,662)	(1,955,388)	(1,343,041)	1,884,867	541,826	(1,413,562)	2,250,467	(5,871,224)
M&S Inven Adj	(5,090,703)	0	5,090,703	5,090,703	0	(1,920,164)	0	1,920,164	1,920,164	0	7,010,867	0
Energy Cost Rate Over/Under Collection	(159,209)	(7,418,275)	1,172,060	(6,246,215)	(6,405,424)	(50,485)	(2,352,392)	371,669	(1,980,723)	(2,031,208)	(8,226,938)	(6,436,632)
Post-Retirement Benefits	(4,049,226)	(44,945)	4,094,171	4,049,226	0	(1,284,040)	(14,249)	1,298,289	1,284,040	0	5,333,266	0
DOE Assess-Decontamination & Decommissioning Fund	(637,161)	(601,167)	782,830	(18,337)	(655,498)	(202,049)	(254,056)	248,242	(5,814)	(207,863)	(24,151)	(863,361)
Rate Case Expenses	(440,359)	0	117,432	117,432	(322,927)	(139,642)	0	37,236	37,236	(102,406)	154,668	(425,333)
Conrail Litigation	0	(302,661)	0	(302,661)	(302,661)	0	(102,587)	0	(102,587)	(102,587)	(405,248)	(405,248)
State Tax Adjustment Surcharge Credits	0	(533,421)	349,916	(183,505)	(183,505)	0	(169,150)	110,960	(58,180)	(58,190)	(241,695)	(241,695)
Energy Trust Finance Costs	(396,346)	(99,555)	141,859	42,304	(354,042)	(63,825)	(31,589)	44,985	13,416	(50,409)	55,720	(404,451)
Loss On Recquired Debt	(36,179,301)	(153,217)	2,223,952	2,070,735	(34,108,566)	(12,121,558)	(48,866)	770,681	722,095	(11,399,463)	2,792,830	(45,508,030)
Clean Air Act Allowances	(161,425)	(77,727)	359,841	282,114	120,689	(46,528)	(30,910)	114,109	83,199	36,671	365,313	157,360
Subtotal Liabilities	(1,172,320,430)	(82,985,551)	76,702,749	(6,282,802)	(1,178,603,233)	(70,592,250)	(18,093,006)	9,744,411	(8,348,595)	(78,940,845)	(14,631,398)	(1,257,544,077)
Unrealized Gains/Losses	(1)	(1,011,442)	(215,681)	1,194,754	979,073	(32,389)	(68,393)	378,865	310,472	(10,264)	1,289,545	(42,633)
FASB 109 - Taxes Recoverable	(1)	(635,908,744)	28,322,479	28,322,479	(607,586,265)	(502,689,796)	15,471,260	15,471,260	(487,218,536)	43,793,739	(1,094,804,801)	
Total Liabilities	(1,809,240,616)	(83,201,232)	106,219,982	23,018,750	(1,786,221,866)	(573,602,782)	(18,161,399)	25,594,536	7,433,137	(566,169,645)	30,451,887	(2,352,391,511)
Total Deferred Taxes	(1,571,737,702)	(113,249,049)	137,071,548	23,822,499	(1,547,915,203)	(500,158,374)	(27,702,954)	35,306,950	7,603,996	(492,554,378)	31,426,485	(2,040,469,582)

(2)

(1) Activity charged or credited to balance sheet accounts

(2) Annual Deferred Tax Expense of \$(10,336,061) is equal to 1996 Deferred Tax Activity less charges and credits to balance sheet accounts as noted.

**RP - D.5.
ATTACHMENT 2**

		Accum. Deferred Income Tax Balance		1996 Provision/(Amortization)	Accum. Deferred Income Tax Balance		
		12/31/95	12/31/96		12/31/96	12/31/96	
		Federal	State		Federal	State	
ACRS	Nuclear Production						
	Susquehanna SES Unit 1	422,144,211		(22,188,062)		399,956,149	
	Susquehanna SES Unit 2	410,778,863		(22,064,414)		388,714,449	
SFAS 109	Nuclear Production						
	Susquehanna SES Unit 1	183,898,899	148,964,246	(6,070,934)	(4,917,659)	177,827,965	144,048,587
	Susquehanna SES Unit 2	178,866,797	144,888,076	(6,037,102)	(4,890,254)	172,829,695	139,997,822
ACRS	Steam Production Excluding Susq						
	Sunbury	9,005,595		1,025,947		10,031,542	
	Martins Creek Coal	7,205,133		589,508		7,794,641	
	Martins Creek Oil	5,254,913		527,899		5,782,812	
	Brunner Island	18,216,393		1,524,173		19,740,566	
	Conemaugh	2,060,979		330,418		2,391,397	
	Keystone	2,570,388		263,323		2,833,711	
	Montour	11,830,127		1,173,798		13,003,925	
	Holtwood	2,647,810		199,460		2,847,270	
	CT's	222,691		35,998		258,689	
SFAS 109	Steam Production Excluding Susq						
	Sunbury	12,057,119	9,766,669	(658,548)	(533,446)	11,398,571	9,233,223
	Martins Creek Coal	9,334,181	7,560,997	(509,824)	(412,974)	8,824,357	7,148,023
	Martins Creek Oil	17,772,074	14,395,974	(970,693)	(786,294)	16,801,381	13,609,680
	Brunner Island	23,559,782	19,084,211	(1,286,812)	(1,042,361)	22,272,970	18,041,850
	Conemaugh	2,995,895	2,426,774	(163,633)	(132,548)	2,832,262	2,294,226
	Keystone	3,392,206	2,747,800	(185,279)	(150,082)	3,206,927	2,597,718
	Montour	21,271,329	17,230,487	(1,161,819)	(941,112)	20,109,510	16,289,375
	Holtwood	3,546,794	2,873,022	(193,722)	(156,922)	3,353,072	2,716,100
	CT's	331,905	268,854	(18,128)	(14,685)	313,777	254,169
ADR Class Life	Steam Production Excluding Susq						
	Sunbury	380,746	93,074	(46,872)	(14,863)	333,874	78,211
	Martins Creek Coal	236,160	57,933	(2,779)	(881)	233,381	57,052
	Martins Creek Oil	7,712,744	1,898,259	(8)	(3)	7,712,736	1,898,256
	Brunner Island	551,205	136,121	(15,864)	(5,031)	535,341	131,090
	Conemaugh	268,441	52,541	(89,133)	(28,264)	179,308	24,277
	Keystone	93,496	22,096	(8,385)	(2,659)	85,111	19,437
	Montour	6,213,553	1,459,577	(1,710,011)	(542,258)	4,503,542	917,319
	Holtwood	192,852	47,617	(11,829)	(3,750)	181,023	43,867
	CT's	34,514	7,318	(9,894)	(3,138)	24,620	4,180
SFAS 109 ITC	Deferred Income Tax - ITC						
	Susquehanna	(81,252,406)	(25,765,757)	3,711,543	1,176,958	(77,540,863)	(24,588,799)
	Other	(35,671,999)	(11,311,863)	1,629,467	516,717	(34,042,532)	(10,795,146)
	Subtotal	1,247,723,390	336,904,026	(52,392,211)	(12,885,509)	1,195,331,179	324,018,517
Other	Miscellaneous Deferred Taxes (1)	324,014,312	163,254,348	28,569,712	5,281,513	352,584,024	168,535,861
	Total Deferred Taxes	1,571,737,702	500,158,374	(23,822,499)	(7,603,996)	1,547,915,203	492,554,378

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

		1997 Provision/(Amortization)		1998 Provision/(Amortization)		1999 Provision/(Amortization)		2000 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(21,994,304)		(21,478,543)		(10,557,838)		(10,422,624)	
	Susquehanna SES Unit 2	(20,866,350)		(20,383,955)		(9,731,830)		(9,564,939)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(9,779,078)	(7,921,379)	(9,549,761)	(7,735,625)	(4,694,212)	(3,802,468)	(4,634,093)	(3,753,770)
	Susquehanna SES Unit 2	(9,277,569)	(7,515,140)	(9,054,194)	(7,334,200)	(4,326,953)	(3,504,977)	(4,252,750)	(3,444,870)
ACRS	Steam Production Excluding Susq								
	Sunbury	907,162		729,263		545,630		354,735	
	Martins Creek Coal	763,879		676,617		625,410		583,902	
	Martins Creek Oil	765,777		672,655		772,890		554,870	
	Brunner Island	2,121,503		1,800,104		1,477,103		978,695	
	Conemaugh	218,155		152,871		87,506		(8,900)	
	Keystone	188,785		127,169		(25,005)		(109,101)	
	Montour	1,346,631		1,300,313		1,285,438		1,127,423	
	Holtwood	284,098		252,183		230,474		182,099	
	CT's	95,755		144,343		118,413		95,392	
SFAS 109	Steam Production Excluding Susq								
	Sunbury	919,890	745,142	702,015	568,656	502,550	407,083	327,551	265,328
	Martins Creek Coal	828,958	671,484	684,869	554,766	603,206	488,617	551,358	446,619
	Martins Creek Oil	809,533	655,748	(1,022,803)	(828,504)	(2,449,454)	(1,984,140)	(2,578,157)	(2,088,394)
	Brunner Island	2,240,595	1,814,956	1,886,183	1,527,871	1,471,344	1,191,837	949,380	769,029
	Conemaugh	128,463	104,060	133,504	108,142	81,619	66,114	(14,853)	(12,032)
	Keystone	184,519	149,466	112,261	90,935	(53,081)	(42,997)	(139,630)	(113,105)
	Montour	(995,426)	(806,329)	(797,475)	(645,982)	467,485	378,678	1,173,688	950,726
	Holtwood	292,314	236,785	235,442	190,715	212,360	172,019	156,089	126,437
	CT's	91,976	74,503	151,177	122,459	124,561	100,899	102,077	82,685
ADR Class Life	Steam Production Excluding Susq								
	Sunbury	(49,217)	(15,121)	(66,341)	(19,720)	(74,077)	(11,105)	(42,851)	(11,774)
	Martins Creek Coal	(3,685)	(684)	(37,504)	(11,621)	(55,365)	(17,374)	(61,888)	(16,847)
	Martins Creek Oil	(18,272)	(5,793)	(1,222,201)	(387,569)	(2,291,914)	(725,221)	(2,284,850)	(632,186)
	Brunner Island	(53,150)	(15,470)	(55,586)	(16,355)	(102,004)	(27,021)	(88,303)	(20,549)
	Conemaugh	(92,634)	(7,820)	(27,018)	(3,534)	(11,383)	(1,342)	(4,127)	(582)
	Keystone	(15,746)	(3,979)	(19,141)	(5,172)	(18,900)	(4,729)	(15,706)	(3,125)
	Montour	(1,714,886)	(543,777)	(1,725,787)	(305,191)	(841,637)	(15,481)	(40,836)	(11,228)
	Holtwood	(12,389)	(3,884)	(28,292)	(8,174)	(29,304)	(6,601)	(30,655)	(8,432)
	CT's	(10,085)	(1,400)	(4,832)	(999)	(3,859)	(428)	(1,461)	(406)
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(48,709,676)	(11,124,920)	(51,707,342)	(12,875,390)	(22,875,705)	(6,074,925)	(23,173,343)	(6,212,764)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(61,301,963)	(17,144,058)	(64,299,629)	(18,894,528)	(35,267,992)	(12,094,063)	(35,765,630)	(12,231,902)

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		2001 Provision/(Amortization)		2002 Provision/(Amortization)		2003 Provision/(Amortization)		2004 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(9,677,913)		(10,260,502)		(10,959,532)		(11,156,441)	
	Susquehanna SES Unit 2	(8,787,241)		(9,025,507)		(9,530,721)		(9,875,209)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(4,302,981)	(3,485,558)	(4,562,010)	(3,695,381)	(4,872,812)	(3,947,141)	(4,960,362)	(4,018,058)
	Susquehanna SES Unit 2	(3,906,971)	(3,164,777)	(4,012,909)	(3,250,590)	(4,237,536)	(3,432,546)	(4,390,702)	(3,556,615)
ACRS	Steam Production Excluding Susq								
	Sunbury	42,768		(6,120)		(46,691)		(113,614)	
	Martins Creek Coal	555,221		557,038		550,773		533,362	
	Martins Creek Oil	326,650		199,234		37,703		(311,899)	
	Brunner Island	663,523		540,420		461,088		281,551	
	Conemaugh	(75,249)		(111,995)		(137,984)		(162,019)	
	Keystone	(239,247)		(306,487)		(392,276)		(501,583)	
	Montour	980,646		1,029,151		1,105,678		1,325,390	
	Holtwood	(55,421)		(62,885)		(87,398)		(107,510)	
	CT's	78,302		63,923		142,169		131,204	
SFAS 109	Steam Production Excluding Susq								
	Sunbury	(7,305)	(5,917)	(69,406)	(56,222)	(67,273)	(54,493)	(124,003)	(100,446)
	Martins Creek Coal	546,159	442,407	591,424	479,073	584,233	473,249	582,131	471,546
	Martins Creek Oil	(1,772,123)	(1,435,479)	145,190	117,608	12,261	9,932	(340,419)	(275,750)
	Brunner Island	632,298	512,183	482,509	390,849	388,144	314,409	307,295	248,920
	Conemaugh	(115,555)	(93,603)	(147,232)	(119,262)	(152,367)	(123,422)	(176,834)	(143,241)
	Keystone	(274,735)	(222,544)	(339,419)	(274,940)	(429,327)	(347,769)	(547,447)	(443,450)
	Montour	985,722	798,468	994,718	805,755	1,177,567	953,868	1,446,581	1,171,779
	Holtwood	(94,217)	(76,319)	(105,375)	(85,357)	(130,964)	(106,085)	(117,340)	(95,050)
	CT's	83,835	67,910	68,189	55,235	152,557	123,576	143,201	115,998
ADR Class Life	Steam Production Excluding Susq								
	Sunbury	(42,312)	(7,149)	(45,274)	(12,198)	(13,802)	(1,144)		
	Martins Creek Coal	(49,645)	(5,173)	(12,462)	(2,700)	(12,832)	(2,653)		
	Martins Creek Oil	(1,817,659)	(132,650)	(55,094)	(11,114)	(22,746)	(3,723)		
	Brunner Island	(72,466)	(11,731)	(76,432)	(21,902)	(87,400)	(18,062)		
	Conemaugh	(23,471)	(7,154)	(19,204)	(3,698)	(1,471)	(147)		
	Keystone	(10,875)	(1,596)	(3,777)	(719)	(966)	(117)		
	Montour	(62,348)	(15,157)	(93,209)	(24,559)	(24,839)	(1,926)		
	Holtwood	(26,454)	(4,449)	(26,780)	(6,882)	(27,149)	(5,445)		
	CT's	(1,297)	(193)	(1,128)	(319)	(1,958)	(435)		
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(22,535,239)	(5,584,769)	(20,686,289)	(4,453,611)	(22,640,749)	(4,906,362)	(24,149,545)	(5,360,655)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(35,127,526)	(11,603,907)	(33,278,576)	(10,472,749)	(35,233,036)	(10,925,500)	(36,741,832)	(11,379,793)

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		2005 Provision/(Amortization)		2006 Provision/(Amortization)		2007 Provision/(Amortization)		2008 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(11,431,760)		(11,636,682)		(11,949,974)		(12,447,386)	
	Susquehanna SES Unit 2	(10,080,111)		(10,317,633)		(10,620,339)		(10,860,670)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(5,082,774)	(4,117,216)	(5,173,886)	(4,191,020)	(5,313,182)	(4,303,854)	(5,534,340)	(4,483,000)
	Susquehanna SES Unit 2	(4,481,805)	(3,630,412)	(4,587,412)	(3,715,957)	(4,722,001)	(3,824,978)	(4,828,856)	(3,911,535)
ACRS	Steam Production Excluding Susq								
	Sunbury	(184,624)		(233,791)		(320,217)		(451,706)	
	Martins Creek Coal	509,411		462,426		394,501		258,786	
	Martins Creek Oil	(603,178)		(922,372)		(1,208,466)		(1,471,807)	
	Brunner Island	59,438		(273,451)		(350,745)		(1,082,167)	
	Conemaugh	(186,229)		(222,184)		(287,427)		(342,925)	
	Keystone	(547,767)		(451,346)		(576,853)			
	Montour	1,440,728		1,172,259		593,219		12,649	
	Holtwood	(123,436)		(139,482)		(167,940)		(195,500)	
	CT's	154,469		153,904		153,675		153,578	
SFAS 109	Steam Production Excluding Susq								
	Sunbury	(201,506)	(163,226)	(255,168)	(206,695)	(349,497)	(283,104)	(493,009)	(399,354)
	Martins Creek Coal	555,990	450,371	504,709	408,832	430,573	348,779	282,449	228,793
	Martins Creek Oil	(658,332)	(533,270)	(1,006,712)	(815,470)	(1,318,966)	(1,068,406)	(1,606,386)	(1,301,226)
	Brunner Island	64,873	52,549	(298,455)	(241,758)	(382,816)	(310,094)	(1,181,118)	(956,745)
	Conemaugh	(203,258)	(164,645)	(242,500)	(196,433)	(313,709)	(254,114)	(374,281)	(303,181)
	Keystone	(597,854)	(484,281)	(492,616)	(399,036)	(629,598)	(509,997)		
	Montour	1,572,465	1,273,749	1,279,448	1,036,395	647,462	524,465	13,806	11,183
	Holtwood	(134,723)	(109,130)	(152,236)	(123,316)	(183,296)	(148,476)	(213,376)	(172,842)
	CT's	168,594	136,566	167,976	136,067	167,727	135,864	167,621	135,778
ADR Class Life	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Holtwood								
	CT's								
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(26,006,267)	(6,025,233)	(28,680,082)	(7,044,679)	(32,322,747)	(8,430,203)	(36,209,516)	(9,888,417)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(38,598,554)	(12,044,371)	(41,272,369)	(13,063,817)	(44,915,034)	(14,449,341)	(48,801,803)	(15,907,555)

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

		2009 Provision/(Amortization)		2010 Provision/(Amortization)		2011 Provision/(Amortization)		2012 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(12,917,017)		(13,602,358)		(14,220,926)		(14,673,397)	
	Susquehanna SES Unit 2	(11,410,017)		(11,997,598)		(12,345,929)		(12,775,950)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(5,743,147)	(4,652,140)	(6,047,862)	(4,898,970)	(6,322,889)	(5,121,751)	(6,524,066)	(5,284,711)
	Susquehanna SES Unit 2	(5,073,106)	(4,109,388)	(5,334,356)	(4,321,006)	(5,489,230)	(4,446,460)	(5,680,426)	(4,601,334)
ACRS	Steam Production Excluding Susq								
	Sunbury	(519,562)		(10,734,775)				(1,412,580)	
	Martins Creek Coal	(302,759)		(800,261)		(1,097,132)			
	Martins Creek Oil	(1,446,555)		(3,148,314)					
	Brunner Island	(1,863,930)		(2,708,465)		(3,170,279)		(3,930,573)	
	Conemaugh	(340,595)		(974,422)					
	Keystone								
	Montour	(676,760)		(1,226,527)		(1,670,021)		(2,026,932)	
	Holtwood	(2,856,552)							
	CT's	153,297		151,470		170,019		160,048	
SFAS 109	Steam Production Excluding Susq								
	Sunbury	(567,070)	(459,345)	(11,716,340)	(9,490,630)				
	Martins Creek Coal	(330,443)	(267,669)	(873,435)	(707,512)	(1,197,451)	(969,976)	(1,541,743)	(1,248,864)
	Martins Creek Oil	(1,578,825)	(1,278,901)	(3,436,188)	(2,783,428)				
	Brunner Island	(2,034,364)	(1,647,903)	(2,956,121)	(2,394,557)	(3,460,163)	(2,802,847)	(4,289,977)	(3,475,024)
	Conemaugh	(371,738)	(301,121)	(1,063,521)	(861,488)				
	Keystone								
	Montour	(738,642)	(598,324)	(1,338,678)	(1,084,374)	(1,822,724)	(1,476,468)	(2,212,270)	(1,792,013)
	Holtwood	(3,117,750)	(2,525,481)						
	CT's	167,314	135,530	165,320	133,915	185,565	150,314	174,682	141,499
ADR Class Life	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Holtwood								
	CT's								
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(47,583,099)	(14,441,028)	(73,657,309)	(25,144,338)	(46,456,038)	(13,403,476)	(50,748,062)	(14,996,735)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(60,175,386)	(20,460,166)	(86,249,596)	(31,163,476)	(59,048,325)	(19,422,614)	(63,340,349)	(21,015,873)

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

		2013 Provision/(Amortization)		2014 Provision/(Amortization)		2015 Provision/(Amortization)		2016 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(15,375,150)		(16,195,857)		(17,166,827)		(18,333,348)	
	Susquehanna SES Unit 2	(13,319,932)		(13,945,995)		(14,670,988)		(15,520,259)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(6,836,078)	(5,537,452)	(7,200,980)	(5,833,034)	(7,632,691)	(6,182,735)	(8,151,349)	(6,602,864)
	Susquehanna SES Unit 2	(5,922,290)	(4,797,253)	(6,200,650)	(5,022,733)	(6,522,995)	(5,283,844)	(6,900,597)	(5,589,713)
ACRS	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal	(1,525,167)		(1,696,229)		(7,431,839)			
	Martins Creek Oil								
	Brunner Island	(4,684,519)		(10,059,862)					
	Conemaugh								
	Keystone								
	Montour	(2,647,948)		(3,377,759)		(3,545,741)		(3,173,054)	
	Hollywood								
	CT's	142,875		120,633		(2,642,158)			
SFAS 109	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal	(1,664,625)	(1,348,402)	(1,851,329)	(1,499,638)	(8,111,390)	(6,570,498)		
	Martins Creek Oil								
	Brunner Island	(5,112,862)	(4,141,588)	(10,979,715)	(8,893,937)				
	Conemaugh								
	Keystone								
	Montour	(2,890,071)	(2,341,054)	(3,686,814)	(2,986,281)	(3,869,956)	(3,134,794)	(3,463,191)	(2,805,301)
	Hollywood								
	CT's	155,939	126,316	131,663	106,652	(2,883,751)	(2,335,935)		
ADR Class Life	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Hollywood								
	CT's								
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(55,694,706)	(16,775,721)	(70,957,572)	(22,865,259)	(70,493,214)	(22,244,094)	(51,556,676)	(13,734,166)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(68,286,993)	(22,794,859)	(83,549,859)	(28,884,397)	(83,085,501)	(28,263,232)	(64,148,963)	(19,753,304)

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

		2017 Provision/(Amortization)		2018 Provision/(Amortization)		2019 Provision/(Amortization)		2020 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(19,762,655)		(21,431,142)		(12,091,791)		(3,728,019)	
	Susquehanna SES Unit 2	(16,525,221)		(17,731,584)		(19,173,086)		(13,580,730)	
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(8,786,845)	(7,117,638)	(9,528,686)	(7,718,553)	(5,376,236)	(4,354,930)	(1,657,547)	(1,342,668)
	Susquehanna SES Unit 2	(7,347,421)	(5,951,657)	(7,883,793)	(6,386,136)	(8,524,712)	(6,905,301)	(6,038,246)	(4,891,181)
ACRS	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour	(7,378,708)							
	Hollywood								
	CT's								
SFAS 109	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour	(8,053,405)	(6,523,521)						
	Hollywood								
	CT's								
ADR Class Life	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Hollywood								
	CT's								
SFAS 109 ITC	Deferred income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541
	Subtotal	(63,869,133)	(18,329,104)	(52,590,083)	(12,840,977)	(41,180,703)	(9,996,519)	(21,019,420)	(4,970,137)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)
	Total Deferred Taxes	(76,461,420)	(24,348,242)	(65,182,370)	(18,860,115)	(53,772,990)	(16,015,657)	(33,611,707)	(10,989,275)

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

		2021 Provision/(Amortization)		2022 Provision/(Amortization)		2023 Provision/(Amortization)		2024 Provision/(Amortization)	
		Federal	State	Federal	State	Federal	State	Federal	State
ACRS	Nuclear Production								
	Susquehanna SES Unit 1	(3,616,651)		(62,867,512)		0		0	0
	Susquehanna SES Unit 2	(2,181,588)		(2,290,630)		(2,847,919)		(68,772,518)	0
SFAS 109	Nuclear Production								
	Susquehanna SES Unit 1	(1,608,031)	(1,302,558)	(27,952,067)	(22,642,113)	0	0	0	0
	Susquehanna SES Unit 2	(969,975)	(785,712)	(1,018,457)	(824,984)	(1,266,238)	(1,025,695)	(30,577,545)	(24,768,830)
ACRS	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Holtwood								
	CT's								
SFAS 109	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Holtwood								
	CT's								
ADR Class Life	Steam Production Excluding Susq								
	Sunbury								
	Martins Creek Coal								
	Martins Creek Oil								
	Brunner Island								
	Conemaugh								
	Keystone								
	Montour								
	Holtwood								
	CT's								
SFAS 109 ITC	Deferred Income Tax - ITC								
	Susquehanna	2,769,317	878,171	2,769,317	878,171	2,769,317	878,171	2,769,304	878,182
	Other	1,215,805	385,541	1,215,805	385,541	1,215,805	385,541	1,215,797	385,539
	Subtotal	(4,391,123)	(824,558)	(90,143,544)	(22,203,385)	(129,035)	238,017	(95,364,962)	(23,505,109)
Other	Miscellaneous Deferred Taxes (1)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,287)	(6,019,138)	(12,592,275)	(6,019,135)
	Total Deferred Taxes	(16,983,410)	(6,843,696)	(102,735,831)	(28,222,523)	(12,721,322)	(5,781,121)	(107,957,237)	(29,524,244)

(1) The Company does not maintain its records in a manner that reflects other deferred income taxes by generating unit. Additionally, future provisions for other deferred income taxes are indeterminable. For purposes of this response, the balance of other deferred income taxes at 12/31/96 is amortized at a levelized amount over the life of the Susquehanna Station.

RP - D.6.
M. J. Berish

- Q. Provide the workpapers and supporting documentation for all consolidated tax savings.
- A. See Attachment 2 of the response to Question RP - D.19.

RP - D.7.
M. J. Berish

- Q. Provide a copy of the base year or most recent available corporate federal tax returns and supporting schedules and, if applicable, a copy of the calculation work papers for the company's consolidated tax savings adjustment.
- A. See Attachment 1.

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
CONSOLIDATED FEDERAL INCOME TAX RETURN
YEAR 1995

U.S. Corporation Income Tax Return

For calendar year 1995 or tax year beginning 19 ending 19

Extension Granted to 09/16/96

1995

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A Check if a: 1 Consolidated return (attach Form 851) <input checked="" type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (as defined in Term. Regs. sec. 1.441-4T) <input type="checkbox"/>		Use IRS label. Otherwise, please print or type.	Name PP&L Resources, Inc and Subsidiary Companies	B Employer identification number 23-2758192
			Number, street, and room or suite no. (If a P.O. box, see page 6 of instructions.) Two North Ninth Street	C Date incorporated 03/15/1994
			City or town, state, and ZIP code Allentown, PA 18101	D Total assets (see page 6 of instructions) 9984177361.

E Check applicable boxes: (1) Initial return (2) Final return (3) Change of address

Income	1 & Gross receipts or sales	2801278511.	b Less returns and allowances		c Bal	1c	2801278511.
	2 Cost of goods sold (Schedule A, line 8)					2	642798.
	3 Gross profit. Subtract line 2 from line 1c					3	2800635713.
	4 Dividends (Schedule C, line 19)					4	7371721.
	5 Interest					5	10104485.
	6 Gross rents					6	260845.
	7 Gross royalties					7	2729.
	8 Capital gain net income (attach Schedule D (Form 1120))					8	7341512.
	9 Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)					9	52821830.
	10 Other income (attach schedule)	See Consolidated Income and Deductions				10	2612163.
	11 Total income. Add lines 3 through 10					11	2881150998.

Deductions	12 Compensation of officers (Schedule E, line 4)		12	5246065.
	13 Salaries and wages (less employment credits)		13	2153652.
	14 Repairs and maintenance		14	198565992.
	15 Bad debts		15	18966346.
	16 Rents		16	8038048.
	17 Taxes and licenses		17	278980202.
	18 Interest		18	224356950.
	19 Charitable contributions		19	5118706.
	20 Depreciation (attach Form 4562)	20	327620897.	
	21 Less depreciation claimed on Schedule A and elsewhere on return	21a		21b 327620897.
	22 Depletion		22	409.
	23 Advertising		23	581278.
	24 Pension, profit-sharing, etc., plans		24	19676.
	25 Employee benefit programs		25	27232225.
	26 Other deductions (attach schedule)	See Consolidated Income and Deductions	26	1204977744.
	27 Total deductions. Add lines 12 through 26		27	2301858190.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	579292808.
29 Less: a Net operating loss deduction	29a			
b Special deductions (Schedule C, line 20)	29b	4049495.	29c 4049495.	

Tax and Payments	30 Taxable income. Subtract line 29c from line 28		30	575243313.
	31 Total tax (Schedule J, line 10)		31	200817658.
	32 Payments: a 1994 overpayment credited to 1995	32a	12593253.	
	b 1995 estimated tax payments	32b	204326747.	
	c Less 1995 refund applied for on Form 4466	32c		
	d Bal	32d	216920000.	
	e Tax deposited with Form 7004	32e		
	f Credit from regulated investment companies (attach Form 2439)	32f		
	g Credit for Federal tax on fuels (attach Form 4136)	32g	94318.	32h 217014318.
	33 Estimated tax penalty. Check if Form 2220 is attached		33	
34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		34	0.	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35	16196660.	
36 Enter amount of line 35 you want: Credited to 1996 estimated tax		36	16196660. Refunded	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title **V. P. & Controller**

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
Firm's name (or yours if self-employed) and address	E.I. No.	ZIP code	

Schedule A Cost of Goods Sold (See page 12 of instructions.)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	360,050.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	282,748.
6	Total. Add lines 1 through 5	6	642,798.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	642,798.

9a Check all methods used for valuing closing inventory:

(i) Cost as described in Regulations section 1.471-3

(ii) Lower of cost or market as described in Regulations section 1.471-4

(iii) Other (Specify method used and attach explanation.) **Schedule S Attached**

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	2,062,524.	70	1,443,767.
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	2,190,000.	80	1,752,000.
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8			3,195,767.
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (sec. 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	370,084.		
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends	2,749,113.		
18 Deduction for dividends paid on certain preferred stock of public utilities			853,728.
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1	7,371,721.		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			4,049,495.

Schedule E Compensation of Officers

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
	Schedule E					5,246,065.
2	Total compensation of officers					5,246,065.
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					5,246,065.

Schedule J Tax Computation (See page 14 of instructions.)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) **Important:** Members of a controlled group, see instructions on page 14.

2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____

b Enter the corporation's share of:
 (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____

3 Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions) **3 201,335,160**

4a Foreign tax credit (attach Form 1118) **4a** _____
 b Possessions tax credit (attach Form 5735) **4b** _____
 c Check: Nonconventional source fuel credit QEV credit (attach Form 8834) **4c** _____
 d General business credit. Enter here and check which forms are attached:
 3800 3468 5884 6478 6765 8586 8830
 8826 8835 8844 8845 8846 8847 **4d 1,271,496.**
 e Credit for prior year minimum tax (attach Form 8827) **4e** _____

5 Total credits. Add lines 4a through 4e **5 1,271,496**
 6 Subtract line 5 from line 3 **6 200,063,664**
 7 Personal holding company tax (attach Schedule PH (Form 1120)) **7** _____
 8 Recapture taxes. Check if from: Form 4255 Form 8611 **8** _____
 9a Alternative minimum tax (attach Form 4626) **9a** _____
 b Environmental tax (attach Form 4626) **9b 753,994**
 10 Total tax. Add lines 6 through 9b. Enter here and on line 31, page 1 **10 200,817,658**

Schedule K Other Information (See page 17 of instructions.)

1	Check method of accounting:	a	<input type="checkbox"/> Cash	b	<input type="checkbox"/> Accrual	Yes	No	7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)	Yes	No
	c	<input type="checkbox"/> Other (specify) ▶							If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶		
2	Refer to page 19 of the instructions and state the principal:								8 At any time during the 1995 calendar year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		
	a	Business activity code no. ▶							If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ▶		
	b	Business activity ▶ Schedule S Attached							9 Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 926, 3520, or 3520-A.		
	c	Product or service ▶							10 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)								a Enter percentage owned ▶		
	If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.								b Enter owner's country ▶		
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter employer identification number and name of the parent corporation ▶								c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶		
5	Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)								11 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If so, the corporation may have to file Form 8281.		
	If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶								12 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.) If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.								13 If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ _____		
									14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
									15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$ _____		

Schedule L Balance Sheets

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		8311580.		11855506.
2a Trade notes and accounts receivable	234142986.		248424793.	
b Less allowance for bad debts	(29082855.)	205060131.	(34910903.)	213513890.
3 Inventories		14219.		14219.
4 U.S. government obligations	See		See	
5 Tax-exempt securities	Statement of		Statement of	
6 Other current assets	Consolidated	376246922.	Consolidated	324104977.
7 Loans to stockholders	Beginning		Ending	
8 Mortgage and real estate loans	Balance Sheet		Balance Sheet	
9 Other investments		334909436.		393432964.
10a Buildings and other depreciable assets	9835138850.		10125879738	
b Less accumulated depreciation	(2667231503.)	7167907347.	(2958474809.)	7167404929.
11a Depletable assets	20990064.		8934359.	
b Less accumulated depletion	(2939703.)	18050361.	(2939703.)	5994656.
12 Land (net of any amortization)		8568792.		5544524.
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets		1842191523.		1862311696.
15 Total assets		9961260311.		9984177361.
Liabilities and Stockholders' Equity				
16 Accounts payable		141003109.		123154904.
17 Mortgages, notes, bonds payable in less than 1 year		74167410.		89145000.
18 Other current liabilities		358700972.		355364813.
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more		2940789024.		2858728085.
21 Other liabilities		3525196910.		3494301291.
22 Capital stock: a Preferred stock	466461500.		466374500.	
b Common stock	1440527235.	1906988735.	1594033.	467968533.
23 Paid-in or capital surplus		<9618962.>		1508950122.
24 Retained earnings - Appropriated (attach schedule)		<93634.>		3429952.
25 Retained earnings - Unappropriated		1024126747.		1083134661.
26 Less cost of treasury stock		()		()
27 Total liabilities and stockholders' equity		9961260311.		9984177361.

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

See Consolidated Schedules M-1 and M-2

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

1 Net income (loss) per books	350421520.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax	203160449.	Tax-exempt interest \$	78597751.
3 Excess of capital losses over capital gains			78597751.
4 Income subject to tax not recorded on books this year (itemize):	73384680.	8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation		b Contributions carryover \$	513380543.
b Contributions carryover			513380543.
c Travel and entertainment		9 Add lines 7 and 8	591978294.
544304453.	544304453.	10 Income (line 28, page 1) - line 6 less line 9	579292808.
6 Add lines 1 through 5	1171271102.		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	1221126747.	5 Distributions: a Cash	291413606.
2 Net income (loss) per books	350421527.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	291413606.
4 Add lines 1, 2, and 3	1374548267.	8 Balance at end of year (line 4 less line 7)	1083134661.

PP&L RESOURCES, INC.
INCOME TAX RETURN - 1995

List of Schedules Attached

- Form 7004 - Extension of Time to September 16, 1996 Within Which to File
 - Form 851 - Affiliations Schedule
 - Form 4136 - Credit for Federal Tax on Gasoline and Special Fuels
 - Form 2220 - Underpayment of Estimated Tax by Corporations
 - Form 3800 - General Business Credit
 - Form 6765 - Credit for Increasing Research Activities
 - Form 4626 - Computation of Minimum Tax
- Statement of Elections
- Election Under Section 468A - Unit 1 & 2 Susquehanna Steam Electric Station
 - Private Letter Ruling Request Regarding Schedule of Ruling Amounts - Unit 1 & 2
 - Susquehanna Steam Electric Station
 - Election to Amortization under Section 169
 - Applications to Environmental Protection Agency and State certifying authority
- Statement of Gross Income and Deductions
- Schedule A - Cost of Goods Sold
 - Schedule B - Other Income
 - Schedule D - Sales or Exchanges of Property
 - Form 4797 - Supplemental Schedule of Gains & Losses
 - Form 4684 - Casualties and Thefts
 - Form 6781 - Gains and Losses from Section 1256 Contracts and Straddles
 - Schedule E - Compensation of Officers
 - Schedule F - Bad Debts
 - Schedule G - Depreciation & Form 4562
 - Schedule I - Special Deductions
 - Schedule L - Balance Sheet
 - Schedule M-1 - Reconciliation of Income - Per Books and Per Return
 - Schedule M-2 - Analysis of Earned Surplus - Per Books

**PP&L RESOURCES, INC.
INCOME TAX RETURN - 1995**

List of Schedules Attached

- Schedule O - Taxes
- Schedule P - Contributions
- Form 8283 - Noncash Charitable Contributions
- Schedule Q - Depletion
- Schedule R - Other Deductions
- Schedule S - Answers to Questions, Pages 1, 2 and 3
- Form 8275 - Disclosure Statement
- Statement of Disclosure
- Shareholder Section 1295 Election Statement
- PFIC Annual Information Statement
- Form 8621 - Return by a Shareholder of a Passive Foreign Investment Company or
Qualified Electing Fund
- Form 5471 - Information Return of U. S. Persons with Respect to Certain
Foreign Corporations
- Trustee Corporation's Statement Pursuant to Treasury Regulations Section 1.351-3(b)
- Form 8023-A - Corporate Qualified Stock Purchases

Application for Automatic Extension of Time To File Corporation Income Tax Return

Department of the Treasury
Internal Revenue Service

Name of corporation: **PP&L Resources, Inc. and Subsidiary Companies *** Employer identification number: **23-2758192**

Number, street, and room or suite no. (if a P.O. box or outside the United States, see instructions.)

Two North Ninth Street

City or town, state, and ZIP code

Allentown, PA 18101

Check type of return to be filed:

- | | | | | |
|---|--|--|---|---------------------------------------|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120-FSC | <input type="checkbox"/> Form 1120-ND | <input type="checkbox"/> Form 1120-REIT | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A | <input type="checkbox"/> Form 1120-H | <input type="checkbox"/> Form 1120-PC | <input type="checkbox"/> Form 1120-RIC | <input type="checkbox"/> Form 990-C |
| <input type="checkbox"/> Form 1120-F | <input type="checkbox"/> Form 1120-L | <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 1120S | <input type="checkbox"/> Form 990-T |

Form 1120-F filers: Check here if you do not have an office or place of business in the United States

1a I request an automatic 6-month (or, for certain foreign corporations, 3-month) extension of time until September 15, 1996, to file the income tax return of the corporation named above for calendar year 1995 or tax year beginning _____, 19____, and ending _____, 19____.

b If this tax year is for less than 12 months, check reason:

- Initial return Final return Change in accounting period Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period
Schedule Attached		All Calendar Year 1995
* Successor In Interest to Pennsylvania Power & Light Company and Subsidiary Companies ID# 23-0959590		

3 Tentative tax (see instructions)	3	203,000,000
4 Credits:		
a Overpayment credited from prior year	4a	12,593,253
b Estimated tax payments for the tax year	4b	204,326,747
c Less refund for the tax year applied for on Form 4466	4c	()
e Credit from regulated investment companies	4e	
f Credit for Federal tax on fuels	4f	
5 Total. Add lines 4d through 4f	5	216,920,000
6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions)	6	NONE

Signature.—Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

[Signature]
(Signature of officer or agent)

Vice President & Controller
(Title)

3/12/96
(Date)

Form **851**
(Rev. September 1994)
Department of the Treasury
Internal Revenue Service

Affiliations Schedule
▶ File with each consolidated income tax return

Tax year ending

DEC 31

1995

OMB No. 1545-0025

Common parent corporation

PP&L Resources, Inc.

Employer identification number

23-2758192

Number, street, and room or suite no. (If a P.O. box, see instructions.)

Two North Ninth Street

City or town, state, and ZIP code

Allentown, PA 18101

Part I Prepayment Credits

No.	Name and address of corporation	Employer identification number	Prepayment Credits	
			Portion of Form 7004 tax deposits	Portion of estimated tax credits and deposits
1	Common parent corporation			
	Subsidiary corporations:			
2	Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101	23-0959590	0.	21692000
3	Interstate Energy Company Two North Ninth Street Allentown, PA 18101	74-1720208	0.	0.
4	CEP Group, Inc. Two North Ninth Street Allentown, PA 18101	23-1677278	0.	0.
5	Pennsylvania Coal Resources Corporation Two North Ninth Street Allentown, PA 18101	23-2274938	0.	0.
6	Pennsylvania Mines Corporation P. O. Box 367 Ebensburg, PA 15931	23-1699492	0.	0.
7	Rushton Mining Company PO Box 367 Ebensburg, PA 15931	25-1123520	0.	0.
8	Greene Manor Coal Company Two North Ninth Street Allentown, PA 18101	23-1943647	0.	0.
9	Realty Company of Pennsylvania Two North Ninth Street Allentown, PA 18101	23-1612742	0.	0.
10	BDW Corp. Two North Ninth Street Allentown, PA 18101	51-0116798	0.	0.
Totals (Must equal amounts shown on the consolidated tax return)				21692000

Part II Voting Stock Information, Principal Business Activity, Etc.

No.	Principal business activity (PBA)	PBA Code No.	Did the subsidiary make any nondividend distributions?		Stock holdings at beginning of year			Owned by corporate no.
			Yes	No	Number of shares	Percent of voting power	Percent of value	
1	Common parent corporation Holding Company	6749						
	Subsidiary corporations:							
2	Electric Utility	4910		X		.00%	.00%	
3	Transportation-Pipel	4600		X	1,000	100.00%	100.00%	
4	Investment Company	6749		X	100	100.00%	100.00%	
5	Owns Coal Mining Cos	1150		X	10	100.00%	100.00%	
6	Coal Mining	1150		X	10	100.00%	100.00%	
7	Coal Mining	1150		X	3	100.00%	100.00%	
8	Lessor of coal lands	1150		X	10	100.00%	100.00%	
9	Real Prop Lessor	6599		X	150	100.00%	100.00%	
10	Real Estate Investme	6599		X	1,000	100.00%	100.00%	

Affiliations Schedule

Common parent corporation PP&L Resources, Inc.	Employer identification number 23-2758192
--	---

Part II Prepayment Credits				
No.	Name and address of corporation	Employer identification number	Prepayment Credits	
			Portion of Form 7004 tax deposits	Portion of estimated tax credits and deposits
	Subsidiary corporations:			
11	Power Markets Development Company 11350 Random Hills Road Fairfax, VA 22030	23-2755459	0.	0.
12	Spectrum Energy Services Corporation Two North Ninth Street Allentown, PA 18101	23-2816389	0.	0.
13	Lady Jane Collieries, Inc. Two North Ninth Street Allentown, PA 18101	24-0856538	0.	0.
14	PMDC Latin America, Inc. 11350 Random Hills Road, Suite 800 Fairfax, VA 22030	51-0368426	0.	0.
15	PMD Chester, Inc. 11350 Random Hills Road, Suite 800 Fairfax, VA 22030	51-0368428	0.	0.
16	PMDC Asia, Inc. 11350 Random Hills Road, Suite 800 Fairfax, VA 22030	51-0368424	0.	0.
17	PMD Indonesia, Inc. 11350 Random Hills Road, Suite 800 Fairfax, VA 22030	51-0368425	0.	0.
18	PMDC Operations, Inc. 11350 Random Hills Road, Suite 800 Fairfax, VA 22030	51-0368427	0.	0.
19	Greene Hill Coal Company Two North Ninth Street Allentown, PA 18101	23-1920680	0.	0.

Part III Voting Stock Information, Principal Business Activity, Etc.								
No.	Principal business activity (PBA)	PBA Code No.	Did the subsidiary make any nondivided distributions?		Stock holdings at beginning of year			Owned by corporatic no.
			Yes	No	Number of shares	Percent of voting power	Percent of value	
	Subsidiary corporations:							
11	Power Mkt Investment	4910		X	100	100.00%	100.00%	
12	Energy products/serv	8980		X	0	.00%	.00%	
13	Coal Mining	1150		X	500	100.00%	100.00%	
14	Power Mkt Investment	4910		X	0	.00%	.00%	1
15	Power Mkt Investment	4910		X	0	.00%	.00%	1
16	Power Mkt Investment	4910		X	0	.00%	.00%	1
17	Power Mkt Investment	4910		X	0	.00%	.00%	1
18	Power Mkt Investment	4910		X	0	.00%	.00%	1
19	Coal Mining(Inactive	1150		X	10	100.00%	100.00%	
						%	%	
						%	%	

Part IV Additional Information

1 During the tax year, did the corporation have more than one class of stock outstanding?

No.	Name	Answer to Question 1		If yes, list and describe each class of stock:
		Yes	No	
	See Statement 1			

2 During the tax year, was there any member of the consolidated group that reaffiliated within 60 months of disaffiliation, or was there any member of the affiliated group that was deconsolidated under Rev. Proc. 91-11, 1991-1 C.B. 470 (as modified by Rev. Proc. 91-39, 1991-2 C.B. 694)?

No.	Name	Answer to Question 2		If yes for any part part of question 2, list and explain the circumstances.
		Yes	No	
	See Statement 2			

3a During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group?

No.	Name	Answer to Question 3a		Item 3b	Item 3c	Item 3d
		Yes	No			
	See Statement 3			%	%	%
				%	%	%
				%	%	%
				%	%	%

No.	Item 3e - Description of arrangements.

Please Sign Here

Under penalties of perjury, I declare that I have examined this form, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete for the tax year as stated.

Signature of officer
 Date
 V. P. & Controller Title

Form 851

Question 1

Statement

No.	Name	Yes	No	Describe Each Class
1	PP&L Resources, Inc.		X	
2	Pennsylvania Power & Light Company	X		See Attached Statement 4
3	Interstate Energy Company		X	
4	CEP Group, Inc.		X	
5	Pennsylvania Coal Resources Corporation		X	
6	Pennsylvania Mines Corporation		X	
7	Rushton Mining Company		X	
8	Greene Manor Coal Company		X	
9	Realty Company of Pennsylvania		X	
10	BDW Corp.		X	
11	Power Markets Development Company		X	
12	Spectrum Energy Services Corporation		X	
13	Lady Jane Collieries, Inc.		X	
14	PMDC Latin America, Inc.		X	
15	PMD Chester, Inc.		X	
16	PMDC Asia, Inc.		X	
17	PMD Indonesia, Inc.		X	
18	PMDC Operations, Inc.		X	
19	Greene Hill Coal Company		X	

Form 851

Question 2

Statement

<u>No.</u>	<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Explain Circumstances</u>
1	PP&L Resources, Inc.		X	
2	Pennsylvania Power & Light Company		X	
3	Interstate Energy Company		X	
4	CEP Group, Inc.		X	
5	Pennsylvania Coal Resources Corporation		X	
6	Pennsylvania Mines Corporation		X	
7	Rushton Mining Company		X	
8	Greene Manor Coal Company		X	
9	Realty Company of Pennsylvania		X	
10	BDW Corp.		X	
11	Power Markets Development Company		X	
12	Spectrum Energy Services Corporation		X	
13	Lady Jane Collieries, Inc.		X	
14	PMDC Latin America, Inc.		X	
15	PMD Chester, Inc.		X	
16	PMDC Asia, Inc.		X	
17	PMD Indonesia, Inc.		X	
18	PMDC Operations, Inc.		X	
19	Greene Hill Coal Company		X	

Form 851

Question 3

Statement

No.	Name	Yes	No	Item 3b Percent	Item 3c Percent	Item 3 Percent
1	PP&L Resources, Inc.		X			
2	Pennsylvania Power & Light Company		X			
3	Interstate Energy Company		X			
4	CEP Group, Inc.		X			
5	Pennsylvania Coal Resources Corporation		X			
6	Pennsylvania Mines Corporation		X			
7	Rushton Mining Company		X			
8	Greene Manor Coal Company		X			
9	Realty Company of Pennsylvania		X			
10	BDW Corp.		X			
11	Power Markets Development Company		X			
12	Spectrum Energy Services Corporation		X			
13	Lady Jane Collieries, Inc.		X			
14	PMDC Latin America, Inc.		X			
15	PMD Chester, Inc.		X			
16	PMDC Asia, Inc.		X			
17	PMD Indonesia, Inc.		X			
18	PMDC Operations, Inc.		X			
19	Greene Hill Coal Company		X			

Footnotes

Statement

Pennsylvania Power & Light Company
Form 851, Page 3, Part IV, Question 1
12/31/95

Classes of Stock:

Common Stock

Preferred Series:

With Sinking Fund Requirements:

5.95%

6.05%

6.125%

6.15%

6.33%

Without Sinking Fund Requirements:

4.5%

3.35%

4.4%

4.6%

6.75%

Department of the Treasury
Internal Revenue Service (99)

▶ Attach this form to your income tax return.

Name (as shown on your income tax return)

Taxpayer identification number

PP&L Resources, Inc
and Subsidiary Companies

23-2758192

Part I Diesel-Powered Highway Vehicle Credit

	(a) Number of Vehicles	(b) Credit per vehicle	(c) Credit (col. (a) X col. (b))	CRN
1 Diesel-powered cars	1	\$102.00	\$	
2 Diesel-powered light trucks and vans	2	198.00		
3 Total diesel-powered highway vehicle credit. Add lines 1 and 2, column (c)			\$	318

Part II Fuel Tax Credit Caution: You cannot claim any amounts on Form 4136 that you claimed on Form 8849, Form 843, or Schedule C (Form 720).

4 Nontaxable Use of Gasoline (See instructions.)

	Type of Use	Rate	Gallons	Amount of credit	CRN
a Off-highway business use		\$.184	47,997		301
b Use on a farm for farming purposes		.184			
c Other		.184			

5 Nontaxable Use of Gasohol (See instructions.)

	Type of Use	Rate	Gallons	Amount of credit	CRN
a Gasohol containing at least 10% alcohol		\$.13			312
b Gasohol containing at least 7.7% alcohol but less than 10% alcohol		.1424			
c Gasohol containing at least 5.7% alcohol but less than 7.7% alcohol		.1532			

6 Nontaxable Use of Undyed Diesel Fuel (Lines 6a, b, and c)

Sales by Registered Ultimate Vendors of Undyed Diesel Fuel (Line 6d) (See instructions.)

Lines 6a, b, and c: Purchaser bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used that diesel fuel for a nontaxable use. Caution: No claim is allowed on lines 6a, b, or c for use on a farm for farming purposes or for use by a state or local government.

	Type of Use	Rate	Gallons	Amount of credit	CRN
a Heating oil		\$.244	350,358		303
b Off-highway business use		.244			
c Other nontaxable use (specify) ▶		.244			
d Claimant sold undyed diesel fuel (a) to a state or local government for its exclusive use or (b) for use by the buyer on a farm for farming purposes. Claimant is a registered ultimate vendor, sold the fuel at a tax-excluded price, certifies that the diesel fuel did not contain visible evidence of dye, and obtained the required certificate from the buyer and has no reason to believe any of the information in the certificate is false.		.244		85,487.	

LHA

Form 4136 (1995)

7 Nontaxable Use of Special Fuels

	Type of Use	Rate	Gallons	Amount of credit	CRN
a	Special motor fuel (other than LPG)	\$.184	}		304
b	Liquified petroleum gas (LPG)	.183			
c	LPG used in intercity or local buses	.109			
d	Compressed natural gas (credit rate per thousand cubic feet)	.4854	MCF		

8 Nontaxable Use of Gasoline Used in Aviation (See instructions.)

	Type of Use	Rate	Gallons	Amount of credit	CRN
a	Used in foreign trade, on a farm, or in certain helicopters	\$.184	}		307
b	Used in commercial aviation (other than foreign trade)	.183/.14*			

9 Nontaxable Use of Aviation Fuel (other than gasoline)

	Type of Use	Rate	Gallons	Amount of credit	CRN
a	Used in foreign trade, on a farm, or in certain helicopters	\$.219	}		310
b	Used in commercial aviation (other than foreign trade)	.218/.175*			

10 Gasohol Blenders (Caution: Do not claim for any gasohol sold or used after September 30, 1995. See instructions)

	Percentage of alcohol in the gasohol	Rate	Gallons of Gasoline	Amount of credit	CRN
Claimant bought gasoline taxed at the full rate (\$.184) and blended it with alcohol to make gasohol. The gasohol was used or sold for use in a trade or business.					
a	At least 10% alcohol	\$.0396	}		302
b	At least 7.7% alcohol but less than 10% alcohol	.0298			
c	At least 5.7% alcohol but less than 7.7% alcohol	.0216			

11 Use of Undyed Diesel Fuel - Train and Intercity and Local Bus (See instructions.)

	Rate	Gallons	Amount of credit	CRN
Claimant bought undyed diesel fuel, certifies that the diesel fuel did not contain visible evidence of dye, and used the diesel fuel in an engine that propels a diesel-powered train or an automobile bus.				
a	\$.175/.1875*	}		305
b	.17			

12 Total fuel tax credit. Add lines 4-11

Part III Total Income Tax Credit

12	Total fuel tax credit. Add lines 4-11	12	\$	94,318.
13	Total income tax credit claimed (add lines 3 and 12). Enter here and on Form 1040, line 60 (also check box b on line 60); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns	13	\$	94,318.

* This rate is only for fuel purchased and used after September 30, 1995. However, pending legislation may change the rates for lines 8b and 9b. Get Pub. 553, Highlights of 1995 Tax Changes.

Underpayment of Estimated Tax by Corporations

1995

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **PP&L Resources, Inc
and Subsidiary Companies** Employer identification number **23-2758192**

Note: In most cases, the corporation does not need to file Form 2220. The IRS will figure any penalty owed and bill the corporation. File Form 2220 only if one or more boxes in Part I apply to the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36, Part III, on the penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Reasons For Filing - Check the boxes below that apply to the corporation. If any box is checked, the corporation must file Form 2220 with the corporation's tax return, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the annualized income installment method.
- 2 The corporation is using the adjusted seasonal installment method.
- 3 The corporation is a "large corporation" founding its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4	Total tax		4	200817658.
5a	Personal holding company tax included on line 4 (Schedule PH (Form 1120), line 26)	5a		
5b	Interest due under the look-back method of section 460(b)(2) for completed long-term contracts included on line 4	5b		
5c	Credit for Federal tax paid on fuels	5c	94318.	
5d	Total. Add lines 5a through 5c	5d		94318
6	Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	6		200723340.
7	Enter the tax shown on the corporation's 1994 income tax return. (CAUTION: See instructions before completing this line.)	7		181511520
8	Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6 on line 8	8		181511520.

		(a)	(b)	(c)	(d)	
9	Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year	g 04/17/1995	06/15/1995	09/15/1995	12/15/1995	
10	Required installments. If the box on line 1 or line 2 above is checked, enter the amounts from Schedule A, line 41. If the box on line 3 (but not 1 or 2) is checked, see the instructions for the amount to enter. If none of these boxes is checked, enter 25% of line 8 in each column	10	45377880.	54983790.	50180835.	50180835
11	Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 11 on line 15 Complete lines 12 through 18 of one column before going to the next column.	11	47593253.	53650000.	53556747.	62120000
12	Enter amount, if any, from line 18 of the preceding column	12		2215373.	881583.	4257495
13	Add lines 11 and 12	13		55865373.	54438330.	66377495
14	Add amounts on lines 16 and 17 of the preceding column	14				
15	Subtract line 14 from line 13. If zero or less, enter -0-	15	47593253.	55865373.	54438330.	66377495
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16				
17	Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17				
18	Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	2215373.	881583.	4257495.	16196660

Complete Part II on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/95 and before 7/1/95	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 10\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 6/30/95 and before 1/1/96	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 9\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 12/31/95 and before 4/1/96	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 9\%}{366}$	26	\$	\$	\$
27 Number of days on line 20 after 3/31/96 and before 7/1/96	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 9\%}{366}$	28	\$	\$	\$
29 Number of days on line 20 after 6/30/96 and before 10/1/96	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times 9\%}{366}$	30	\$	\$	\$
31 Number of days on line 20 after 9/30/96 and before 1/1/97	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times 9\%}{366}$	32	\$	\$	\$
33 Number of days on line 20 after 12/31/96 and before 2/15/97	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times 9\%}{365}$	34	\$	\$	\$
35 Add lines 22, 24, 26, 28, 30, 32, and 34	35	\$	\$	\$
36 PENALTY. Add columns (a) through (d), line 35. Enter here and on line 33, Form 1120; line 29, Form 1120-A; or comparable line for other income tax returns	36			\$

* If the corporation's tax year ends after December 31, 1995, see the instructions for lines 28, 30, 32, and 34.

General Business Credit

▶ Attach to your tax return.
▶ See separate instructions.

Name(s) as shown on return PP&L Resources, Inc and Subsidiary Companies	Identifying number 23-2758192
---	---

Part I Tentative Credit

1 a Current year investment credit (Form 3468, Part I)	1a	
b Current year jobs credit (Form 5884, Part I)	1b	
c Current year credit for alcohol used as fuel (Form 6478)	1c	
d Current year credit for increasing research activities (Form 6765, Part I)	1d	1,271,496.
e Current year low-income housing credit (Form 8586, Part I)	1e	
f Current year enhanced oil recovery credit (Form 8830, Part I)	1f	
g Current year disabled access credit (Form 8826, Part I)	1g	
h Current year renewable electricity production credit (Form 8835, Part I)	1h	
i Current year Indian employment credit (Form 8845, Part I)	1i	
j Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I)	1j	
k Current year credit for contributions to selected community development corporations (Form 8847, Part I)	1k	
l Current year trans-Alaska pipeline liability fund credit (see instructions)	1l	
m Current year general business credit. Add lines 1a through 1l	1m	1,271,496.
2 Passive activity credits included on lines 1a through 1m	2	
3 Subtract line 2 from line 1m	3	1,271,496.
4 Passive activity credits allowed for 1995	4	
5 Carryforward of general business, WIN, or ESOP credit to 1995	5	2,239.
6 Carryback of general business credit to 1995	6	
7 Tentative general business credit. Add lines 3 through 6	7	1,273,735.

Part II General Business Credit Limitation Based on Amount of Tax

8 a Individuals. Enter amount from Form 1040, line 40	8		201,335,160.		
b Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)					
c Other filers. Enter regular tax before credits from your return					
9 a Credit for child and dependent care expenses (Form 2441, line 10)				9a	
b Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)				9b	
c Mortgage interest credit (Form 8396, line 11)				9c	
d Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12)				9d	
e Possessions tax credit (Form 5735)				9e	
f Orphan drug credit (Form 6765)	9f				
g Credit for fuel from a nonconventional source	9g				
h Qualified electric vehicle credit (Form 8834, line 19)	9h				
i Add lines 9a through 9h	9i				
10 Net regular tax. Subtract line 9i from line 8	10	201,335,160.			
11 Tentative minimum tax:	11		125,914,906.		
a Individuals. Enter amount from Form 6251, line 26					
b Corporations. Enter amount from Form 4626, line 13					
c Estates and trusts. Enter amount from Form 1041, Schedule I, line 37					
12 Net income tax:	12		201,335,160.		
a Individuals. Add line 10 above and line 28 of Form 6251					
b Corporations. Add line 10 above and line 15 of Form 4626					
c Estates and trusts. Add line 10 above and line 41 of Form 1041, Schedule I					
13 If line 10 is more than \$25,000, enter 25% (.25) of the excess	13	50,327,540.			
14 Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-	14	75,420,254.			
15 General business credit allowed for current year. Enter the smaller of line 7 or line 14. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4d; Form 1120-A, Part 1, line 2a; or the appropriate line of your tax return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if any regular investment credit carryforward is claimed. See instructions if the corporation has undergone a post-1986 "ownership change.")	15	1,271,496.			

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions to this form.

Form 3800 (1995)

* Maximum credit usable due to Lady Jane Collieries, Inc. SRLY limit.

Schedule A Additional General Business Credit Allowed By Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations

16	Enter the portion of the credit shown on line 5, page 1, that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)		16
17	Tentative minimum tax (from line 11, page 1)	17	
18	Multiply line 17 by 25% (.25)		18
19	Enter the amount from line 14, page 1	19	
20	Enter the portion of the credit shown on line 7, page 1, that is NOT attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	20	
21	Subtract line 20 from line 19 (if less than zero, enter -0-)		21
22	Subtract line 21 from line 16 (if less than zero, enter -0-)		22
23	For purposes of this line only, refigure the amount on line 11, Form 4626, by using zero on line 6, Form 4626, and enter the result here	23	
24	Multiply line 23 by 10% (.10)		24
25	Net income tax (from line 12, page 1)		25
26	General business credit (from line 15, page 1)		26
27	Subtract line 26 from line 25		27
28	Subtract line 24 from line 27		28
29	Enter the smallest of line 18, line 22, or line 28		29
30	Subtract line 29 from line 17		30
31	Enter the greater of line 30 or line 13, page 1		31
32	Subtract line 31 from line 25		32
33	Enter the smaller of line 32 or line 10, page 1. Enter this amount also on line 15, page 1, instead of the amount previously figured on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 15, page 1		33
34	If line 32 is greater than line 33, enter the excess here and see the instructions on how to claim the additional credit		34

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995
CARRYFORWARD OF GENERAL BUSINESS CREDIT

DETAIL IN SUPPORT OF FORM 3800, PART I, LINE 5

General Business credit carryforward to 1995 Lady Jane Collieries, Inc. - carryforward of 1983 separate return limitation year investment tax credit	\$2,239
Less SRLY credit available in current year per Lady Jane Collieries, Inc. - Form 3800	<u>0</u>
Carryforward of general business credit to 1996	<u><u>\$2,239</u></u>

Name(s) as shown on return

Identifying number

Lady Jane Collieries, Inc.

24-0856538

Part I Tentative Credit

1 a	Current year investment credit (Form 3468, Part I)	1a	
b	Current year jobs credit (Form 5884, Part I)	1b	
c	Current year credit for alcohol used as fuel (Form 6478)	1c	
d	Current year credit for increasing research activities (Form 6765, Part I)	1d	
e	Current year low-income housing credit (Form 8586, Part I)	1e	
f	Current year enhanced oil recovery credit (Form 8830, Part I)	1f	
g	Current year disabled access credit (Form 8826, Part I)	1g	
h	Current year renewable electricity production credit (Form 8835, Part I)	1h	
i	Current year Indian employment credit (Form 8845, Part I)	1i	
j	Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I)	1j	
k	Current year credit for contributions to selected community development corporations (Form 8847, Part I)	1k	
l	Current year trans-Alaska pipeline liability fund credit (see instructions)	1l	
m	Current year general business credit. Add lines 1a through 1i	1m	
2	Passive activity credits included on lines 1a through 1m	2	
3	Subtract line 2 from line 1m	3	
4	Passive activity credits allowed for 1995	4	
5	Carryforward of general business, WIN, or ESOP credit to 1995	5	2,239.
6	Carryback of general business credit to 1995	6	
7	Tentative general business credit. Add lines 3 through 6	7	2,239.

Part II General Business Credit Limitation Based on Amount of Tax

8 a	Individuals. Enter amount from Form 1040, line 40	}	8	0.
b	Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			
c	Other filers. Enter regular tax before credits from your return			
9 a	Credit for child and dependent care expenses (Form 2441, line 10)	9a		
b	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	9b		
c	Mortgage interest credit (Form 8396, line 11)	9c		
d	Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12)	9d		
e	Possessions tax credit (Form 5735)	9e		
f	Orphan drug credit (Form 6765)	9f		
g	Credit for fuel from a nonconventional source	9g		
h	Qualified electric vehicle credit (Form 8834, line 19)	9h		
i	Add lines 9a through 9h	9i		
10	Net regular tax. Subtract line 9i from line 8	10		0.
11	Tentative minimum tax:			
a	Individuals. Enter amount from Form 6251, line 26	}	11	0.
b	Corporations. Enter amount from Form 4626, line 13			
c	Estates and trusts. Enter amount from Form 1041, Schedule I, line 37			
12	Net income tax:			
a	Individuals. Add line 10 above and line 28 of Form 6251	}	12	0.
b	Corporations. Add line 10 above and line 15 of Form 4626			
c	Estates and trusts. Add line 10 above and line 41 of Form 1041, Schedule I			
13	If line 10 is more than \$25,000, enter 25% (.25) of the excess	13		
14	Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-	14		
15	General business credit allowed for current year. Enter the smaller of line 7 or line 14. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4d; Form 1120-A, Part 1, line 2a; or the appropriate line of your tax return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if any regular investment credit carryforward is claimed. See instructions if the corporation has undergone a post-1986 "ownership change.")	15		0.

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions to this form.

Form 3800 (1995)

Schedule A Additional General Business Credit Allowed By Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations

16	Enter the portion of the credit shown on line 5, page 1, that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)		16
17	Tentative minimum tax (from line 11, page 1)	17	
18	Multiply line 17 by 25% (.25)		18
19	Enter the amount from line 14, page 1	19	
20	Enter the portion of the credit shown on line 7, page 1, that is NOT attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	20	
21	Subtract line 20 from line 19 (if less than zero, enter -0-)		21
22	Subtract line 21 from line 16 (if less than zero, enter -0-)		22
23	For purposes of this line only, refigure the amount on line 11, Form 4626, by using zero on line 6, Form 4626, and enter the result here	23	
24	Multiply line 23 by 10% (.10)		24
25	Net income tax (from line 12, page 1)		25
26	General business credit (from line 15, page 1)		26
27	Subtract line 26 from line 25		27
28	Subtract line 24 from line 27		28
29	Enter the smallest of line 18, line 22, or line 28		29
30	Subtract line 29 from line 17		30
31	Enter the greater of line 30 or line 13, page 1		31
32	Subtract line 31 from line 25		32
33	Enter the smaller of line 32 or line 10, page 1. Enter this amount also on line 15, page 1, instead of the amount previously figured on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 15, page 1		33
34	If line 32 is greater than line 33, enter the excess here and see the instructions on how to claim the additional credit		34

Form **6765**

Credit for Increasing Research Activities
(and orphan drug credit from fiscal year 1994-95 flow-through entities)

OMB No. 1545-0019

1995

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to your return.

Attachment
Sequence No. 81

Name(s) shown on return

PP&L Resources, Inc and Subsidiary Companies

Identifying Number

23-2758192

Part I Current Year Credit for Increasing Research Activities (Do not include costs incurred after June 30, 1995.)

1	Basic research payments paid or incurred to qualified organizations	1	
2	Qualified organization base period amount	2	
3	Subtract line 2 from line 1. If zero or less, enter -0-	3	0
Qualified research expenses paid or incurred (lines 4-7):			
4	Wages for qualified services (do not include wages used in figuring the jobs credit)	4	6,867,079
5	Cost of supplies	5	
6	Rental or lease costs of computers	6	
7	Enter 65% (.65) of contract research expenses	7	12,694,390
8	Total qualified research expenses. Add lines 4 through 7	8	19,561,469
9	Enter fixed-base percentage, but not more than 16% (see instructions)	9	.392614 %
10	Enter average annual gross receipts (see instructions)	10	2,793,495,913
11	Base amount (see instructions for computation)	11	5,468,805
12	Subtract line 11 from line 8. If zero or less, enter -0-	12	14,092,664
13	Multiply line 8 by 50% (.50)	13	9,780,735
14	Enter the smaller of line 12 or line 13	14	9,780,735
15	Add lines 3 and 14	15	9,780,735
16	Current year credit. Regular credit — If you do not elect the reduced credit under section 280C(c), multiply line 15 by 20% (.20), enter the result, and see the instructions for the schedule that must be attached. Reduced credit — If you elect the reduced credit, multiply line 15 by 13% (.13) and enter the result. Also, write "Sec. 280C" in the margin to the right of the entry space	16	1,271,496
17	Flow-through research credit(s) from a partnership, S corporation, estate, or trust	17	
18	Total current year credit for increasing research activities. Add lines 16 and 17.	18	1,271,496

"Sec 280

Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)

19a	Individuals. Enter amount from Form 1040, line 40	19	
b	Corporations. Enter amount from Form 1120, Schedule J, line 3, or Form 1120-A, Part I, line 1		
c	Other filers. Enter regular tax before credits from your return		
20a	Credit for child and dependent care expenses (Form 2441, line 10)	20a	
b	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	20b	
c	Mortgage interest credit (Form 8396, line 11)	20c	
d	Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12)	20d	
e	Possessions tax credit (Form 5735)	20e	
f	Orphan drug credit from line 34, page 2	20f	
g	Credit for fuel from nonconventional source	20g	
h	Qualified electric vehicle credit (Form 8834, line 19)	20h	
i	Add lines 20a through 20h	20i	0
21	Net regular tax. Subtract line 20i from line 19	21	0
22	Tentative minimum tax (see instructions):		
a	Individuals. Enter amount from Form 6251, line 26	22	
b	Corporations. Enter amount from Form 4626, line 13		
c	Estates and trusts. Enter amount from Form 1041, Schedule I, line 37		
23	Net income tax:		
a	Individuals. Add line 21 above and line 28 of Form 6251	23	
b	Corporations. Add line 21 above and line 15 of Form 4626		
c	Estates and trusts. Add line 21 above and line 41 of Form 1041, Schedule I		
24	If line 21 is more than \$25,000, enter 25% (.25) of the excess (see instructions)	24	0
25	Subtract line 22 or line 24, whichever is greater, from line 23. If zero or less, enter -0-	25	0
26	Corporations. Enter here and on the appropriate line of your return the smaller of line 18 or line 25. This is your General Business Credit for 1995	26	
27	Individuals, estates, and trusts. Enter here and on the appropriate line of your return the smaller of line 18 or the amount from the formula in the instructions for line 27 (but do not enter more than line 25). This is your General Business Credit for 1995	27	

Part III Current Year Orphan Drug Credit From Flow-Through Entities and Tax Liability Limit (see instructions)

Note: To complete Part III, you will need entries from Part II. If you did not complete Part II, enter on lines 29, 30, and 32, the required information for lines 19, 20a through 20e, and 22.

28 Orphan drug credit(s) from flow-through entities (partnerships, S corporations, estates, or trusts)		28	
29 Amount from line 19, page 1	29		
30 Total of lines 20a through 20e, page 1	30		
31 Subtract line 30 from line 29	31	0	
32 Amount from line 22, page 1	32		
33 Subtract line 32 from line 31		33	0
34 Orphan drug credit allowed for the current year. Enter here and on the appropriate line of your return the smaller of line 28 or line 33.		34	0

Alternative Minimum Tax - Corporations
 (including environmental tax)

1995

▶ Attach to the corporation's tax return.

Name **PP&L Resources, Inc and Subsidiary Companies** Employer identification number **23-2758192**

1	Taxable income or (loss) before net operating loss deduction. (Important: If the corporation is subject to the environmental tax, see the instructions for line 16 on page 6.)	1	575,243,313
2	Adjustments and preferences:		
	a Depreciation of post-1986 property	2a	40,601,623.
	b Amortization of certified pollution control facilities	2b	9,636,948.
	c Amortization of mining exploration and development costs	2c	
	d Amortization of circulation expenditures (personal holding companies only)	2d	
	e Adjusted gain or loss	2e	<480,968.>
	f Long-term contracts	2f	
	g Installment sales	2g	
	h Merchant marine capital construction funds	2h	
	i Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
	j Tax shelter farm activities (personal service corporations only)	2j	
	k Passive activities (closely held and personal service corp. only)	2k	
	l Loss limitations	2l	
	m Depletion	2m	409.
	n Tax-exempt interest from specified private activity bonds	2n	434,098.
	o Charitable contributions	2o	
	p Intangible drilling costs	2p	
	q Reserves for losses on bad debts of financial institutions	2q	
	r Accelerated depreciation of real property (pre-1987)	2r	
	s Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2s	
	t Other adjustments	2t	
	u Combine lines 2a through 2t	2u	50,192,110
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2u	3	625,435,423
4	Adjusted current earnings (ACE) adjustment:		
	a Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions	4a	630,954,235.
	b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see page 4 of the instructions for examples)	4b	5,518,812.
	c Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	4,139,109.
	d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 5 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	571,481,440.
	e ACE adjustment:		
	• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.	}	4e
	• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	629,574,531
6	Alternative tax net operating loss deduction	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5	7	629,574,531

H761 For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1995)

8	Enter the amount from line 7 (alternative minimum taxable income)	8	629,574,532.
9	Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9a	
b	Multiply line 9a by 25% (.25)	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9c	0.
10	Subtract line 9c from line 8. If zero or less, enter -0-	10	629,574,532.
11	Multiply line 10 by 20% (.20)	11	125,914,906.
12	Alternative minimum tax foreign tax credit. See instructions for limitations	12	
13	Tentative minimum tax. Subtract line 12 from line 11	13	125,914,906.
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	201,335,160.
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9a). If zero or less, enter -0-	15	0.
16	Environmental tax. Subtract \$2 million from line 5 (figured without the corporation's environmental tax deduction). Multiply the excess, if any, by 0.12% (.0012). Enter the result here and on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9b). If you are completing this line for a member of a controlled group, see page 6 of the instructions	16	753,994.

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES

FORM 7004-1995

LIST OF SUBSIDIARY COMPANIES

Pennsylvania Power & Light Company (a)	23-0959590
BDW Corporation (a)	51-0116798
CEP Group, Inc. (a)	23-1677278
Greene Hill Coal Company (a)	23-1920680
Greene Manor Coal Company (a)	23-1943647
Interstate Energy Company (a)	74-1720208
Lady Jane Collieries, Inc. (a)	24-0856538
Pennsylvania Coal Resources Corporation (a)	23-2274938
Realty Company of Pennsylvania (a)	23-1612742
Spectrum Energy Services Corporation (a)	23-2816389
Pennsylvania Mines Corporation (b)	23-1699492
Rushton Mining Company (b)	25-1123520
Power Markets Development Company (c)	23-2755459
PMDC Asia, Inc. (c)	51-0368424
PMD Chester, Inc. (c)	51-0368428
PMD Indonesia, Inc. (c)	51-0368425
PMDC Operations, Inc. (c)	51-0368427
PMDC Latin America, Inc. (c)	51-0368426

- (a) Address is: Two North Ninth Street, Allentown, PA 18101
(b) Address is: P.O. Box 367, Ebensburg, PA 15931
(c) Address is: 11350 Random Hills Road, Fairfax, VA 22030

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1993

ALTERNATIVE MINIMUM TAX

	COMBINED	PP&L RESOURCES, INC.	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA COAL RESOURCES CORP.	PENNSYLVANIA MINES CORPORATION	RUSHTON MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP.	POWER MARKETS DEVELOPMENT COMPANY	SPECTRUM ENERGY SERVICES CORPORATION	PMDC LATIN AMERICA, INC.	LADY JANE COLLIERIES INC.
Federal taxable income(loss) before NOL	\$575,243,313	\$0	\$336,744,323	(\$3,566,120)	\$2,474,768	(33,342)	(\$5,216,135)	(\$242,250)	\$46,282,712	\$3,309,792	(\$231,103)	\$0	(\$4,148,000)	(\$98,128)	\$369,640	(\$412,744)
Adjustments to tax preferences:																
Depreciation - Pre 1916 property	40,601,623	0	40,507,340	12,730	0	0	9,378	(89)	0	0	30,063	0	0	0	0	52,201
Depreciation - Pre 1917 real property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonus adjustment for gain & loss	(480,968)	0	(469,819)	(142)	0	0	(11,007)	0	0	0	0	0	0	0	0	0
Amortization of certified pollution control facilities	9,636,948	0	9,636,948	0	0	0	0	0	0	0	0	0	0	0	0	0
Percentage depletion	409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax exempt interest	(34,078)	0	(26,238)	0	0	0	335,709	0	0	0	0	0	0	0	0	0
A Subtotal	625,475,423	0	585,644,970	(3,553,532)	2,474,768	(3,342)	(4,881,646)	(262,339)	46,282,712	3,309,792	(211,040)	0	(4,075,849)	(98,128)	369,640	(360,543)
Adjusted current earnings adjustment																
Pre-adjustment AMTI	625,475,423	0	585,644,970	(3,553,532)	2,474,768	(3,342)	(4,881,646)	(262,339)	46,282,712	3,309,792	(211,040)	0	(4,075,849)	(98,128)	369,640	(360,543)
Add:																
Tax depreciation	327,620,897	0	325,836,279	129,709	1,343	0	87,610	3,093	0	0	1,186,793	0	0	0	0	375,174
Pre 1916 depr. tax preference	(40,601,623)	0	(40,507,340)	(12,730)	0	0	(9,378)	89	0	0	(20,063)	0	0	0	0	(52,201)
Pre 1916 depr. tax preference	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACE depreciation	(295,510,815)	0	(294,355,715)	(116,749)	(1,343)	0	(67,375)	(17,806)	0	0	(648,000)	0	0	0	0	(307,929)
Depreciation adjustment	(8,491,541)	0	(9,022,774)	226	0	0	10,937	(11,624)	0	0	518,670	0	0	0	0	15,004
Basis adjustments for gain & loss	(2,089,688)	0	(2,089,688)	(95)	0	0	(2,089,688)	(220)	0	0	0	0	0	0	0	0
Dividends paid deduction	853,728	0	853,728	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends received deduction	1,443,767	0	1,443,767	0	1,434,900	0	0	8,867	0	0	0	0	0	0	0	0
Exempt interest net of AMT pref.	4,346,945	0	4,346,945	0	4,346,945	0	0	0	0	0	0	0	0	0	0	0
ESOP dividends paid in cash	9,455,601	0	9,455,601	0	9,455,601	0	3,033,180	0	0	0	0	0	1,030,585	0	0	0
B Adjusted current earnings	630,954,335	0	585,784,345	(3,553,401)	4,050,945	(3,342)	(1,829,191)	(225,963)	46,282,712	3,309,792	307,630	0	(3,045,264)	(98,128)	369,640	(345,539)
B - A Difference - adjusted current earnings less pre-adjustment AMTI	5,518,912	0	(660,585)	131	1,576,177	0	1,052,454	(13,624)	0	0	518,670	0	1,030,585	0	0	15,004
ACE preference - 75% of difference	4,139,109	0	(495,440)	98	1,182,133	0	2,289,341	(10,218)	0	0	189,000	0	72,939	0	0	11,233
Alternative tax NOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Alternative minimum taxable income	629,574,532	0	585,949,490	(3,553,414)	3,656,901	(3,342)	(2,592,305)	(272,557)	46,282,712	3,309,792	177,963	0	(3,102,910)	(98,128)	369,640	(349,290)
Rate	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
tentative minimum tax	\$125,914,906	\$0	\$117,189,898	(\$710,687)	\$731,380	(\$668)	(\$518,461)	(\$56,511)	\$9,256,542	\$661,958	\$35,593	\$0	(\$660,583)	(\$19,626)	\$73,928	(\$69,858)

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

ENVIRONMENTAL TAX

	COMBINED	PP&L RESOURCES INC	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC	PENNA COAL RESOURCES CORP	PENNSYLVANIA MINES CORPORATION	RUSHTON MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP	POWER MARKETS DEVELOPMENT COMPANY	SPECTRUM ENERGY SERVICES CORPORATION	PMDC LATON AMERICA INC	LADY JANE COLLIERIES INC
Federal taxable income (loss) before NOL	5175,343,315	50	5376,744,323	(57,566,120)	52,474,768	(53,343)	(53,216,173)	(5262,250)	544,282,712	53,309,792	(5231,103)	50	(54,148,000)	(598,128)	5769,640	(5412,764)
Environmental tax	753,994		781,580	(2,269)	4,394	(4)	(3,115)	(337)	55,606	3,977	214	0	(3,968)	(118)	444	(428)
Federal taxable income before environmental tax	575,997,107	0	5377,445,803	(57,570,389)	2,479,162	(1,346)	(52,192,250)	(262,377)	46,338,318	3,313,769	(230,889)	0	(4,151,968)	(98,246)	170,084	(413,164)
Adjustments & tax preferences:																
Depreciation - Post 1916 property	40,601,623		40,507,340	12,750			9,378	(89)			20,063					52,201
Depreciation - Pre 1917 real property	0															
Basis adjustments for gain & loss	(40,968)		(469,819)	(142)			(11,007)									
Amortization of certified pollution control facilities	9,616,948		9,616,948													
Percentage depletion	409						409									
Tax exempt interest	414,098		26,219				335,209						72,151			
A Subtotal	626,189,417	0	587,146,510	(7,357,801)	2,479,162	(1,346)	(4,884,761)	(262,666)	46,338,318	3,313,769	(210,826)	0	(4,079,817)	(98,246)	170,084	(360,961)
Adjusted current earnings adjustment																
Pre-adjustment AMTI	626,189,417	0	587,146,510	(7,357,801)	2,479,162	(1,346)	(4,884,761)	(262,666)	46,338,318	3,313,769	(210,826)	0	(4,079,817)	(98,246)	170,084	(360,961)
Add:																
Tax depreciation	327,620,897		325,836,279	129,703	1,343		87,610	4,093			1,186,733					375,134
Post 1916 depr. tax preference	(40,601,623)		(40,507,340)	(12,750)			(9,378)	89			(20,063)					(52,201)
Pre 1916 depr. tax preference	0		0													0
ACE depreciation	(393,510,815)		(294,351,713)	118,789	(1,343)		(67,275)	(17,806)			(648,000)					(107,975)
Depreciation adjustment	(8,491,541)	0	(9,022,774)	226	0	0	10,937	(13,624)	0	0	518,670	0	0	0	0	15,004
Basis adjustment for gain & loss	(2,089,688)		(2,089,375)	(93)			(220)									
Dividends paid deduction	853,728		853,728													
Dividends received deduction	1,443,767		330		1,434,900		8,537									
Excess interest net of AMTI pref	4,146,945		141,903		141,373		1,033,180					1,030,385				
ESOP dividends paid in cash	9,455,601		9,455,601													
B Adjusted current earnings	611,708,229	0	586,485,935	(7,357,870)	4,055,359	(1,346)	(1,832,307)	(276,290)	46,338,318	3,313,769	107,844	0	(3,049,332)	(98,246)	170,084	(348,955)
B - A Difference - adjusted current earnings less pre-adjustment AMTI	5,518,312	0	(660,585)	131	(576,177)	0	3,052,454	(13,624)	0	0	518,670	0	1,030,585	0	0	13,004
ACE preference - 15% of difference	4,139,109	0	(495,430)	98	1,182,133	0	(2,289,340)	(10,218)	0	0	389,003	0	772,939	0	0	11,253
Statutory exemption	(2,000,000)		(2,000,000)													
Environmental taxable income	628,328,326	0	584,651,071	(7,357,703)	3,661,295	(1,346)	(3,395,421)	(272,321)	46,338,318	3,313,769	178,177	0	(3,306,874)	(98,246)	170,084	(349,710)
Rate	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012
Environmental Tax	753,994	50	701,580	(84,269)	54,394	(4)	(53,115)	(337)	55,606	3,977	214	50	(3,968)	(118)	444	(428)

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Statement of Continued Elections and Elections

Election re Allocation of Tax Liability:

PP&L Resources, Inc., the common parent of the affiliated group, hereby continues the election on behalf of the group to allocate, for earnings and profits purposes, the tax liability of the group under Section 1552(a)(1), as modified, as set forth in letter of approval dated October 13, 1955, from O. Gordon Delk, Acting Commissioner, Internal Revenue Service, Washington, reference T:R:C-TFG.

Election re Research Expenditures:

PP&L Resources, Inc., the common parent of the affiliated group, hereby continues its election on behalf of the group and each member thereof to treat research or experimental expenditures and software development as deductible expenses in the year in which incurred in accordance with the provisions of Internal Revenue Code Section 174(a)(2)(A) and Revenue Procedure 69-21.

Election re Exploration Expenditures:

An election is made under Internal Revenue Code Section 617 by PP&L Resources, Inc. as parent company of the affiliated group, to treat exploration expenditures of Pennsylvania Power & Light Company, Greene Hill Coal Company, and Greene Manor Coal Company as deductible expenses in the year in which incurred.

Election re 1995 Overpayment of Tax

An election is made under Regulation Section 301.6402-3 and Revenue Ruling 88-98 by PP&L Resources, Inc. to apply the 1995 overpayment of tax to the first installment of the 1996 estimated tax.

Election re Organizational & Business Start-Up Expenditures:

An election is made under Internal Revenue Code Sections 248 and 195 by PP&L Resources, Inc. as parent company of the affiliated group, to treat organizational expenditures and business start-up costs of Pennsylvania Power & Light Company; PMDC Latin America, Inc.; PMD Chester, Inc.; PMDC Asia, Inc.; PMD Indonesia, Inc.; PMDC Operations, Inc.; Spectrum Energy Services Corporation; PMDC International N. V.; PMDC Energia, Ltd.; and Empresa Electrica Valle Hermoso S. A. as deferred expenses and to deduct them ratably over a period of 60 months.

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

Statement of Continued Elections and Elections

Election to Adopt the Recurring Item Exception

PP&L Resources, Inc., as parent of the affiliated group, hereby elects on behalf of PMDC Latin America, Inc.; PMDC Chester, Inc.; PMDC Asia, Inc.; PMDC Indonesia, Inc.; PMDC Operations, Inc.; Spectrum Energy Services Corporation; PMDC International N. V.; PMDC Energia; and Empresa Electrica Valle Hermoso S. A., to adopt the recurring item exception as a method of accounting for the year 1995 under Internal Revenue Code section 461 (h)(3), Regulations section 1.461-5(d), and Temporary Regulations section 1.461-3T, Question and Answer 7(b), with respect to all types of items (as defined in paragraph (d) of Temporary Regulations section 1.461-3T, Question and Answer 3) incurred in all trades or businesses of PMDC Latin America, Inc.; PMDC Chester, Inc.; PMDC Asia, Inc.; PMDC Indonesia, Inc.; PMDC Operations, Inc.; Spectrum Energy Services Corporation; PMDC International N. V.; PMDC Energia Ltd.; and Empresa Electrica Valle Hermoso S. A..

ELECTION UNDER SECTION 468A

Susquehanna Steam Electric Station - Unit One
Year 1995

PENNSYLVANIA POWER & LIGHT COMPANY
Two North Ninth Street
Allentown, Pennsylvania 18101
EIN #23-0959590

Pennsylvania Power & Light Company hereby makes an election under Code section 468A and pursuant to Treasury Regulations section 1.468A-7 for taxable year 1995.

This election is made with respect to Unit One of the Susquehanna Steam Electric Station located outside Berwick, Pennsylvania. The employer identification number for the Susquehanna Steam Electric Station Unit One Qualified Fund (Fund) is 23-6898046.

The total amount of actual cash payments made to the Fund during taxable year 1995, which were not treated as deemed cash payments under Treasury Regulations section 1.468A-2(c)(1) for 1994, is \$3,540,017. The total amount of cash payments actually made in 1996 but deemed made to the Fund under Treasury Regulations section 1.468A-2(c)(1) for taxable year 1995 is \$475,842. The cost of service amount for taxable year 1995 is \$4,015,859.

Attached is a schedule of ruling amounts obtained by Pennsylvania Power & Light Company with respect to Unit One of the Susquehanna Steam Electric Station.

ELECTION UNDER SECTION 468A

Susquehanna Steam Electric Station - Unit Two
Year 1995

PENNSYLVANIA POWER & LIGHT COMPANY
Two North Ninth Street
Allentown, Pennsylvania 18101
EIN #23-0959590

Pennsylvania Power & Light Company hereby makes an election under Code section 468A and pursuant to Treasury Regulations section 1.468A-7 for taxable year 1995.

This election is made with respect to Unit Two of the Susquehanna Steam Electric Station located outside Berwick, Pennsylvania. The employer identification number for the Susquehanna Steam Electric Station Unit Two Qualified Fund (Fund) is 23-2507793.

The total amount of actual cash payments made to the Fund during taxable year 1995, which were not treated as deemed cash payments under Treasury Regulations section 1.468A-2(c)(1) for 1994, is \$3,520,890. The total amount of cash payments actually made in 1996 but deemed made to the Fund under Treasury Regulations section 1.468A-2(c)(1) for taxable year 1995 is \$579,256. The cost of service amount for taxable year 1995 is \$4,100,146.

Attached is a schedule of ruling amounts obtained by Pennsylvania Power & Light Company with respect to Unit Two of the Susquehanna Steam Electric Station.

Internal Revenue Service

Department of the Treasury

Index Number: 468A.04-02

P.O. Box 7604
Ben Franklin Station
Washington, DC 20044



Mr. Joseph J. McCabe
Vice President and Controller
Pennsylvania Power & Light
Company
Two North Ninth Street
Allentown, PA 18101

Person to Contact:
Kathleen Reed
Telephone Number:
(202) 622-3110
Refer Reply to:
CC:DOM:P&SI:6--TR-31-2784-95
Date:
FEB 29 1996

In re: Revised Schedule of Ruling Amounts for
Susquehanna Steam Electric Station, Unit 1

LEGEND:

Taxpayer: Pennsylvania Power & Light Company
EIN: 23-0959590

Parent: PP&L Resources, Inc.
EIN: 23-2758192

Plant: Susquehanna Steam Electric Station, Unit 1

Location: Berwick, Pennsylvania

Commission A: Pennsylvania Public Utility Commission

Commission B: Federal Energy Regulatory Commission

Order: Docket No. R-00943271 dated September 27, 1995

State: Pennsylvania

District: Philadelphia, Pennsylvania

Dear Mr. McCabe:

This letter responds to a request of the Taxpayer dated December 15, 1995, and additional correspondence dated February 15, 1996, for an elective review of its schedule of ruling amounts under section 1.468A-3(i)(2) of the Income Tax Regulations relating to the nuclear decommissioning fund (the "Fund") for the Plant. This request is to revise the previous schedule of ruling amounts issued on June 8, 1993, solely for Commission A.

TR-31-2784-95

The Taxpayer is submitting information under the requirements of section 1.468A-3(h)(2) of the regulations and represents that the facts are as follows:

The Taxpayer is an electric public utility corporation serving the central portion of State. The Taxpayer is a subsidiary of Parent, which files a consolidated federal income tax return on a calendar year basis using the accrual method of accounting, and is subject to the audit jurisdiction of the district director of District.

The Taxpayer owns 90 percent of the Plant as a tenant in common. The Plant, which is situated outside Location, began commercial operations in 1983 and its operating license expires in 2022.

The rates for electric energy generated by the Plant are established by Commissions A and B. The Taxpayer's operations are currently allocated to these jurisdictions as follows:

Commission A	78.456%
Commission B	21.865%

Total	100.321%
	=====

The total of the jurisdictional percentages exceeds 100 percent due to the fact that Commissions A and B conduct their respective ratemaking proceedings at different times. Commissions A and B will examine and adjust the respective jurisdictional percentages in the future. The percentages may fluctuate slightly from year to year.

As approved by the Commission in the Order, the total estimated cost of decommissioning the Plant is \$266,515,500 in 1993 dollars. Using an assumed inflation rate of 4 percent, the total estimated cost of decommissioning the Plant is \$831,168,951 in 2022 dollars.

The annual amount of decommissioning costs to be included in the Taxpayer's cost of service is \$2,976,251 for 1995 and \$3,811,000 for 1996 through 2022. These amounts are calculated by using an assumed after-tax rate of return of 7.5 percent. This rate of return has taken into account the changes made by section 1917 of the Energy Policy Act of 1992 (the "Energy Act"), 1993-1 C.B. 246, 252.

The fair market value of the assets in the Fund, relating to Commission A's jurisdictional portion, as of December 31, 1994,

TR-31-2784-95

is \$37,044,433. The amount expected to be earned by the assets of the Fund over the period that begins on January 1, 1995, and ends on December 31, 2022, is \$485,338,500.

The estimated date on which the Plant will no longer be included in the Taxpayer's rate base for ratemaking purposes is 2022. The level funding limitation period and the funding period extend from January 1, 1984, to December 31, 2022. The estimated period for which the Fund will be in effect extends from January 1, 1984, to December 31, 2022 (39 years), and the estimated useful life of the Plant extends from January 1, 1983, to December 31, 2022 (40 years). Thus, the Taxpayer has calculated its qualifying percentage to be 97.5 percent.

Section 468A(a) of the Internal Revenue Code provides that a taxpayer may elect to deduct for any taxable year the amount of payments made by the taxpayer to a qualified decommissioning fund during the taxable year. Pursuant to section 1.468A-1(a) of the regulations, this deduction is available only to an "eligible taxpayer." An eligible taxpayer, as defined in section 1.468A-1(b)(1), is any taxpayer that has a "qualifying interest" in a nuclear power plant.

Section 1.468A-1(b)(2) of the regulations defines the term "qualifying interest" as, among other things, a direct ownership interest. A direct ownership interest includes an interest held as a tenant in common or joint tenant, but does not include stock in a corporation that owns a nuclear power plant or an interest in a partnership that owns a nuclear power plant.

Under section 468A(b) of the Code, the amount that a taxpayer may pay into a nuclear decommissioning fund for any taxable year is limited to the lesser of: (1) the amount of nuclear decommissioning costs allocable to the nuclear decommissioning fund that is included in the taxpayer's cost of service for ratemaking purposes for the taxable year; or (2) the ruling amount applicable to the nuclear decommissioning fund for the taxable year.

In addition, section 468A(d)(1) of the Code provides that no deduction shall be allowed for any payment to a nuclear decommissioning fund unless the taxpayer requests, and receives, from the Secretary a schedule of ruling amounts.

Section 468A(d)(2)(A) of the Code defines the term "ruling amount" as the amount that the Secretary determines to be necessary to fund a portion of the decommissioning costs. This amount is that portion which bears the same ratio to the total nuclear decommissioning costs for the nuclear power plant as the period for which a nuclear decommissioning fund is in effect

TR-31-2784-95

bears to the estimated useful life of the nuclear power plant. The ruling amount is further restricted under section 468A(d)(2)(B) to the amount necessary to prevent any excessive funding of decommissioning costs or the funding of these costs at a rate more rapid than level funding, taking into account the discount rates as the Secretary deems appropriate.

Section 1.468A-3(a)(1) of the regulations requires the schedule of ruling amounts for a nuclear decommissioning fund to specify the annual payments that, over the taxable years remaining in the funding period, will result in a projected balance of the nuclear decommissioning fund as of the last day of the funding period equal to (and in no event greater than) the amount of decommissioning costs allocable to the nuclear decommissioning fund. The projected fund balance is calculated by taking into account the fair market value of the fund assets as of the first day of the first taxable year to which the schedule of ruling amounts applies and the estimated rate of return to be earned by the fund assets after payment of administrative costs and incidental expenses to be incurred by the fund, including all federal, state, and local income taxes to be incurred by the fund (the "after-tax rate of return").

Section 1.468A-3(a)(2) of the regulations provides that to the extent consistent with the principles and provisions of section 1.468A-3, each schedule of ruling amounts shall be based on the reasonable assumptions and determinations used by the applicable public utility commission in establishing or approving the amount of decommissioning costs to be included in cost of service for ratemaking purposes, taking into account amounts that are otherwise required to be included in the taxpayer's income under section 88 of the Code and the regulations thereunder. Thus, for example, each schedule of ruling amounts shall be based on the public utility commission's reasonable assumptions concerning: (i) the after-tax rate of return to be earned by the amounts collected for decommissioning; (ii) the total estimated cost of decommissioning the nuclear power plant; and (iii) the frequency of contributions to a nuclear decommissioning fund for a taxable year.

Under section 1.468A-3(a)(3) of the regulations, the Internal Revenue Service shall provide a schedule of ruling amounts that is identical to the schedule proposed by the taxpayer, but no schedule of ruling amounts shall be provided unless the taxpayer's proposed schedule is consistent with the principles and provisions of section 1.468A-3.

Section 1.468A-3(b)(1) of the regulations provides that the ruling amount specified in a schedule of ruling amounts for any taxable year in the level funding limitation period shall not be

TR-31-2784-95

less than the ruling amount specified in the schedule for any earlier taxable year.

The amount of decommissioning costs allocable to a nuclear decommissioning fund is determined under section 1.468A-3(d) of the regulations. Pursuant to section 1.468A-3(d)(1), this amount is the taxpayer's share of the total estimated cost of decommissioning the nuclear power plant multiplied by the qualifying percentage.

Under section 1.468A-3(d)(2)(i) of the regulations, the total estimated cost of decommissioning a nuclear power plant generally is the reasonably estimated cost of decommissioning used by the applicable public utility commission in establishing or approving the amount of decommissioning costs to be included in cost of service for ratemaking purposes.

Section 1.468A-3(d)(3) of the regulations provides that the taxpayer's share of the total estimated cost of decommissioning a nuclear power plant equals the total estimated cost of decommissioning the plant multiplied by the taxpayer's qualifying interest in the plant.

The term "qualifying percentage" is defined in section 1.468A-3(d)(4)(i) of the regulations. This regulation provides that the qualifying percentage for any nuclear decommissioning fund is a fraction, the numerator of which is the number of taxable years in the estimated period for which the fund is to be in effect and the denominator of which is the number of taxable years in the estimated useful life of the nuclear power plant.

Section 1.468A-3(d)(4)(ii) of the regulations provides that the estimated period for which a nuclear decommissioning fund is to be in effect begins on the later of the first day of the first taxable year for which a deductible payment is made to the nuclear decommissioning fund or the first day of the taxable year that includes the date that the nuclear power plant begins commercial operations. This estimated period ends on the last day of the taxable year that includes the estimated date on which the nuclear power plant will no longer be included in the taxpayer's rate base for ratemaking purposes (as determined by the applicable public utility commission at the time the plant was first included in the taxpayer's rate base).

Section 1.468A-3(d)(4)(iii) of the regulations provides that the estimated useful life of the nuclear power plant begins on the first day of the taxable year that includes the date that the nuclear power plant begins commercial operations and ends on the last day of the taxable year that includes the estimated date on which the nuclear power plant will no longer be included in the

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taxpayer's rate base for ratemaking purposes (as determined by the applicable public utility commission at the time the plant was first included in the taxpayer's rate base).

If rates are established or approved by two or more public utility commissions, the special rules in section 1.468A-3(f) of the regulations apply. Section 1.468A-3(f)(1) and (2) require that a schedule of ruling amounts shall be separately determined for each public utility commission, and this separate determination shall take into account only the portion of the total estimated decommissioning cost that is properly allocated to the ratepayers whose rates are established or approved by the public utility commission. In addition, section 1.468A-3(f)(3) and (4) provide that the schedule of ruling amounts for any taxable year is the sum of ruling amounts for the taxable year determined under the separate schedules of ruling amounts.

Section 1.468A-3(g) of the regulations provides that the Service shall not provide a taxpayer with a schedule of ruling amounts for any nuclear decommissioning fund unless the public utility commission that establishes or approves rates for electric energy generated by a nuclear power plant to which the nuclear decommissioning fund relates has determined the amount of decommissioning costs to be included in the taxpayer's cost of service for ratemaking purposes and has disclosed the after-tax rate of return and any other assumptions and determinations used in establishing or approving the amount.

Section 1.468A-3(i)(1)(iii) of the regulations requires a taxpayer to request a revised schedule of ruling amounts for a nuclear decommissioning fund if:

(A) any public utility commission that establishes or approves rates for the furnishing or sale of electric energy generated by the nuclear power plant to which the fund relates (1) increases the proposed period over which the decommissioning costs will be included in cost of service for ratemaking purposes, (2) adjusts the estimated date on which the nuclear power plant will no longer be included in rate base for ratemaking purposes, or (3) reduces the amount of decommissioning costs to be included in cost of service for ratemaking purposes for any taxable year; and

(B) the taxpayer's most recent request for a schedule of ruling amounts did not provide notice to the Service of the action by the public utility commission.

Section 1.468A-3(i)(2) of the regulations provides that any taxpayer that has obtained a schedule of ruling amounts pursuant to section 1.468A-3(h) can request a revised schedule of ruling

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amounts. This request must be made in accordance with the rules in section 1.468A-3(h). Thus, the Service shall not provide a revised ruling amount applicable to a taxable year in response to a request for a schedule of ruling amounts that is filed after the deemed payment deadline date for the taxable year.

Under section 1.468A-7(a) of the regulations, an eligible taxpayer generally is allowed a deduction for the taxable year in which the taxpayer makes a cash payment (or is deemed to make a cash payment) to a nuclear decommissioning fund only if the taxpayer elects the application of section 468A of the Code. A separate election is required for each nuclear decommissioning fund and for each taxable year for which payments are to be deducted under section 468A. In the case of an affiliated group of corporations that join in filing a consolidated return for a taxable year, the common parent must make a separate election on behalf of each member whose payments to a nuclear decommissioning fund during each taxable year are to be deducted under section 468A. The election under section 468A for any taxable year is irrevocable and must be made by attaching a statement ("Election Statement") and a copy of the schedule of ruling amounts provided pursuant to the rules of section 1.468A-3 to the taxpayer's federal income tax return (or, in the case of an affiliated group of corporations that join in filing a consolidated return, the consolidated return) for such taxable year. The return to which the Election Statement and a copy of the schedule of ruling amounts is attached must be filed on or before the time prescribed by law (including extensions) for filing the return for the taxable year for which payments are to be deducted under section 468A.

Section 1917(a) and (c)(1) of the Energy Act, 1993-1 C.B. at 252, eliminated the investment restrictions contained in section 468A(e)(4)(C) of the Code for taxable years beginning after December 31, 1992. Section 1917(b) and (c) of the Energy Act, 1993-1 C.B. at 252, revised section 468A(e)(2) of the Code by lowering the tax rate applicable to a nuclear decommissioning fund for taxable years beginning after December 31, 1993.

We have examined the representations submitted by the Taxpayer. Based solely upon these representations, we reach the following conclusions:

1. The Taxpayer has a qualifying interest in the Plant and, therefore, is an eligible taxpayer under section 1.468A-1(b)(1) and (2) of the regulations.

2. Commission A has determined the amount of decommissioning costs to be included in the Taxpayer's cost of

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service for ratemaking purposes as required by section 1.468A-3(g) of the regulations.

3. As required by section 1.468A-3(f) of the regulations, the Taxpayer, subject to the jurisdiction of two public utility commissions for ratemaking purposes, has reduced the estimated cost of decommissioning by the applicable jurisdictional percentage to arrive at its share of decommissioning costs attributable to Commission A.

4. The Taxpayer has calculated its qualifying percentage under section 1.468A-3(d)(4) of the regulations to be 97.5 percent.

5. As required by section 1.468A-3(f)(3) of the regulations, the Taxpayer has proposed a total ruling amount for each taxable year that is the sum of the separate amounts with respect to each commission.

6. The Taxpayer has proposed a schedule of ruling amounts that meets the requirements of section 1.468A-3(a)(1) and (2) of the regulations. The annual payments specified in the proposed schedule are based on the reasonable assumptions and determinations used by the Commission and will result in a projected fund balance at the end of the funding period that is equal to or less than the amount of decommissioning costs allocable to the Fund.

7. Pursuant to section 468A(b) of the Code, the maximum amount of cash payments made (or deemed made) to the Fund during any taxable year is restricted to the lesser amount of the decommissioning costs included in the Taxpayer's cost of service for the taxable year or the ruling amount applicable to the Fund for the taxable year.

8. The Taxpayer's proposed schedule of ruling amounts complies with the level funding requirements of section 1.468A-3(b)(1) of the regulations. No payment specified in the proposed schedule for any taxable year is less than the specified payment for any earlier taxable year.

9. Approval of the jurisdictional percentages is granted notwithstanding that the sum of these percentages may marginally exceed 100 percent.

Based on the above determinations, we conclude that the Taxpayer's proposed schedule of ruling amounts satisfies the requirements of section 468A of the Code and the regulations thereunder. Therefore, the schedule of ruling amounts requested

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by the Taxpayer under the provisions of section 468A(d)(1) is approved as follows:

APPROVED SCHEDULE OF RULING AMOUNTS
TAXABLE YEARS 1995 THROUGH 2022¹

<u>Year</u>	<u>Commission A</u>	<u>Commission B</u>	<u>Total</u>
1995	\$4,050,587	\$1,039,608	\$5,090,195
1996	\$4,050,587	\$1,039,608	\$5,090,195
Each Year 1997 Through 2022	\$4,050,587	-	\$4,050,587

The Service's approval of this schedule of ruling amounts is contingent on there being no change in the facts and circumstances, known or assumed, at the time the ruling is issued. If any of the events in section 1.468A-3(i)(1)(iii) of the regulations occur in future years, the Taxpayer must request a review and revision of the schedule of ruling amounts. Under section 1.468A-3(i)(1)(iv), the Taxpayer is required to file such a request on or before the deemed payment deadline for the first taxable year in which rates that reflect the action become effective.

The approved schedule of ruling amounts applies only to the payments made to the Fund. Payments allocable to any funds other than the Fund do not qualify for the deduction under section 468A of the Code. As stated above, payments made to the Fund can qualify only to the extent that they do not exceed the lesser of the decommissioning costs included in the Taxpayer's cost of service for the taxable year or the ruling amount applicable to the Fund for the taxable year.

Except as specifically set forth above, no opinion is expressed concerning the federal income tax consequences of the above described facts under any other provision of the Code or

¹ Amounts for Commission B, approved in a prior schedule of ruling amounts, are not specifically reviewed herein and are merely reprinted to arrive at the amount for the total annual ruling amount. In the prior schedule of ruling amounts, the Taxpayer agreed that the schedule of ruling amounts for Commission B is limited to the 5-year period of 1992 through 1996 because Commission B's determination of the after-tax rate of return did not take into account the changes made by section 1917 of the Energy Act.

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regulations. This letter ruling is directed only to the taxpayer who requested it. Section 6110(j)(3) of the Code provides that this ruling may not be used or cited as precedent.

Pursuant to section 1.468A-7(a) of the regulations, a copy of this letter must be attached (with the required Election Statement) to the Taxpayer's federal income tax return for each taxable year in which the Taxpayer claims a deduction for payments made to the Fund.

In accordance with the power of attorney, a copy of this letter ruling is being sent to your authorized representatives. We also are sending a copy of this letter ruling to the district director in District.

Sincerely yours,



CHARLES B. RAMSEY
Chief, Branch 6
Office of Assistant Chief
Counsel
(Passthroughs and Special
Industries)

Enclosures (2):
copy of this letter
copy for section 6110 purposes

Internal Revenue Service

Department of the Treasury

Index Number: 468A.04-02

P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Mr. Joseph J. McCabe
Vice President and Controller
Pennsylvania Power & Light
Company
Two North Ninth Street
Allentown, PA 18101

Person to Contact:
Kathleen Reed
Telephone Number:
(202) 622-3110
Refer Reply to:
CC:DOM:P&SI:6--TR-31-2785-95
Date:

FEB 29 1996

MAR 1996
RECEIVED
CONTROLLER

In re: Revised Schedule of Ruling Amounts for
Susquehanna Steam Electric Station, Unit 2

LEGEND:

Taxpayer: Pennsylvania Power & Light Company
EIN: 23-0959590

Parent: PP&L Resources, Inc.
EIN: 23-2758192

Plant: Susquehanna Steam Electric Station, Unit 2

Location: Berwick, Pennsylvania

Commission A: Pennsylvania Public Utility Commission

Commission B: Federal Energy Regulatory Commission

Order: Docket No. R-00943271 dated September 27, 1995

State: Pennsylvania

District: Philadelphia, Pennsylvania

Dear Mr. McCabe:

This letter responds to a request of the Taxpayer dated December 15, 1995, and additional correspondence dated February 15, 1996, for an elective review of its schedule of ruling amounts under section 1.468A-3(i)(2) of the Income Tax Regulations relating to the nuclear decommissioning fund (the "Fund") for the Plant. This request is to revise the previous schedule of ruling amounts issued on June 9, 1993, solely for Commission A.

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The Taxpayer is submitting information under the requirements of section 1.468A-3(h)(2) of the regulations and represents that the facts are as follows:

The Taxpayer is an electric public utility corporation serving the central portion of State. The Taxpayer is a subsidiary of Parent, which files a consolidated federal income tax return on a calendar year basis using the accrual method of accounting, and is subject to the audit jurisdiction of the district director of District.

The Taxpayer owns 90 percent of the Plant as a tenant in common. The Plant, which is situated outside Location, began commercial operations in 1985 and its operating license expires in 2024.

The rates for electric energy generated by the Plant are established by Commissions A and B. The Taxpayer's operations are currently allocated to these jurisdictions as follows:

Commission A	78.456%
Commission B	21.865%

Total	100.321%
	=====

The total of the jurisdictional percentages exceeds 100 percent due to the fact that Commissions A and B conduct their respective ratemaking proceedings at different times. Commissions A and B will examine and adjust the respective jurisdictional percentages in the future. The percentages may fluctuate slightly from year to year.

As approved by the Commission in the Order, the total estimated cost of decommissioning the Plant is \$346,792,000 in 1993 dollars. Using an assumed inflation rate of 4 percent, the total estimated cost of decommissioning the Plant is \$1,169,778,717 in 2024 dollars.

The annual amount of decommissioning costs to be included in the Taxpayer's cost of service is \$2,982,833 for 1995 and \$5,649,000 for 1996 through 2024. These amounts are calculated by using an assumed after-tax rate of return of 7.5 percent. This rate of return has taken into account the changes made by section 1917 of the Energy Policy Act of 1992 (the "Energy Act"), 1993-1 C.B. 246, 252.

The fair market value of the assets in the Fund, relating to Commission A's jurisdictional portion, as of December 31, 1994,

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is \$25,786,519. The amount expected to be earned by the assets of the Fund over the period that begins on January 1, 1995, and ends on December 31, 2024, is \$691,199,900.

The estimated date on which the Plant will no longer be included in the Taxpayer's rate base for ratemaking purposes is 2024. The level funding limitation period and the funding period extend from January 1, 1985, to December 31, 2024. The estimated period for which the Fund will be in effect extends from January 1, 1985, to December 31, 2024 (40 years), and the estimated useful life of the Plant extends from January 1, 1985, to December 31, 2024 (40 years). Thus, the Taxpayer has calculated its qualifying percentage to be 100 percent.

Section 468A(a) of the Internal Revenue Code provides that a taxpayer may elect to deduct for any taxable year the amount of payments made by the taxpayer to a qualified decommissioning fund during the taxable year. Pursuant to section 1.468A-1(a) of the regulations, this deduction is available only to an "eligible taxpayer." An eligible taxpayer, as defined in section 1.468A-1(b)(1), is any taxpayer that has a "qualifying interest" in a nuclear power plant.

Section 1.468A-1(b)(2) of the regulations defines the term "qualifying interest" as, among other things, a direct ownership interest. A direct ownership interest includes an interest held as a tenant in common or joint tenant, but does not include stock in a corporation that owns a nuclear power plant or an interest in a partnership that owns a nuclear power plant.

Under section 468A(b) of the Code, the amount that a taxpayer may pay into a nuclear decommissioning fund for any taxable year is limited to the lesser of: (1) the amount of nuclear decommissioning costs allocable to the nuclear decommissioning fund that is included in the taxpayer's cost of service for ratemaking purposes for the taxable year; or (2) the ruling amount applicable to the nuclear decommissioning fund for the taxable year.

In addition, section 468A(d)(1) of the Code provides that no deduction shall be allowed for any payment to a nuclear decommissioning fund unless the taxpayer requests, and receives, from the Secretary a schedule of ruling amounts.

Section 468A(d)(2)(A) of the Code defines the term "ruling amount" as the amount that the Secretary determines to be necessary to fund a portion of the decommissioning costs. This amount is that portion which bears the same ratio to the total nuclear decommissioning costs for the nuclear power plant as the period for which a nuclear decommissioning fund is in effect

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bears to the estimated useful life of the nuclear power plant. The ruling amount is further restricted under section 468A(d)(2)(B) to the amount necessary to prevent any excessive funding of decommissioning costs or the funding of these costs at a rate more rapid than level funding, taking into account the discount rates as the Secretary deems appropriate.

Section 1.468A-3(a)(1) of the regulations requires the schedule of ruling amounts for a nuclear decommissioning fund to specify the annual payments that, over the taxable years remaining in the funding period, will result in a projected balance of the nuclear decommissioning fund as of the last day of the funding period equal to (and in no event greater than) the amount of decommissioning costs allocable to the nuclear decommissioning fund. The projected fund balance is calculated by taking into account the fair market value of the fund assets as of the first day of the first taxable year to which the schedule of ruling amounts applies and the estimated rate of return to be earned by the fund assets after payment of administrative costs and incidental expenses to be incurred by the fund, including all federal, state, and local income taxes to be incurred by the fund (the "after-tax rate of return").

Section 1.468A-3(a)(2) of the regulations provides that to the extent consistent with the principles and provisions of section 1.468A-3, each schedule of ruling amounts shall be based on the reasonable assumptions and determinations used by the applicable public utility commission in establishing or approving the amount of decommissioning costs to be included in cost of service for ratemaking purposes, taking into account amounts that are otherwise required to be included in the taxpayer's income under section 88 of the Code and the regulations thereunder. Thus, for example, each schedule of ruling amounts shall be based on the public utility commission's reasonable assumptions concerning: (i) the after-tax rate of return to be earned by the amounts collected for decommissioning; (ii) the total estimated cost of decommissioning the nuclear power plant; and (iii) the frequency of contributions to a nuclear decommissioning fund for a taxable year.

Under section 1.468A-3(a)(3) of the regulations, the Internal Revenue Service shall provide a schedule of ruling amounts that is identical to the schedule proposed by the taxpayer, but no schedule of ruling amounts shall be provided unless the taxpayer's proposed schedule is consistent with the principles and provisions of section 1.468A-3.

Section 1.468A-3(b)(1) of the regulations provides that the ruling amount specified in a schedule of ruling amounts for any taxable year in the level funding limitation period shall not be

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less than the ruling amount specified in the schedule for any earlier taxable year.

The amount of decommissioning costs allocable to a nuclear decommissioning fund is determined under section 1.468A-3(d) of the regulations. Pursuant to section 1.468A-3(d)(1), this amount is the taxpayer's share of the total estimated cost of decommissioning the nuclear power plant multiplied by the qualifying percentage.

Under section 1.468A-3(d)(2)(i) of the regulations, the total estimated cost of decommissioning a nuclear power plant generally is the reasonably estimated cost of decommissioning used by the applicable public utility commission in establishing or approving the amount of decommissioning costs to be included in cost of service for ratemaking purposes.

Section 1.468A-3(d)(3) of the regulations provides that the taxpayer's share of the total estimated cost of decommissioning a nuclear power plant equals the total estimated cost of decommissioning the plant multiplied by the taxpayer's qualifying interest in the plant.

The term "qualifying percentage" is defined in section 1.468A-3(d)(4)(i) of the regulations. This regulation provides that the qualifying percentage for any nuclear decommissioning fund is a fraction, the numerator of which is the number of taxable years in the estimated period for which the fund is to be in effect and the denominator of which is the number of taxable years in the estimated useful life of the nuclear power plant.

Section 1.468A-3(d)(4)(ii) of the regulations provides that the estimated period for which a nuclear decommissioning fund is to be in effect begins on the later of the first day of the first taxable year for which a deductible payment is made to the nuclear decommissioning fund or the first day of the taxable year that includes the date that the nuclear power plant begins commercial operations. This estimated period ends on the last day of the taxable year that includes the estimated date on which the nuclear power plant will no longer be included in the taxpayer's rate base for ratemaking purposes (as determined by the applicable public utility commission at the time the plant was first included in the taxpayer's rate base).

Section 1.468A-3(d)(4)(iii) of the regulations provides that the estimated useful life of the nuclear power plant begins on the first day of the taxable year that includes the date that the nuclear power plant begins commercial operations and ends on the last day of the taxable year that includes the estimated date on which the nuclear power plant will no longer be included in the

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taxpayer's rate base for ratemaking purposes (as determined by the applicable public utility commission at the time the plant was first included in the taxpayer's rate base).

If rates are established or approved by two or more public utility commissions, the special rules in section 1.468A-3(f) of the regulations apply. Section 1.468A-3(f)(1) and (2) require that a schedule of ruling amounts shall be separately determined for each public utility commission, and this separate determination shall take into account only the portion of the total estimated decommissioning cost that is properly allocated to the ratepayers whose rates are established or approved by the public utility commission. In addition, section 1.468A-3(f)(3) and (4) provide that the schedule of ruling amounts for any taxable year is the sum of ruling amounts for the taxable year determined under the separate schedules of ruling amounts.

Section 1.468A-3(g) of the regulations provides that the Service shall not provide a taxpayer with a schedule of ruling amounts for any nuclear decommissioning fund unless the public utility commission that establishes or approves rates for electric energy generated by a nuclear power plant to which the nuclear decommissioning fund relates has determined the amount of decommissioning costs to be included in the taxpayer's cost of service for ratemaking purposes and has disclosed the after-tax rate of return and any other assumptions and determinations used in establishing or approving the amount.

Section 1.468A-3(i)(1)(iii) of the regulations requires a taxpayer to request a revised schedule of ruling amounts for a nuclear decommissioning fund if:

(A) any public utility commission that establishes or approves rates for the furnishing or sale of electric energy generated by the nuclear power plant to which the fund relates (1) increases the proposed period over which the decommissioning costs will be included in cost of service for ratemaking purposes, (2) adjusts the estimated date on which the nuclear power plant will no longer be included in rate base for ratemaking purposes, or (3) reduces the amount of decommissioning costs to be included in cost of service for ratemaking purposes for any taxable year; and

(B) the taxpayer's most recent request for a schedule of ruling amounts did not provide notice to the Service of the action by the public utility commission.

Section 1.468A-3(i)(2) of the regulations provides that any taxpayer that has obtained a schedule of ruling amounts pursuant to section 1.468A-3(h) can request a revised schedule of ruling

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amounts. This request must be made in accordance with the rules in section 1.468A-3(h). Thus, the Service shall not provide a revised ruling amount applicable to a taxable year in response to a request for a schedule of ruling amounts that is filed after the deemed payment deadline date for the taxable year.

Under section 1.468A-7(a) of the regulations, an eligible taxpayer generally is allowed a deduction for the taxable year in which the taxpayer makes a cash payment (or is deemed to make a cash payment) to a nuclear decommissioning fund only if the taxpayer elects the application of section 468A of the Code. A separate election is required for each nuclear decommissioning fund and for each taxable year for which payments are to be deducted under section 468A. In the case of an affiliated group of corporations that join in filing a consolidated return for a taxable year, the common parent must make a separate election on behalf of each member whose payments to a nuclear decommissioning fund during each taxable year are to be deducted under section 468A. The election under section 468A for any taxable year is irrevocable and must be made by attaching a statement ("Election Statement") and a copy of the schedule of ruling amounts provided pursuant to the rules of section 1.468A-3 to the taxpayer's federal income tax return (or, in the case of an affiliated group of corporations that join in filing a consolidated return, the consolidated return) for such taxable year. The return to which the Election Statement and a copy of the schedule of ruling amounts is attached must be filed on or before the time prescribed by law (including extensions) for filing the return for the taxable year for which payments are to be deducted under section 468A.

Section 1917(a) and (c)(1) of the Energy Act, 1993-1 C.B. at 252, eliminated the investment restrictions contained in section 468A(e)(4)(C) of the Code for taxable years beginning after December 31, 1992. Section 1917(b) and (c) of the Energy Act, 1993-1 C.B. at 252, revised section 468A(e)(2) of the Code by lowering the tax rate applicable to a nuclear decommissioning fund for taxable years beginning after December 31, 1993.

We have examined the representations submitted by the Taxpayer. Based solely upon these representations, we reach the following conclusions:

1. The Taxpayer has a qualifying interest in the Plant and, therefore, is an eligible taxpayer under section 1.468A-1(b)(1) and (2) of the regulations.

2. Commission A has determined the amount of decommissioning costs to be included in the Taxpayer's cost of

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service for ratemaking purposes as required by section 1.468A-3(g) of the regulations.

3. As required by section 1.468A-3(f) of the regulations, the Taxpayer, subject to the jurisdiction of two public utility commissions for ratemaking purposes, has reduced the estimated cost of decommissioning by the applicable jurisdictional percentage to arrive at its share of decommissioning costs attributable to Commission A.

4. The Taxpayer has calculated its qualifying percentage under section 1.468A-3(d)(4) of the regulations to be 100 percent.

5. As required by section 1.468A-3(f)(3) of the regulations, the Taxpayer has proposed a total ruling amount for each taxable year that is the sum of the separate amounts with respect to each commission.

6. The Taxpayer has proposed a schedule of ruling amounts that meets the requirements of section 1.468A-3(a)(1) and (2) of the regulations. The annual payments specified in the proposed schedule are based on the reasonable assumptions and determinations used by the Commission and will result in a projected fund balance at the end of the funding period that is equal to or less than the amount of decommissioning costs allocable to the Fund.

7. Pursuant to section 468A(b) of the Code, the maximum amount of cash payments made (or deemed made) to the Fund during any taxable year is restricted to the lesser amount of the decommissioning costs included in the Taxpayer's cost of service for the taxable year or the ruling amount applicable to the Fund for the taxable year.

8. The Taxpayer's proposed schedule of ruling amounts complies with the level funding requirements of section 1.468A-3(b)(1) of the regulations. No payment specified in the proposed schedule for any taxable year is less than the specified payment for any earlier taxable year.

9. Approval of the jurisdictional percentages is granted notwithstanding that the sum of these percentages may marginally exceed 100 percent.

Based on the above determinations, we conclude that the Taxpayer's proposed schedule of ruling amounts satisfies the requirements of section 468A of the Code and the regulations thereunder. Therefore, the schedule of ruling amounts requested

by the Taxpayer under the provisions of section 468A(d)(1) is approved as follows:

APPROVED SCHEDULE OF RULING AMOUNTS
TAXABLE YEARS 1995 THROUGH 2024¹

<u>Year</u>	<u>Commission A</u>	<u>Commission B</u>	<u>Total</u>
1995	\$6,692,514	\$1,117,313	\$7,809,827
1996	\$6,692,514	\$1,117,313	\$7,809,827
Each Year			
1997			
Through	\$6,692,514	-	\$6,692,514
2024			

The Service's approval of this schedule of ruling amounts is contingent on there being no change in the facts and circumstances, known or assumed, at the time the ruling is issued. If any of the events in section 1.468A-3(i)(1)(iii) of the regulations occur in future years, the Taxpayer must request a review and revision of the schedule of ruling amounts. Under section 1.468A-3(i)(1)(iv), the Taxpayer is required to file such a request on or before the deemed payment deadline for the first taxable year in which rates that reflect the action become effective.

The approved schedule of ruling amounts applies only to the payments made to the Fund. Payments allocable to any funds other than the Fund do not qualify for the deduction under section 468A of the Code. As stated above, payments made to the Fund can qualify only to the extent that they do not exceed the lesser of the decommissioning costs included in the Taxpayer's cost of service for the taxable year or the ruling amount applicable to the Fund for the taxable year.

Except as specifically set forth above, no opinion is expressed concerning the federal income tax consequences of the above described facts under any other provision of the Code or

¹ Amounts for Commission B, approved in a prior schedule of ruling amounts, are not specifically reviewed herein and are merely reprinted to arrive at the amount for the total annual ruling amount. In the prior schedule of ruling amounts, the Taxpayer agreed that the schedule of ruling amounts for Commission B is limited to the 5-year period of 1992 through 1996 because Commission B's determination of the after-tax rate of return did not take into account the changes made by section 1917 of the Energy Act.

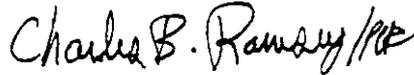
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regulations. This letter ruling is directed only to the taxpayer who requested it. Section 6110(j)(3) of the Code provides that this ruling may not be used or cited as precedent.

Pursuant to section 1.468A-7(a) of the regulations, a copy of this letter must be attached (with the required Election Statement) to the Taxpayer's federal income tax return for each taxable year in which the Taxpayer claims a deduction for payments made to the Fund.

In accordance with the power of attorney, a copy of this letter ruling is being sent to your authorized representatives. We also are sending a copy of this letter ruling to the district director in District.

Sincerely yours,



CHARLES B. RAMSEY
Chief, Branch 6
Office of Assistant Chief
Counsel
(Passthroughs and Special
Industries)

Enclosures (2):
copy of this letter
copy for section 6110 purposes

PP&L Resources, Inc.
Election to Amortization Under Section 169

PP&L Resources, Inc. hereby elects, pursuant to the authority contained in Regulations Section 1.169-4(a), on behalf of Pennsylvania Power and Light Company, to apply the provisions of Regulations Section 1.169-1(a) to take an amortization deduction with respect to the certified pollution control facilities fully described in the applications for certification filed with the Regional Administrator, EPA, copies of which are attached.

All the facilities have a tax life of 20 years. The dates acquired, tax basis, and Section 169 amortizable basis are as follows:

Facility	In Service Date	Tax Basis @ 12/31/94	(a)	Net Tax Basis @ 12/31/94	(b)
			1994 Tax Depreciation		IRC 169 Amortizable Basis-60%
Sunbury #3 Electrostatic Precipitator Replacement	03/11/94	\$1,445,934	\$54,223	\$1,391,711	\$835,027
Sunbury #3 Low NOx Burners	03/11/94	4,476,531	167,870	4,308,661	2,585,197
Montour #2 Electrostatic Precipitator Replacement	05/17/94	382,764	14,354	368,410	221,046
Montour #2 Low NOx Burners	06/03/94	18,757,510	703,407	18,054,103	10,832,462
Brunner Island #3 Low NOx Burners	12/03/94	15,761,013	591,038	15,169,975	9,101,985
Brunner Island #2 Low NOx Burners	06/10/94	11,417,200	428,145	10,989,055	6,593,433
Brunner Island #2 Electrostatic Precipitator Replacement	06/10/94	3,822,465	143,342	3,679,123	2,207,474
Martins Creek #1 Electrostatic Precipitator Replacement	09/23/94	1,406,959	52,761	1,354,198	812,519
Martins Creek #1 Low NOx Burners	09/23/94	4,340,932	162,785	4,178,147	2,506,888
Martins Creek #2 Electrostatic Precipitator Replacement	07/22/94	1,453,981	54,524	1,399,457	839,674
Martins Creek #2 Low NOx Burners	07/22/94	4,278,195	160,432	4,117,763	2,470,658
Keystone #2 Low NOx Burners	04/28/94	1,926,264	72,235	1,854,029	1,112,417
Conemaugh #1 Low NOx Burners	12/15/94	2,318,973	86,961	2,232,012	1,339,207
Conemaugh #1 Scrubbers	12/15/94	29,786,493	1,116,993	28,669,500	17,201,700
		<u>\$101,575,214</u>	<u>\$3,809,070</u>	<u>\$97,766,144</u>	<u>\$58,659,687</u>

(a) Depreciation=3.75% which is 1st year deprec rate on 20 Yr MACRS Property

(b) Amortizable Basis = 60%

15 Years/20Year MACRS X (100%-20% Sec 291)=15/20(80%) = 60%

The taxpayer elects to begin the 60-month amortization period with the month of January 1995, which is the first month of the taxable year succeeding the taxable year in which the facilities were completed and acquired. It is not expected that any profits will be obtained from the recovery of wastes from the facilities.

Applications have been made for certification to the Environmental Protection Agency and State certifying authority, and copies of the applications are attached.

ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169: 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 *et seq.*, SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

<p>APPLICANT Lynn I. Ratzell</p>	<p>DATE 5/24/76</p>
<p>SIGNATURE <i>Lynn I. Ratzell</i> Manager-Environmental Management</p>	<p>STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

<p>1. FULL BUSINESS NAME OF APPLICANT</p> <p>Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>	<p>2. TYPE OF OWNERSHIP</p> <p><input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe)</p> <p><input type="checkbox"/> PARTNERSHIP</p> <p><input checked="" type="checkbox"/> CORPORATION</p>	
<p>3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title)</p> <p>Thomas G. Keller, Project Engineer</p>		<p>TELEPHONE</p> <p>610-774-5029</p>
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-8 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title)</p> <p>Eric R. Schoener, Senior Accountant</p>		
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code)</p> <p>Sunbury Steam Electric Station Old Trail General Delivery Shanokin Dam, PA 17876</p>	<p>6. APPLICANT'S EMPLOYER IDENTIFICATION NO.</p> <p>23-0959590</p>	

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit 3. Electrostatic precipitator control systems were replaced and upgraded as part of this project. See Attachment A.

<p>2. IS FACILITY IN OPERATION?</p> <p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p>A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION</p> <p>March 6, 1995</p>	<p>B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION</p>	<p>3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p><input type="checkbox"/> Inapplicable</p>
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4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY YES NO EXTEND THE USEFUL LIFE? YES NO

REDUCE THE TOTAL OPERATING COSTS? YES NO

a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED 5% OR LESS

b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit 3 is a steam electric generating unit rated at 103 megawatts.

<p>2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER</p> <p>4911</p>									
<p>3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:70%;">PLANT OR PROPERTY</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>A. Unit 3 commenced commercial operation</td> <td>April 1951</td> </tr> <tr> <td>B.</td> <td></td> </tr> <tr> <td>C.</td> <td></td> </tr> </tbody> </table>		PLANT OR PROPERTY	DATE	A. Unit 3 commenced commercial operation	April 1951	B.		C.	
PLANT OR PROPERTY	DATE								
A. Unit 3 commenced commercial operation	April 1951								
B.									
C.									

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____% **Inapplicable**

DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).

Inapplicable

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling emissions of oxides of nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

1. YOUR PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
b. Per Year: Min. _____ Max. _____ Avg. _____

Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____
b. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS

	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.a	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.b	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.c	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.d	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.e	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.f	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.g	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.h	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.i	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.j	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9.

Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 274 Avg. _____
b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)	a. Oxides of nitrogen
	b.
	c.
	d.

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at <u>325</u> °F	Min. _____ Max. _____ Avg. _____ at <u>325</u> °F

4. CONCENTRATION (in volume % of gaseous components)	WITHOUT POLLUTION CONTROL FACILITY		WITH POLLUTION CONTROL FACILITY	
	a. Min. _____ Max. _____ Avg. <u>0.93</u> at <u>325</u> °F	Min. _____ Max. _____ Avg. <u>0.5</u> at <u>325</u> °F		
	b. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F		
	c. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F		
	d. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F		

5. CONCENTRATION (grains/cubic feet of all particulate matter)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-2 above)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25, Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

ENVIRONMENTAL PROTECTION AGENCY NOTICE OF STATE CERTIFICATION (Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)	STATE Pennsylvania WATER OR AIR POLLUTION CONTROL AGENCY OR AUTHORITY PA Dept. of Env. Protection Bureau of Air Quality Control
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It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on March 6, 1995

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT Pennsylvania Power & Light Company	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Eric R. Schoener
ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	TITLE Senior Accountant
	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street, TW-10 Allentown, PA 18101-1179

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit No. 3. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Sundury Steam Electric Station Old Trail, General Delivery Shamokin Dam, PA 17876	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for NO_x emission reductions.

ISSUED THIS _____ DAY OF _____ 19____	SIGNED (Official of State Agency) _____
STATE CERTIFICATION NUMBER _____	TITLE _____

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 *et seq.*) or the Clean Air Act, as amended (42 U.S.C. 1857 *et seq.*). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

NAME OF APPLICANT Pennsylvania Power & Light Company	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179
EMPLOYER IDENTIFICATION NUMBER 23-09595990	

PERSON AUTHORIZED TO RECEIVE CERTIFICATION:	
NAME Eric R. Schoener	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street, TW-10 Allentown, PA 18101-1179
TITLE Senior Accountant	

DESCRIPTION OF CONTROL FACILITY

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced existing pulverized coal burners on Unit No. 3. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)
Sunbury Steam Electric Station. Old Trail. General Deliverv. Shamokin Dam. PA 17876

EFFLUENT DISCHARGED TO

THE CONTROL FACILITY IDENTIFIED HEREIN DOES DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.

THE CONTROL FACILITY IDENTIFIED HEREIN IS IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (i) OF THE INCOME TAX REGULATIONS.

- A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975
- B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.

- A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.
- B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.

ISSUED ____ DAY OF _____, 19____	SIGNATURE
DATE CERTIFICATION NUMBER	TITLE

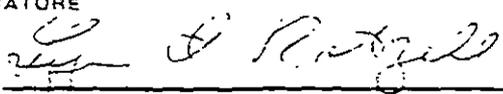
ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 16902 *et seq.*, SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

<p>APPLICANT Lynn I. Ratzell</p>	<p>DATE 5/27/96</p>
<p>SIGNATURE  E ✓ Manager-Environmental Management</p>	<p>STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

1. FULL BUSINESS NAME OF APPLICANT Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179		2. TYPE OF OWNERSHIP <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe) <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION	
3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title) Thomas G. Keller, Project Engineer			TELEPHONE 610-774-5029
ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-8 Two North Ninth Street Allentown, PA 18101-1179			
4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title) Eric R. Schoener, Senior Accountant			
ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179			
5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code) Montour Steam Electric Station P. O. Box 128 Washingtonville, PA 17884			6. APPLICANT'S EMPLOYER IDENTIFICATION NO. 23-0959590

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendment of 1990. These new burners replaced the existing pulverized coal burners on Unit #2. Electrostatic precipitator control systems were replaced and upgraded as part of this project.
See Attachment A.

2. IS FACILITY IN OPERATION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION June 6, 1994	B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION	3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> Inapplicable
---	---	--	---

4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY YES NO EXTEND THE USEFUL LIFE? YES NO
REDUCE THE TOTAL OPERATING COSTS? YES NO

a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED
 5% OR LESS

b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.
Unit #2 is a steam electric generating unit rated at 745 megawatts.

2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER 4911	
3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.	
PLANT OR PROPERTY	DATE
A. Unit #2 commenced commercial operation	April 1973
B.	
C.	

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____ % Inapplicable.

DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).
Inapplicable.

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling emissions of oxides of nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

1. YOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
Inapplicable. b. Per Year: Min. _____ Max. _____ Avg. _____

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____
b. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS

3.a	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.b	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.c	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.d	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.e	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.f	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.g	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.h	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.i	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____
3.j	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable.

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable.

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable.

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable.

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable.

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9.

Inapplicable.

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable.

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable.

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 774 Avg. _____
b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)
a. Oxides of nitrogen
b. _____
c. _____
d. _____

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. <u>2,260,000</u> CFM at <u>295</u> OF	Min. _____ Max. _____ Avg. <u>2,260,000</u> CFM at <u>295</u> OF

4. CONCENTRATION (in volume % of gaseous components) lbs/10 ⁶ Btu	a. <u>NO_x</u> Min. _____ Max. _____ Avg. <u>1.07</u> at <u>295</u> OF	Min. _____ Max. _____ Avg. <u>0.50</u> at <u>295</u> OF
	b. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
	c. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
	d. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF

CONCENTRATION (grains/cubic feet of all particulate matter)	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
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6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-2 above)	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
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7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

ENVIRONMENTAL PROTECTION AGENCY
NOTICE OF STATE CERTIFICATION
(Pursuant to Section 169 of the Internal Revenue
Code of 1954, as amended)

STATE
Pennsylvania
WATER OR AIR POLLUTION CONTROL AGENCY OR
AUTHORITY PA Dept. of Env. Protection
Bureau of Air Quality Control

It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on June 6, 1994

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT Pennsylvania Power & Light Company	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Eric R. Schoener
ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	TITLE Senior Accountant ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179

3. DESCRIPTION OF CONTROL FACILITY
Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. See Attachment A.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Montour Steam Electric Station P.O. Box 128 Washington, PA 15784	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.
Clean Air Act Amendments of 1990 for NO_x emission reductions.

ISSUED THIS ____ DAY OF _____ 19 ____	SIGNED (Official of State Agency)
STATE CERTIFICATION NUMBER	TITLE

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations, the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 *et seq.*) or the Clean Air Act, as amended (42 U.S.C. 1857 *et seq.*). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Power & Light Company	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179
2. EMPLOYER IDENTIFICATION NUMBER 23-0959590	

3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:	
NAME Eric R. Schoener	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street, TW-10 Allentown, PA 18101-1179
TITLE Senior Accountant	

4. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)

Montour Steam Electric Station, P.O. Box 128, Washingtonville, PA 17884

6. EFFLUENT DISCHARGED TO

7. THE CONTROL FACILITY IDENTIFIED HEREIN DOES DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.

8. THE CONTROL FACILITY IDENTIFIED HEREIN IS IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (I) OF THE INCOME TAX REGULATIONS.

9. A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975

B. _____ % OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.

10. A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.

B. _____ % OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.

ISSUED _____ DAY OF _____, 19____	SIGNATURE
STATE CERTIFICATION NUMBER	TITLE

ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 *et seq.*, SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

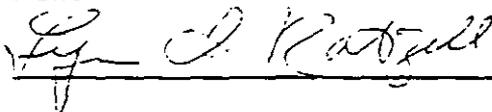
APPLICANT

Lynn I. Ratzell

DATE

5/27/75

SIGNATURE



STREET ADDRESS, CITY, STATE, ZIP CODE

Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101-1179

Manager-Environmental Management

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

<p>1. FULL BUSINESS NAME OF APPLICANT</p> <p>Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>	<p>2. TYPE OF OWNERSHIP</p> <p><input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe)</p> <p><input type="checkbox"/> PARTNERSHIP</p> <p><input checked="" type="checkbox"/> CORPORATION</p>	
<p>3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title)</p> <p>Thomas G. Keller, Project Engineer</p>		<p>TELEPHONE</p> <p>610-774-5029</p>
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-8 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title)</p> <p>Eric R. Schoener, Senior Accountant</p>		
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code)</p> <p>Brunner Island Steam Electric Station P. O. Box 221 York Haven, PA 17370</p>	<p>6. APPLICANT'S EMPLOYER IDENTIFICATION NO.</p> <p>23-095959-0</p>	

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit 3.

See Attachment A.

<p>2. IS FACILITY IN OPERATION?</p> <p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p>A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION</p> <p>November 20, 1994</p>	<p>B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION</p>	<p>3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVE- LY FOR CONTROL OF POLLUTION?</p> <p style="text-align: center;">Inapplicable</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p>
<p>4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?</p> <p>INCREASE THE OUTPUT OR CAPACITY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO EXTEND THE USEFUL LIFE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>REDUCE THE TOTAL OPERATING COSTS? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED <input type="checkbox"/> 5% OR <input type="checkbox"/> LESS</p> <p>b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).</p>			

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit 3 is a steam electric generating unit rated at 735 megawatts.

<p>2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER</p> <p>4911</p>									
<p>3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:75%;">PLANT OR PROPERTY</th> <th style="width:25%;">DATE</th> </tr> </thead> <tbody> <tr> <td>A. Unit 3 commenced commercial operation</td> <td>June 1969</td> </tr> <tr> <td>B.</td> <td></td> </tr> <tr> <td>C.</td> <td></td> </tr> </tbody> </table>		PLANT OR PROPERTY	DATE	A. Unit 3 commenced commercial operation	June 1969	B.		C.	
PLANT OR PROPERTY	DATE								
A. Unit 3 commenced commercial operation	June 1969								
B.									
C.									

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. 5 % Inapplicable

5. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).
Inapplicable

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling emissions of oxides of nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

OURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
b. Per Year: Min. _____ Max. _____ Avg. _____
Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____
b. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS						
3.a	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.b	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.c	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.d	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.e	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.f	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.g	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.h	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.i	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9.

Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION:
 a. Per Month: Min. _____ Max. 744 Avg. _____
 b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)	a. Oxides of nitrogen.
	b. _____
	c. _____
	d. _____

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at <u>325</u> °F	Min. _____ Max. _____ Avg. _____ at <u>325</u> °F

4. CONCENTRATION (in volume % of gaseous components)	a. <u>NO_x</u> Min. _____ Max. _____ Avg. <u>0.78</u> at <u>325</u> °F	Min. _____ Max. _____ Avg. <u>0.45</u> at <u>325</u> °F
	b. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F
	c. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F
	d. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

5. CONCENTRATION (grains/cubic feet of particulate matter)	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F
--	--	--

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-2 above)	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F
--	--	--

*Annual Average

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring System.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Power & Light Company		ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	
2. EMPLOYER IDENTIFICATION NUMBER 23-0959590			
3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:			
NAME Eric R. Schoener		ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179	
TITLE Senior Accountant			
4. DESCRIPTION OF CONTROL FACILITY Certification is sought for new Low NO _x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 3.			
5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Brunner Island Steam Electric Station, P.O. Box 221, York Haven, PA 17370			
6. EFFLUENT DISCHARGED TO			
7. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> DOES <input type="checkbox"/> DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.			
8. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (1) OF THE INCOME TAX REGULATIONS.			
9. <input type="checkbox"/> A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975 <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.			
10. <input type="checkbox"/> A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION. <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.			
ISSUED		SIGNATURE	
S _____ DAY OF _____, 19 _____			
STATE CERTIFICATION NUMBER		TITLE	

ENVIRONMENTAL PROTECTION AGENCY		STATE Pennsylvania
NOTICE OF STATE CERTIFICATION (Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)		WATER OR AIR POLLUTION CONTROL AGENCY OR AUTHORITY PA Dept. of Env. Protection Bureau of Air Quality Control
<p>It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of <input type="checkbox"/> water pollution <input checked="" type="checkbox"/> air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility <input checked="" type="checkbox"/> was placed <input type="checkbox"/> will be placed in operation on November 20, 1994.</p> <p>In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.</p>		
1. NAME OF APPLICANT Pennsylvania Power & Light Company ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Eric R. Schoener TITLE Senior Accountant ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179	
3. DESCRIPTION OF CONTROL FACILITY Certification is sought for new low NO _x burners as required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit No. 3. As described in Attachment A of application.		
4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Brunner Island Steam Electric Station P.O. Box 221 York Haven, PA 17370	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable	
6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF <input type="checkbox"/> WATER POLLUTION <input type="checkbox"/> AIR POLLUTION. Clean Air Act Amendments of 1990 for NO _x emission reductions.		
ISSUED THIS _____ DAY OF _____ 19____	SIGNED (Official of State Agency) _____	
STATE CERTIFICATION NUMBER _____	TITLE _____	

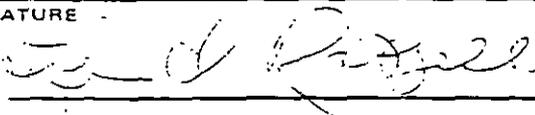
ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169: 40 C.F.R. PART 201 IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA. IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 et seq., SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

<p>APPLICANT Lynn I. Ratzell</p>	<p>DATE 5/24/76</p>
<p>SIGNATURE  Manager-Environmental Management</p>	<p>STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

<p>1. FULL BUSINESS NAME OF APPLICANT</p> <p>Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>	<p>2. TYPE OF OWNERSHIP</p> <p><input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe)</p> <p><input type="checkbox"/> PARTNERSHIP</p> <p><input checked="" type="checkbox"/> CORPORATION</p>	
<p>3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title)</p> <p>Thomas G. Keller, Project Engineer</p>		<p>TELEPHONE</p> <p>610-774-5029</p>
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-6 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title)</p> <p>Eric R. Schoener, Senior Accountant</p>		
<p>ADDRESS (Street, City, State, Zip Code)</p> <p>Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code)</p> <p>Brunner Island Steam Electric Station P. O. Box 221 York Haven, PA 17370</p>	<p>6. APPLICANT'S EMPLOYER IDENTIFICATION NO.</p> <p>23-0959590</p>	

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners^x replaced the existing pulverized coal burners on Unit 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project.

See Attachment A.

<p>2. IS FACILITY IN OPERATION?</p> <p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p>A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION</p> <p>June 12, 1994</p>	<p>B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION</p>	<p>3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVE- LY FOR CONTROL OF POLLU- TION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <i>Inapplicable</i></p>
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4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY YES NO EXTEND THE USEFUL LIFE? YES NO
REDUCE THE TOTAL OPERATING COSTS? YES NO

a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED
 5% OR LESS

b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit 2 is a steam electric generating unit rated at 378 megawatts

<p>2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER</p> <p>4911</p>									
<p>3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:75%;">PLANT OR PROPERTY</th> <th style="width:25%;">DATE</th> </tr> </thead> <tbody> <tr> <td>Unit 2 commenced commercial operation</td> <td>October 1965</td> </tr> <tr> <td>B.</td> <td></td> </tr> <tr> <td>C.</td> <td></td> </tr> </tbody> </table>		PLANT OR PROPERTY	DATE	Unit 2 commenced commercial operation	October 1965	B.		C.	
PLANT OR PROPERTY	DATE								
Unit 2 commenced commercial operation	October 1965								
B.									
C.									

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____% Inapplicable

DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).

Inapplicable

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100%

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling emissions of oxides of nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

1. YOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
b. Per Year: Min. _____ Max. _____ Avg. _____

Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____
b. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS

	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.a	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.b	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.c	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.d	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.e	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.f	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.g	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.h	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.i	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.j	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9. Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 744 Avg. _____
b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)

a. Oxides of Nitrogen
b.
c.
d.

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. <u>1,440,000</u> Avg. _____ at <u>284</u> OF	Min. _____ Max. <u>1,440,000</u> Avg. _____ at <u>284</u> OF

4. CONCENTRATION (in volume % of gaseous components) lbs/10 ⁶ Btu	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	NO. a. Min. _____ Max. _____ Avg. <u>0.69</u> at <u>284</u> OF	Min. _____ Max. _____ Avg. <u>0.45</u> at <u>284</u> OF
	b. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
	c. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
	d. Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF

5. CONCENTRATION (grains/cubic feet of particulate matter)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-2 above)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in item 2)		\$

ENVIRONMENTAL PROTECTION AGENCY

STATE
Pennsylvania

NOTICE OF STATE CERTIFICATION
(Pursuant to Section 169 of the Internal Revenue
Code of 1954, as amended)

WATER OR AIR POLLUTION CONTROL AGENCY OR
AUTHORITY PA Dept. of Env. Protection
Bureau of Air Quality Control

It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on June 12, 1994

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT

Pennsylvania Power & Light Company

2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION

Eric R. Schoener

ADDRESS (Street, City, State, Zip Code)

Two North Ninth Street
Allentown, PA 18101-1179

TITLE

Senior Accountant

ADDRESS (Street, City, State, Zip Code)

Pennsylvania Power & Light Company, TW-10
Two North Ninth Street
Allentown, PA 18101-1179

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)

Brunner Island Steam Electric Station
P.O. Box 221
York Haven, PA 17370

5. RECEIVING BODY OR STREAM OF WATER, IF ANY

Inapplicable

6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for NO_x emission reductions.

DATED

THIS ____ DAY OF _____ 19 ____

SIGNED (Official of State Agency)

STATE CERTIFICATION NUMBER

TITLE

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

is being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Power & Light Company	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179
2. EMPLOYER IDENTIFICATION NUMBER 23-0959590	

3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:	
NAME Eric R. Schoener	ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179
TITLE Senior Accountant	

4. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments 1990. These new burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. See Attachment A.

5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)
Brunner Island Steam Electric Station, P.O. Box 221, York Haven, PA 17370

6. EFFLUENT DISCHARGED TO

7. THE CONTROL FACILITY IDENTIFIED HEREIN DOES DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.

8. THE CONTROL FACILITY IDENTIFIED HEREIN IS IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (I) OF THE INCOME TAX REGULATIONS.

9. A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975
 B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.

10. A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.
 B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.

ISSUED ____ DAY OF _____, 19____	SIGNATURE
STATE CERTIFICATION NUMBER	TITLE

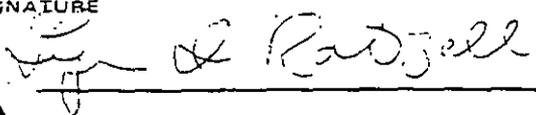
ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 *et seq.*, SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

<p>APPLICANT Lynn I. Ratzell</p>	<p>DATE 5/27/96</p>
<p>SIGNATURE  Manager-Environmental Management</p>	<p>STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

1. FULL BUSINESS NAME OF APPLICANT Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179		2. TYPE OF OWNERSHIP <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe) <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION	
3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title) Thomas G. Keiler			TELEPHONE 610-774-5029
ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-8 Two North Ninth Street Allentown, PA 18101-1179			
4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title) Eric R. Schoener, Senior Accountant			
ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179			
5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code) Martins Creek Steam Electric Station P. O. Box 257 Martins Creek, PA 18063			6. APPLICANT'S EMPLOYER IDENTIFICATION NO. 23-0959590

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit No. 1. Electrostatic precipitator control systems were replaced and upgraded as part of this project.

See Attachment A.

2. IS FACILITY IN OPERATION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION September 11, 1994	B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION	3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <i>Inapplicable</i>
---	---	--	--

4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY YES NO EXTEND THE USEFUL LIFE? YES NO
REDUCE THE TOTAL OPERATING COSTS? YES NO

a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED
 5% OR LESS

b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit 1 is a steam electric generating unit rated at 140 megawatts.

2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER 4911	
3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.	
PLANT OR PROPERTY	DATE
A. Unit No. 1 commenced commercial operation	1954
B.	
C.	

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9.

Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION:
 a. Per Month: Min. _____ Max. 774 Avg. _____
 b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)

a.	Oxides of nitrogen
b.	
c.	
d.	

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at <u>285</u> °F	Min. _____ Max. _____ Avg. _____ at <u>285</u> °F

4. CONCENTRATION (in volume % of gaseous components)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	a. <u>NO_x</u> Min. _____ Max. _____ Avg. <u>1.01</u> at <u>285</u> °F	Min. _____ Max. _____ Avg. <u>0.50*</u> at <u>285</u> °F
b. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F	
c. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F	
d. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F	

5. CONCENTRATION (in grains/cubic feet of particulate matter)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F	

6. CONCENTRATION (in grains/cubic feet of any specific particulate listed in E-2 above)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F	

7: DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

ENVIRONMENTAL PROTECTION AGENCY NOTICE OF STATE CERTIFICATION (Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)	STATE Pennsylvania WATER OR AIR POLLUTION CONTROL AGENCY OR AUTHORITY PA Dept. of Env. Protection Bureau of Air Quality Control
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It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on September 11, 1994

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT Pennsylvania Power & Light Company ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Eric R. Schoener TITLE Senior Accountant ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179
---	--

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 1. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Martins Creek Steam Electric Station P.O. Box 257 Martins Creek, PA 18063	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF. WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for NO_x emission reductions.

ISSUED THIS ___ DAY OF _____ 19___	SIGNED (Official of State Agency) _____
STATE CERTIFICATION NUMBER _____	TITLE _____

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Power & Light Company	ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179
2. EMPLOYER IDENTIFICATION NUMBER 23-0959590	

3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:	
NAME Eric R. Schoener	ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179
TITLE Senior Accountant	

4. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 1. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)
Martins Creek Steam Electric Station, P.O. Box 257, Martins Creek, PA 18063

6. EFFLUENT DISCHARGED TO

7. THE CONTROL FACILITY IDENTIFIED HEREIN DOES DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.

8. THE CONTROL FACILITY IDENTIFIED HEREIN IS IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (1) OF THE INCOME TAX REGULATIONS.

9. A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975
 B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.

10. A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.
 B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.

ISSUED S _____ DAY OF _____, 19 _____	SIGNATURE
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STATE CERTIFICATION NUMBER	TITLE
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ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 *et seq.*, SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

<p>APPLICANT Lynn I. Ratzell</p>	<p>DATE 5/24/96</p>
<p>SIGNATURE <i>Lynn I. Ratzell</i> Manager-Environmental Management</p>	<p>STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>
<p>NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.</p>	

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

<p>1. FULL BUSINESS NAME OF APPLICANT</p> <p>Pennsylvania Power & Light Company Two North Ninth Street Allentown, PA 18101-1179</p>	<p>2. TYPE OF OWNERSHIP</p> <p><input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> OTHER (Describe)</p> <p><input type="checkbox"/> PARTNERSHIP</p> <p><input checked="" type="checkbox"/> CORPORATION</p>	
<p>3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title)</p> <p>Thomas G. Keller, Project Engineer</p>		<p>TELEPHONE</p> <p>610-774-5029</p>
<p>ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-8 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title)</p> <p>Eric R. Schoener, Senior Accountant</p>		
<p>ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company TW-10 Two North Ninth Street Allentown, PA 18101-1179</p>		
<p>5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code)</p> <p>Martins Creek Steam Electric Station P. O. Box 257 Martins Creek, PA 18063</p>	<p>6. APPLICANT'S EMPLOYER IDENTIFICATION NO.</p> <p>23-0959590</p>	

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new low NO_x burners required by the Clean Air Act Amendments of 1990. These new burners replaced the existing pulverized coal burners on Unit 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. See Attachment A.

<p>2. IS FACILITY IN OPERATION?</p> <p><input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p>	<p>A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION</p> <p>July 17, 1994</p>	<p>B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION</p>	<p>3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION?</p> <p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p style="text-align: center;">Inapplicable</p>
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4. DOES THE FACILITY (installed after December 31, 1975 ONLY) AFFECT THE OPERATING UNIT (of the plant or other property in connection with which the facility is used) MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY? YES NO EXTEND THE USEFUL LIFE? YES NO

REDUCE THE TOTAL OPERATING COSTS? YES NO

a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED
 5% OR LESS

b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4(a).

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit 2 is a steam electric generating unit rated at 140 megawatts.

<p>2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER</p> <p>4911</p>									
<p>3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:70%;">PLANT OR PROPERTY</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>A. Unit 2 commenced commercial operation</td> <td>1956</td> </tr> <tr> <td>B.</td> <td></td> </tr> <tr> <td>C.</td> <td></td> </tr> </tbody> </table>		PLANT OR PROPERTY	DATE	A. Unit 2 commenced commercial operation	1956	B.		C.	
PLANT OR PROPERTY	DATE								
A. Unit 2 commenced commercial operation	1956								
B.									
C.									

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. Inapplicable

4B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).

Inapplicable

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling emissions of oxides of nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

OURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
b. Per Year: Min. _____ Max. _____ Avg. _____

Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min. _____ Max. _____ Avg. _____ b. Min. _____ Max. _____ Avg. _____	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____

3. POLLUTANTS OR WASTE PRODUCTS						
3.a	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.b	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.c	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.d	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.e	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.f	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.g	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.h	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.i	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9. Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
(1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
(2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 774 Avg. _____
b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)
a. Oxides of nitrogen
b. _____
c. _____
d. _____

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at <u>285</u> °F	Min. _____ Max. _____ Avg. _____ at <u>285</u> °F

4. CONCENTRATION (in volume % of gaseous components) lbs/10 ⁶ Btu	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	a. <u>NO_x</u> Min. _____ Max. _____ Avg. <u>0.91</u> at <u>285</u> °F	Min. _____ Max. _____ Avg. <u>0.50*</u> at <u>285</u> °F
	b. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F
	c. Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

5. CONCENTRATION (grains/cubic feet of particulate matter)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-2 above)	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. _____ Avg. _____ at _____ °F	Min. _____ Max. _____ Avg. _____ at _____ °F

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PA DER and U.S. EPA) Continuous Emission Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$
	B. OTHER	\$
	C. TOTAL	\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

ENVIRONMENTAL PROTECTION AGENCY NOTICE OF STATE CERTIFICATION (Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)	STATE _____ WATER OR AIR POLLUTION CONTROL AGENCY OR AUTHORITY _____
---	--

It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on July 17, 19 94

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT Pennsylvania Power & Light Company ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Eric R. Schoener TITLE Senior Accountant ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179
---	---

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NO_x burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. As described in Attachment A of application.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Martins Creek Steam Electric Station P.O. Box 257 Martins Creek, PA 18062	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for NO_x emission reductions.

ISSUED THIS ____ DAY OF _____ 19 ____	SIGNED (Official of State Agency) _____
STATE CERTIFICATION NUMBER _____	TITLE _____

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Power & Light Company		ADDRESS (Street, City, State, Zip Code) Two North Ninth Street Allentown, PA 18101-1179	
2. EMPLOYER IDENTIFICATION NUMBER 23-0959590			
3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:			
NAME Eric R. Schoener		ADDRESS (Street, City, State, Zip Code) Pennsylvania Power & Light Company, TW-10 Two North Ninth Street Allentown, PA 18101-1179	
TITLE Senior Accountant			
4. DESCRIPTION OF CONTROL FACILITY Certification is sought for new Low NO _x burners required by Clean Air Act Amendments of 1990. These burners replace existing pulverized coal burners on Unit No. 2. Electrostatic precipitator control systems were replaced and upgraded as part of this project. See Attachment A.			
5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Martins Creek Steam Electric Station, P.O. Box 257, Martins Creek, PA 18063			
6. EFFLUENT DISCHARGED TO			
7. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> DOES <input type="checkbox"/> DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.			
8. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.169-2 (2) (I) OF THE INCOME TAX REGULATIONS.			
9. <input type="checkbox"/> A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975 <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.			
10. <input type="checkbox"/> A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION. <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.			
ISSUED IS _____ DAY OF _____, 19 _____		SIGNATURE	
STATE CERTIFICATION NUMBER		TITLE	

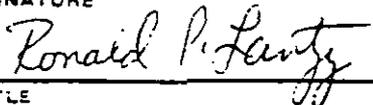
ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 et seq., SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

APPLICANT Pennsylvania Electric Company c/o Ronald P. Lantzy	DATE 09/07/95
SIGNATURE 	STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Electric Company (Operator for owners group)
TITLE Designated Representative Keystone Station	1001 Broad Street Johnstown, PA 15907

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

1. FULL BUSINESS NAME OF APPLICANT Pennsylvania Electric Company (Operator 1001 Broad Street Johnstown, PA 15907 for owners group)		2. TYPE OF OWNERSHIP <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> OTHER (Describe) See attached list of station owners	
3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title) Mr. T.E. McKenzie			TELEPHONE 814-533-8670
ADDRESS (Street, City, State, Zip Code) Pennsylvania Electric Company (Operator for owners group) 1001 Broad Street, Johnstown, PA 15907			
4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title) Ronald P. Lantzy			
ADDRESS (Street, City, State, Zip Code) Pennsylvania Electric Company (Operator for owners group) 1001 Broad Street, Johnstown, PA 15907			
5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code) Keystone Generating Station PO Box 181. Shelocta, PA 15774			6. APPLICANT'S EMPLOYER IDENTIFICATION NO. 25-0718085

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT, INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER, SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #2.

See Attachment A.

2. IS FACILITY IN OPERATION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	4. IF "YES" DATE FACILITY WAS PLACED IN OPERATION April 28, 1994	3. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION	3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
---	---	--	---

1. DOES THE FACILITY (installed after December 31, 1975) ONLY AFFECT THE OPERATING UNIT, OR THE DESIGN OF THE PROPERTY, OR OTHER PROPERTY WITH WHICH THE FACILITY IS USED, MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS?

INCREASE THE OUTPUT OR CAPACITY YES NO EXTEND THE USEFUL LIFE? YES NO
REDUCE THE TOTAL OPERATING COSTS? YES NO

2. IS THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED
 5% OR LESS

3. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 2.

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.

Unit #2 consists of an 850 megawatts (rated), 895 megawatts max net generation and 930 megawatts (gross generation) steam electric generating unit.

2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER
4911

3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.

PLANT OR PROPERTY	DATE
A. Unit #2 commenced commercial operation	July 23, 1968
B.	
C.	

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____ % **Inapplicable**

4B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A).

Inapplicable

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling the emissions of oxides of Nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

1. HOURS PLANT OR PROPERTY IS IN OPERATION
 a. Per Month: Min. _____ Max. _____ Avg. _____
 b. Per Year: Min. _____ Max. _____ Avg. _____
Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	3. Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
	Inapplicable					
	4. Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS						
3.a. Inapplicable	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.b.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.c.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.d.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.e.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.f.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.g.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.h.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.i.	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____

ORIGINAL

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

4A. IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY, AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____ % **Inapplicable**

4B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 4(A). **Inapplicable**

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling the emissions of oxides of Nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds/gallon, grams/liter, ppm, etc.).

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. _____ Avg. _____
b. Per Year: Min. _____ Max. _____ Avg. _____

Inapplicable

2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE, (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY		
	a. Min.	Max.	Avg.	Min.	Max.	Avg.
	Inapplicable			Min. _____	Max. _____	Avg. _____
	b. Min.	Max.	Avg.	Min. _____	Max. _____	Avg. _____

3. POLLUTANTS OR WASTE PRODUCTS

	Min. _____	Max. _____	Avg. _____	Min. _____	Max. _____	Avg. _____
3.a Inapplicable						
3.b						
3.c						
3.d						
3.e						
3.f						
3.g						
3.h						
3.i						
3.j						

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9. Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
 (1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
 (2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION. Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 720 Avg. _____
 b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)
 a. Oxides of Nitrogen (NOx)
 b. _____
 c. _____
 d. _____

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)

	WITHOUT POLLUTION CONTROL FACILITY	WITH POLLUTION CONTROL FACILITY
	Min. _____ Max. <u>3,316,300</u> Avg. _____ at <u>315</u> OF	Min. _____ Max. <u>3,316,300</u> Avg. _____ at <u>315</u> OF
a. NOx	Min. _____ Max. <u>0.73</u> Avg. _____ at <u>315</u> OF	Min. _____ Max. <u>0.45</u> Avg. _____ at <u>315</u> OF
b. _____	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
c. _____	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF
d. _____	Min. _____ Max. _____ Avg. _____ at _____ OF	Min. _____ Max. _____ Avg. _____ at _____ OF

4. CONCENTRATION (in volume % of gaseous components):
lbs/10⁶ Btu

5. CONCENTRATION (grains/cubic feet of all particulate matter):
 Min. _____ Max. _____ Avg. _____ at _____ OF

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-10(a)):
 Min. _____ Max. _____ Avg. _____ at _____ OF

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PaDER and U.S. EPA) Continuous Emissions Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY **Inapplicable**

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	Inapplicable	\$
	B. OTHER		\$
	C. TOTAL		\$
TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		Inapplicable	\$

ENVIRONMENTAL PROTECTION AGENCY NOTICE OF STATE CERTIFICATION (Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)	STATE Pennsylvania WATER OR AIR POLLUTION CONTROL AGENCY OR AUTHORITY PA Dept. of Env. Protection Bureau of Air Quality Control
<p>It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of <input type="checkbox"/> water pollution <input checked="" type="checkbox"/> air pollution, as required by section 169 of the Internal Revenue Code of 1954 as amended, and regulations issued thereunder. According to the applicant, this control facility <input checked="" type="checkbox"/> was placed <input type="checkbox"/> will be placed in operation on <u>April 28, 1994</u></p> <p>In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.</p>	
1. NAME OF APPLICANT Pennsylvania Electric Company (Operator for owners group)	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Ronald P. Lantzy
ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907	TITLE Designated Representative for Keystone Generating Station ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907
3. DESCRIPTION OF CONTROL FACILITY Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #2. As described in Attachment A of application.	
4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Keystone Generating Station PO Box 181 Shelocta, PA 15774	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF <input type="checkbox"/> WATER POLLUTION <input checked="" type="checkbox"/> AIR POLLUTION. Clean Air Act Amendments of 1990 for NOx emission reductions.	
ISSUED THIS ___ DAY OF _____ 19___	SIGNED (Official of State Agency)
STATE CERTIFICATION NUMBER	TITLE

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations, the control facility identified herein

Is certified

Will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified.

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Electric Company (Operator for owners group)	ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA
2. EMPLOYER IDENTIFICATION NUMBER 25-0718085	

3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:	
NAME Ronald P. Lantzy	ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907
TITLE Designated Representative for Keystone Generating Station	

4. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #2.

As described in Attachment A of application.

5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)
Keystone Generating Station, PO Box 181, Shelocta, PA 15774

6. EFFLUENT DISCHARGED TO

7. THE CONTROL FACILITY IDENTIFIED HEREIN DOES DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.

8. THE CONTROL FACILITY IDENTIFIED HEREIN IS IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.269-2 (2) (i) OF THE INCOME TAX REGULATIONS.

9. A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.
 B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.

10. A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.
 B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.

ISSUED THIS _____ DAY OF _____, 19____	SIGNATURE
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STATE CERTIFICATION NUMBER	TITLE
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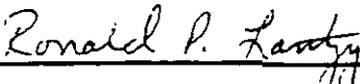
ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20). IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA, IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 et seq., SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

APPLICANT Pennsylvania Electric Company c/o Ronald P. Lantzy	DATE 09/12/95
SIGNATURE 	STREET ADDRESS, CITY, STATE, ZIP CODE Pennsylvania Electric Company (Operator for owners group)
TITLE Designated Representative Conemaugh Station	1001 Broad Street Johnstown, PA 15907

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

1. BUSINESS NAME OF APPLICANT Pennsylvania Electric Company (Operator for owners group) 1001 Broad Street Johnstown, PA 15907		2. TYPE OF OWNERSHIP <input type="checkbox"/> INDIVIDUAL <input checked="" type="checkbox"/> OTHER (Describe) <input type="checkbox"/> PARTNERSHIP See attached list <input type="checkbox"/> CORPORATION of station owners	
3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title) Mr. T.E. McKenzie		TELEPHONE 814-533-8670	
ADDRESS (Street, City, State, Zip Code) Pennsylvania Electric Company (Operator for owners group) 1001 Broad Street, Johnstown, PA 15907			
4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title) Ronald P. Lantzzy			
ADDRESS (Street, City, State, Zip Code) Pennsylvania Electric Company (Operator for owners group) 1001 Broad Street, Johnstown, PA 15907			
5. BUSINESS NAME OF PLANT (If different from Item 1) (Street, City, State, Zip Code) Conemaugh Generating Station Rt. 32008 PO Box K, New Florence, PA 15944		6. APPLICANT'S EMPLOYER IDENTIFICATION NO. 25-0718085	

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER, AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY.

Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #1.

See Attachment A.

2. IS FACILITY IN OPERATION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION December 8, 1994	B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION	C. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
3. DOES THE FACILITY INSTALLED AFTER DECEMBER 31, 1975 ONLY AFFECT THE OPERATING UNIT OF THE PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH THE FACILITY IS USED, MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS? INCREASE THE OUTPUT OR CAPACITY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO EXTEND THE USEFUL LIFE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO REDUCE THE TOTAL OPERATING COSTS? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED <input type="checkbox"/> 5% OR <input type="checkbox"/> LESS			
b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 3a.			

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED.
Unit #1 consists of an 850 megawatts (rated), 895 megawatts max net generation and 930 megawatts (gross generation) steam electric generating unit.

2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER
4911

3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.	
PLANT OR PROPERTY	DATE
A. Unit #1 commenced commercial operation	May 21, 1970
B.	
C.	

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

IF FACILITY IS OR WILL BE USED IN CONNECTION WITH MORE THAN ONE PLANT OR PROPERTY AND IF ONE OR MORE OF THE PLANTS OR PROPERTIES IN CONNECTION WITH WHICH THE FACILITY IS OR WILL BE USED WAS NOT IN OPERATION PRIOR TO JANUARY 1, 1976, STATE THE PERCENTAGE OF THE COST OF FACILITY WHICH IS ALLOCABLE TO THE PLANT(S) OR PROPERTY(IES) IN OPERATION PRIOR TO THAT DATE. _____ % **Inapplicable**

48. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 41A). **Inapplicable**

5A. IF FACILITY PERFORMS A FUNCTION OR FUNCTIONS IN ADDITION TO THE ABATEMENT OF POLLUTION, STATE THE PERCENTAGE OF THE COST OF FACILITY ALLOCABLE TO THE ABATEMENT OF POLLUTION. 100 %

5B. DESCRIBE THE REASONING AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE GIVEN IN RESPONSE TO ITEM 5(A).

Although the burners also provide heat to generate steam, their installation was required for the sole purpose of controlling the emissions of oxides of Nitrogen.

SECTION D - WASTEWATER CHARACTERISTICS (To be completed only in connection with facilities for the control of water pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF THE WASTE OR WASTEWATER STREAM OR DISCHARGE. REPORT EITHER ON ACTUAL BASIS OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS (Use Standard Units - pounds, gallon, feet, etc. per day).

1. HOURS PLANT OR PROPERTY IS IN OPERATION	a. Per Month: Min. _____ Max. _____ Avg. _____			c. Per Year: Min. _____ Max. _____ Avg. _____			
	Inapplicable						
2. WASTEWATER DISCHARGE IN (A) GALLONS PER MINUTE (B) MILLIONS OF GALLONS	WITHOUT POLLUTION CONTROL FACILITY			WITH POLLUTION CONTROL FACILITY			
	1. Min. _____ Max. _____ Avg. _____	Inapplicable			Min. _____ Max. _____ Avg. _____		
	2. Min. _____ Max. _____ Avg. _____				Min. _____ Max. _____ Avg. _____		
3. POLLUTANTS OR WASTE PRODUCTS							
3.a	Inapplicable	Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.b		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.c		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.d		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.e		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.f		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.g		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.h		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.i		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				
3.j		Min. _____ Max. _____ Avg. _____	Min. _____ Max. _____ Avg. _____				

DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO
Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.
Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9. Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION. Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS. Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED, IF FEASIBLE. ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 720 Avg. _____
b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)
a. Oxides of Nitrogen (NOx)
b. _____
c. _____
d. _____

	WITHOUT POLLUTION CONTROL FACILITY				WITH POLLUTION CONTROL FACILITY			
	Min.	Max.	Avg.	at _____ OF	Min.	Max.	Avg.	at _____ OF
3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	3,316,000				3,316,000			
4. CONCENTRATION (in volume % of gaseous components) lbs/10 ⁶ Btu	NOx a. Min. _____ Max. <u>0.67</u> Avg. _____ at <u>315</u> OF				Min. _____ Max. <u>0.45</u> Avg. _____ at <u>315</u> OF			
	b. Min. _____ Max. _____ Avg. _____ at _____ OF				Min. _____ Max. _____ Avg. _____ at _____ OF			
	c. Min. _____ Max. _____ Avg. _____ at _____ OF				Min. _____ Max. _____ Avg. _____ at _____ OF			
	d. Min. _____ Max. _____ Avg. _____ at _____ OF				Min. _____ Max. _____ Avg. _____ at _____ OF			

5. CONCENTRATION (grains/cubic feet of air particulate) Min. _____ Max. _____ Avg. _____ at _____ OF

6. CONCENTRATION (grains/cubic feet of any specific particulate listed in E-1) Min. _____ Max. _____ Avg. _____ at _____ OF

*Annual Average Basis consistent with CAA '90 Title IV

ORIGINAL

DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PaDER and U.S. EPA) Continuous Emissions Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Title 25 Pennsylvania Code Chapters 121 and 129, Reasonably Available Control Technology requirements for Major Stationary Sources of Volatile Organic Compounds and Oxides of Nitrogen.

SECTION F. COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY Inapplicable

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	<u>Inapplicable</u>	\$
	B. OTHER		\$
	C. TOTAL		\$
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		<u>Inapplicable</u>	\$

ENVIRONMENTAL PROTECTION AGENCY

STATE

Pennsylvania

NOTICE OF STATE CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

WATER OR AIR POLLUTION CONTROL AGENCY OF AUTHORITY PA DEPT. OF ENV. PROTECTION Bureau of Air Quality Control

It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on December 8, 1994.

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT Pennsylvania Electric Company (Operator for owners group)	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Ronald P. Lantzy
ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907	TITLE Designated Representative for Conemaugh Generating Station ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #1.

As described in Attachment A of application.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Conemaugh Generating Station Rt. 32008, PO Box N New Florence, PA 15944	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for NOx emission reductions.

ISSUED THIS ___ DAY OF _____ 19__	SIGNED (Official of State Agency)
STATE CERTIFICATION NUMBER	TITLE

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations, the control facility identified herein

is certified

will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of. water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT Pennsylvania Electric Company (Operator for owners group)		ADDRESS (Street, City, State, Zip Code)
2. EMPLOYER IDENTIFICATION NUMBER 25-0718085		1001 Broad Street Johnstown, PA 15907
3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:		
NAME	ADDRESS (Street, City, State, Zip Code)	
Ronald P. Lantzy	1001 Broad Street Johnstown, PA 15907	
TITLE	Designated Representative for Conemaugh Generating Station	
4. DESCRIPTION OF CONTROL FACILITY		
<p>Certification is sought for new Low NOx burners required by Clean Air Act Amendments of 1990. These new burners replace existing pulverized coal burners on Unit #1.</p> <p>As described in Attachment A of application.</p>		
5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code)		
Conemaugh Generating Station, Rt. 32008, PO Box K, New Florence, PA 15944		
6. EFFLUENT DISCHARGED TO		
7. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> DOES <input type="checkbox"/> DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.		
8. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> IS <input type="checkbox"/> IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.139-2 (2) (i) OF THE INCOME TAX REGULATIONS.		
9.		
<input type="checkbox"/> A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975		
<input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.		
10.		
<input type="checkbox"/> A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION.		
<input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.		
ISSUED	SIGNATURE	
THIS _____ DAY OF _____, 19 _____		
STATE CERTIFICATION NUMBER	TITLE	

1

Conemaugh Station Owners

<u>Owners</u>	<u>% Ownership</u>
Atlantic Electric Company	3.83%
Baltimore Gas and Electric Company	10.56%
Delmarva Power & Light Company	3.72%
Metropolitan Edison Company	16.45%
PECO Energy Company	20.72%
Pennsylvania Power and Light Company	11.39%
Public Service Electric & Gas Company	22.50%
Potomac Electric Power Company	9.72%
UGI Utilities, Inc.	1.11%

Station is operated by Pennsylvania Electric Company as Agent for the collective owners

ENVIRONMENTAL PROTECTION AGENCY

APPLICATION FOR CERTIFICATION OF POLLUTION CONTROL FACILITY
(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended)

NO CERTIFICATION MAY BE MADE UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED (26 U.S.C. §169; 40 C.F.R. PART 20) IF NO CLAIM OF BUSINESS CONFIDENTIALITY ACCOMPANIES THIS INFORMATION WHEN IT IS RECEIVED BY EPA. IT MAY BE MADE AVAILABLE TO THE PUBLIC BY EPA WITHOUT FURTHER NOTICE. INFORMATION COVERED BY A CLAIM OF CONFIDENTIALITY WILL BE DISCLOSED BY EPA ONLY TO THE EXTENT, AND BY MEANS OF THE PROCEDURES, SET FORTH IN TITLE 40, CODE OF FEDERAL REGULATIONS, PART 2, 41 C.F.R. 26902 et seq., SEPTEMBER 1, 1976.

A BUSINESS CONFIDENTIALITY CLAIM COVERING ALL OR PART OF THE INFORMATION FURNISHED IN OR WITH THIS APPLICATION MAY BE ASSERTED BY PLACING ON (OR ATTACHING TO) THE INFORMATION AT THE TIME IT IS SUBMITTED TO EPA, A COVER SHEET STAMPED OR TYPED LEGEND, OR OTHER SUITABLE FORM OF NOTICE EMPLOYING LANGUAGE SUCH AS "TRADE SECRET," "PROPRIETARY," OR "COMPANY CONFIDENTIAL." ALLEGEDLY CONFIDENTIAL PORTIONS OF OTHERWISE NON-CONFIDENTIAL DOCUMENTS SHOULD BE CLEARLY IDENTIFIED, AND MAY BE SUBMITTED SEPARATELY TO FACILITATE IDENTIFICATION AND HANDLING BY EPA. IF THE APPLICANT DESIRES CONFIDENTIAL TREATMENT ONLY UNTIL A CERTAIN DATE OR UNTIL THE OCCURRENCE OF A CERTAIN EVENT, THE NOTICE SHOULD SO STATE.

Application is hereby made for certification of the pollution control facility described herein. The following information is submitted in accordance with provisions of Part 20 of Title 40 of the Code of Federal Regulations and to the best of my knowledge and belief is true and correct.

APPLICANT GPU Generation Corporation c/o Ronald P. Lantzy	DATE 8/19/96
SIGNATURE <i>Ronald P. Lantzy</i>	STREET ADDRESS, CITY, STATE, ZIP CODE GPU Generation Corporation (Operator for Owners Group)
TITLE Designated Representative Conemaugh Station	1001 Broad Street Johnstown, PA 15907

NOTE: READ ACCOMPANYING INSTRUCTIONS CAREFULLY PRIOR TO COMPLETING FORM.

SECTION A - IDENTITY AND LOCATION OF CONTROL FACILITY

1. FULL BUSINESS NAME OF APPLICANT GPU Generation Corporation (Operator for Owners Group) 1001 Broad Street Johnstown, PA 15907		2. TYPE OF OWNERSHIP <input type="checkbox"/> INDIVIDUAL <input checked="" type="checkbox"/> OTHER (Describe) <input type="checkbox"/> PARTNERSHIP see attached list of <input type="checkbox"/> CORPORATION station owners	
3. PERSON TO CONTACT REGARDING THIS APPLICATION (Name and Title) Mr. T. E. McKenzie			TELEPHONE 814-533-8670
ADDRESS (Street, City, State, Zip Code) 1001 Broad Street, Johnstown, PA 15907			
4. PERSON AUTHORIZED TO RECEIVE CERTIFICATION (Name and Title) Ronald P. Lantzy, Designated Representative, Conemaugh Station			
ADDRESS (Street, City, State, Zip Code) 1001 Broad Street, Johnstown, PA 15907			
5. BUSINESS NAME OF PLANT (If different from item 1) (Street, City, State, Zip Code) Conemaugh Generating Station P. O. Box K New Florence, PA 15944			6. APPLICANT'S EMPLOYER IDENTIFICATION NO. 25-1753949

SECTION B - DESCRIPTION OF CONTROL FACILITY

1. DESCRIBE THE FACILITY FOR WHICH CERTIFICATION IS SOUGHT. INCLUDE TYPE OF EQUIPMENT, MANUFACTURER AND MODEL NUMBER. SUBMIT DESIGN CRITERIA, ENGINEERING REPORT AND/OR PERFORMANCE SPECIFICATIONS WHICH DESCRIBE FUNCTION AND OPERATION OF FACILITY:

Certification is sought for the new Flue Gas Desulfurization System installed on Units 1 and 2 of Conemaugh Generating Station. This system was installed in response to sulfur dioxide emission reductions as required by the Clean Air Act Amendments of 1990.

Attachment A provides the detailed technical and equipment specification for the system as designed and constructed by ABB Environmental Systems, Inc.

2. IS FACILITY IN OPERATION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	A. IF "YES" DATE FACILITY WAS PLACED IN OPERATION: Unit 1 - Dec. 18, 1994 Unit 2 - Nov. 21, 1995	B. IF "NO" DATE FACILITY IS EXPECTED TO BE PLACED IN OPERATION: Inapplicable	3. IF FACILITY CONSISTS OF A BUILDING, IS IT EXCLUSIVELY FOR CONTROL OF POLLUTION? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
4. DOES THE FACILITY (installed after December 31, 1973 ONLY) AFFECT THE OPERATING UNIT (or the plant or other property in connection with which the facility is used, MOST DIRECTLY ASSOCIATED WITH THE FACILITY IN ANY OF THE FOLLOWING WAYS? INCREASE THE OUTPUT OR CAPACITY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO EXTEND THE USEFUL LIFE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO REDUCE THE TOTAL OPERATING COSTS? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
a. IF THE ANSWER TO ANY OF THE ABOVE IS "YES" IS THE PERCENTAGE BY WHICH THE OPERATING UNIT WAS EFFECTED <input type="checkbox"/> 5% OR <input type="checkbox"/> LESS			
b. IF NONE OF THE FOREGOING INCREASES, EXTENSIONS, OR REDUCTIONS EXCEEDING 5% STATE THE RATIONALE AND FURNISH THE DATA USED TO ARRIVE AT THE PERCENTAGE(S) GIVEN IN RESPONSE TO ITEM 4a.			

SECTION C - DESCRIPTION OF COMMERCIAL PROCESS OR ACTIVITY

1. DESCRIBE PROCESS OR ACTIVITY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED
 Conemaugh Generating Station consists of two identical steam electric generating units (Units 1 & 2). Each unit is rated at 850 MW, and is capable of 895 MW max net and 930 MW gross generation.

2. STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE NUMBER
 4911

3. DATE THAT EACH PLANT OR OTHER PROPERTY IN CONNECTION WITH WHICH FACILITY IS OR WILL BE USED, COMMENCE OPERATION.	
PLANT OR PROPERTY	DATE
A. Unit 1 commenced commercial operation	May 21, 1970
B. Unit 2 commenced commercial operation	May 27, 1971
C.	

4. DESCRIBE METHOD (GRAB OR COMPOSITE) AND FREQUENCY OF SAMPLING AND METHODS USED TO DETERMINE QUANTITIES OF POLLUTANTS.

Inapplicable

5. IS FACILITY A PRETREATMENT FACILITY TO PREPARE WASTEWATER FOR RECEIPT BY ANOTHER FACILITY, PUBLIC OR PRIVATE, FOR FURTHER TREATMENT? IF "YES", SKIP ITEMS 6, 7 AND 8 AND IDENTIFY RECEIVING FACILITY. YES NO

Inapplicable

6. IDENTIFY THE BODY OR STREAM OF WATER INTO WHICH WASTEWATER FROM THE PLANT OR PROPERTY, IN CONNECTION WITH WHICH THE FACILITY IS USED, IS OR WILL BE DISCHARGED. Inapplicable

7. DESCRIBE LOCATION OF DISCHARGE OR OUTFALL WITH RESPECT TO RECEIVING WATERS.

Inapplicable

8. IS THE RECEIVING BODY OR STREAM OF WATER A NAVIGABLE WATERWAY OF THE UNITED STATES OR A TRIBUTARY THEREOF? YES NO IF "NO," PROCEED TO ITEM 9. Inapplicable

A. IF "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN APPLIED FOR? YES NO IF "NO," EXPLAIN, THEN PROCEED TO ITEM 9.

Inapplicable

B. IF ANSWER TO ITEM 8A IS "YES" HAS A U.S. ARMY CORPS OF ENGINEERS DISCHARGE PERMIT BEEN ISSUED? YES NO
 (1) IF "YES," ATTACH COPY OR PROVIDE PERMIT NUMBER _____ OMIT ITEM 9.
 (2) IF "NO," EXPLAIN, GIVING DATES OF ANY OFFICIAL ACTION WITH RESPECT TO APPLICATION.

Inapplicable

9. IF ITEM 8B HAS NOT BEEN ANSWERED "YES," IDENTIFY APPLICABLE STATE AND LOCAL WATER POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

Inapplicable

SECTION E - EMISSION CHARACTERISTICS (To be completed only in connection with facilities for the control of air pollution)

DESCRIBE THE EFFECT OF POLLUTION CONTROL FACILITY IN TERMS OF QUANTITY AND QUALITY OF EMISSION AND OF EMISSION AND OF WASTES OR BY-PRODUCTS REMOVED, ALTERED, DISPOSED OF, OR PREVENTED. IF FEASIBLE, ATTACH PROCESS FLOW OR SCHEMATIC DIAGRAM WITH MATERIAL BALANCES OF POLLUTANTS IN THE EMISSION STREAM. REPORT EITHER ON ACTUAL BASIS, OR, IF FACILITY IS NOT YET IN OPERATION, ON DESIGN BASIS.

1. HOURS PLANT OR PROPERTY IS IN OPERATION: a. Per Month: Min. _____ Max. 720 Avg. _____
 b. Per Year: Min. _____ Max. 8760 Avg. _____

2. POLLUTANTS TO BE CONTROLLED (Specify each)
 a. Sulfur dioxide
 b. _____
 c. _____
 d. _____

3. VOLUMETRIC FLOW RATE OF EMISSION (actual cubic feet/minute)	WITHOUT POLLUTION CONTROL FACILITY				WITH POLLUTION CONTROL FACILITY			
	Min.	Max.	Avg.	at _____ OF	Min.	Max.	Avg.	at _____ OF
		<u>3,316,000</u>		<u>315</u>		<u>2,700,000</u>		<u>125</u>
4. CONCENTRATION (in volume % of gaseous components) (lbs/MBtu)	a.	Min. _____	Max. _____	Avg. <u>3.5</u> at <u>315</u> OF	Min. _____	Max. _____	Avg. <u>0.15</u> at <u>125</u> OF	
	b.	Min. _____	Max. _____	Avg. _____ at _____ OF	Min. _____	Max. _____	Avg. _____ at _____ OF	
	c.	Min. _____	Max. _____	Avg. _____ at _____ OF	Min. _____	Max. _____	Avg. _____ at _____ OF	
	d.	Min. _____	Max. _____	Avg. _____ at _____ OF	Min. _____	Max. _____	Avg. _____ at _____ OF	
5. CONCENTRATION (grams/cubic feet of all particulate matter)	Min. _____	Max. _____	Avg. _____ at _____ OF	Min. _____	Max. _____	Avg. _____ at _____ OF		
6. CONCENTRATION (grams/cubic feet of any specific particulate listed in E-2, Part I)	Min. _____	Max. _____	Avg. _____ at _____ OF	Min. _____	Max. _____	Avg. _____ at _____ OF		

7. DESCRIBE METHOD OF DETERMINING RATES, CONCENTRATION AND CHARACTERISTICS OF EMISSIONS.

Rates are determined using certified (PaDEP and U.S. EPA) Continuous Emissions Monitoring Systems.

8. IDENTIFY APPLICABLE STATE AND LOCAL AIR POLLUTION CONTROL REQUIREMENTS AND STANDARDS.

The applicable SO2 emissions reduction requirements are federal requirements established in Title IV of the Clean Air Act Amendments of 1990 (Section 404(d) Phase I extension units), but are set out in a state-issued preconstruction approval nos. 32-306-010 and 32-306-010A.

SECTION F - COST INFORMATION (See Note to instructions for this section)

1. IS THERE ANY BY-PRODUCT OR MATERIAL WHICH, WITHOUT THE CONTROL FACILITY, WOULD BE LOST AND WHICH IS RECOVERED THROUGH THE USE OF THE FACILITY? YES NO

A. IF YES, IDENTIFY Gypsum (calcium sulfate, dihydrate)

B. INDICATE THE DISPOSITION OF EACH TYPE OF RECOVERED MATERIAL, INCLUDING IF APPLICABLE, THE SALE OR SIMILAR DISPOSITION OF RECLAIMED OR RECOVERED MATERIAL TO INDUSTRIAL WASTE RECOVERY FIRMS OR OTHERS.

Currently all by-product is being land filled at the facility's ash disposal area.

2. ANNUAL COST RECOVERY	A. MATERIAL RECOVERED AND SOLD	\$ -0-
	B. OTHER	\$ -0-
	C. TOTAL	\$ -0-
3. TOTAL AVERAGE ANNUAL MAINTENANCE AND OPERATING COSTS (Not applicable if no cost recovery is reported in Item 2)		\$

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF FEDERAL CERTIFICATION

(Pursuant to Section 169 of the Internal Revenue Code of 1954, as amended.)

PLEASE TAKE NOTICE that pursuant to section 169 of the Internal Revenue Code of 1954, as amended, and Part 20 of Title 40 of the Code of Federal Regulations, the control facility identified herein

is certified.

will, if constructed, reconstructed, acquired, erected, installed and operated in accordance with the accompanying application, be certified.

as being in compliance with the applicable regulations of Federal agencies and the general policies of the United States for cooperation with the States in the prevention and abatement of water pollution air pollution under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.) or the Clean Air Act, as amended (42 U.S.C. 1857 et seq.). This certification is based on facts furnished by the applicant, and is valid for purposes of section 169 only to the extent that such facts are complete and accurate.

1. NAME OF APPLICANT <u>GPU Generation Corporation</u> (Operator for owner's group)		ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907
2. EMPLOYER IDENTIFICATION NUMBER 25-1753949		
3. PERSON AUTHORIZED TO RECEIVE CERTIFICATION:		
NAME Ronald P. Lantzy		ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907
TITLE Designated Representative for Conemaugh Generating Station		
4. DESCRIPTION OF CONTROL FACILITY Certification is sought for the new Flue Gas Desulfurization System installed on Units 1 and 2 of Conemaugh Generating Station. This system was installed in response to sulfur dioxide emission reductions as required by the Clean Air Act Amendments of 1990. Attachment A provides the detailed technical and equipment specification.		
5. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Conemaugh Generating Station, P. O. Box K, New Florence, PA 15944		
6. EFFLUENT DISCHARGED TO Ambient Air		
7. THE CONTROL FACILITY IDENTIFIED HEREIN <input type="checkbox"/> DOES <input checked="" type="checkbox"/> DOES NOT GENERATE PROFITS THROUGH THE RECOVERY AND SALES OF WASTES, OR OTHERWISE.		
8. THE CONTROL FACILITY IDENTIFIED HEREIN <input checked="" type="checkbox"/> IS <input type="checkbox"/> IS NOT A BUILDING THE ONLY FUNCTION OF WHICH IS THE ABATEMENT OR CONTROL OF POLLUTION, AS DETERMINED IN ACCORDANCE WITH SECTION 1.159-2 (2) (i) OF THE INCOME TAX REGULATIONS.		
9. <input checked="" type="checkbox"/> A. THE CONTROL FACILITY IDENTIFIED HEREIN IS USED ONLY IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975. <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE FACILITY IS ALLOCABLE TO ITS USE IN CONNECTION WITH PLANTS OR PROPERTIES THAT WERE IN SERVICE ON OR BEFORE DECEMBER 31, 1975.		
10. <input checked="" type="checkbox"/> A. THE CONTROL FACILITY PERFORMS NO FUNCTION IN ADDITION TO THE ABATEMENT OR CONTROL OF POLLUTION. <input type="checkbox"/> B. _____% OF THE AMORTIZABLE BASIS OF THE CONTROL FACILITY IS ALLOCABLE TO THE ABATEMENT OR CONTROL OF POLLUTION.		
ISSUED THIS _____ DAY OF _____, 19 _____		SIGNATURE
STATE CERTIFICATION NUMBER		TITLE

ENVIRONMENTAL PROTECTION AGENCY

STATE

NOTICE OF STATE CERTIFICATION
(Pursuant to Section 169 of the Internal Revenue
Code of 1954, as amended)

Pennsylvania

WATER OR AIR POLLUTION CONTROL AGENCY OR
AUTHORITY Pa. Dept. of Environmental Protec
Bureau of Air Quality Control

It is hereby certified that the control facility described in the attached application is in conformity with State and local programs and requirements for the control of water pollution air pollution, as required by section 169 of the Internal Revenue Code of 1954, as amended, and regulations issued thereunder. According to the applicant, this control facility was placed will be placed in operation on December 18, 1994 (Unit 1) and November 16, 1995 (Unit 2)

In the case of control facility not yet in operation, this notice is certification only that the control facility, if constructed and operated in accordance with the application, will be in conformity with State and local programs or requirements for abatement or control of water or air pollution.

1. NAME OF APPLICANT GPU Generation Corporation (Operator for Owner's Group)	2. PERSON AUTHORIZED TO RECEIVE CERTIFICATION Ronald P. Lantzy
ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907	TITLE Designated Representative for Conemaugh Generating Station ADDRESS (Street, City, State, Zip Code) 1001 Broad Street Johnstown, PA 15907

3. DESCRIPTION OF CONTROL FACILITY

Certification is sought for the new Flue Gas Desulfurization System installed on Units 1 and 2 of Conemaugh Generating Station. This system was installed in response to sulfur dioxide emission reductions as required by the Clean Air Act Amendments of 1990.

Attachment A provides the detailed technical and equipment specification.

4. LOCATION OF CONTROL FACILITY (Street, City, State, Zip Code) Conemaugh Generating Station P. O. Box K New Florence, PA 15944	5. RECEIVING BODY OR STREAM OF WATER, IF ANY Inapplicable
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6. USE OF THE CONTROL FACILITY CERTIFIED HEREBY IS IN CONFORMITY WITH THE FOLLOWING APPLICABLE STATE PLAN OR REQUIREMENTS FOR THE CONTROL OF WATER POLLUTION AIR POLLUTION.

Clean Air Act Amendments of 1990 for sulfur dioxide emission reductions.

ISSUED THIS ___ DAY OF _____ 19__	SIGNED (Official of State Agency)
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STATE CERTIFICATION NUMBER	TITLE
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POOR ORIGINAL

PPL RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

STATEMENT OF GROSS INCOME AND DEDUCTIONS

LINE NO.	GROSS INCOME	SCH. NO.	COMBINED	ELIMINATIONS	PPL RESOURCES, INC.	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP, INC.	PENNA. COAL RESOURCES CORP.	PENNSYLVANIA MINES CORPORATION	AUDITION MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	BDR CORP.	POWER MARKETS DEVELOPMENT COMPANY	SPECTRUM ENERGY SERVICES CORPORATION	EMDC LATIN AMERICA, INC.	LADY JANE COLLIERIES, INC.
1c	Gross receipts		\$2,801,278,511	\$0	\$0	\$1,795,999,574	\$1,715,649	\$0	\$0	\$0	\$0	\$0	\$0	\$2,487,107	\$0	\$0	\$120,970		\$1,355,411
2	Less - Cost of goods sold	A	642,793																642,793
3	Gross profit		2,800,435,713		0	2,795,999,574	1,715,649	0	0	0	0	0	0	2,487,107	0	0	120,970	0	712,613
4	Dividends	C	7,371,721	(131,879,063)	131,879,063	2,190,471		4,799,970	12,196									370,024	
5	Interest		10,104,453			5,909,282		1,632,840	18,971	352,122	351,830	132	51,757	1,510,830	10,487				
6	Gross rental		246,841			45,944	94,939		1,200					14,904					
7	Gross royalties		2,729						2,729										
8	Net capital gains	D	7,341,512					8,309,848	445,068							16,996			
9	Ordinary gain or (loss)	D	32,921,830			(3,087,013)	(1,210)	0	104,392	45,947	31,410,000	1,779,476							
10	Other income	B	2,612,183			557,816	1,605,412	229	5,593	758					122,909				2,284
11	Total income		2,881,150,998	(131,879,063)	131,879,063	2,801,125,175	3,214,950	13,261,297	0	599,409	399,839	51,864,516	1,379,476	2,521,335	184,666	1,397,926	121,457	370,024	912,210
DEDUCTIONS																			
12	Compensation of officers	E	5,246,065			2,106,507				129,538									
12c	Salaries and wages		2,152,652				2,037,821			154,704						941,073			
13	Report		194,563,593			197,169,135	1,262,433			11,536				9,351					111,217
14	Bad debts	F	18,966,346			18,966,346													
15	Rents		8,303,048			7,940,191	599			21,466									7,207
16	Taxes	O	179,916,202			271,321,189	296,283	406,169	3,312	47,386	(27)	5,982,148	372,065	131,160	131,004	38,540	3,864	444	47,328
17	Interest		224,256,910			314,396,736	688,299	6,303,757		250,834		1,039,818	901,908	938,720	37,038				
18	Contributions	H	5,115,704			4,214,648				904,003									50
19	Depreciation	G	217,620,897			125,835,279	119,705	1,342		67,410	4,081			1,166,723					273,224
20	Depletion	Q	409							409									
21	Advertising		381,278			581,228													
22	Pension plans		19,676							4,028									15,645
23	Employee benefit programs		17,232,223			16,977,400	144,494			13,096									45,033
24	Other deductions	R	1,204,877,244			1,339,884,283	2,377,403	2,140,260	5,839,520	657,043	(3,441,162)	(4,789)	536,274	16,604	1,700,921	55,714			733,023
25	Total deductions		2,201,818,190	0	0	2,563,374,992	4,910,710	9,351,629	3,742	6,107,997	461,109	2,283,104	969,684	2,207,426	184,666	2,743,826	259,285	444	1,528,938
26	Taxable income (less before special deductions)		579,292,808	(131,879,063)	131,879,063	319,230,211	(3,564,120)	3,909,668	(3,242)	(1,107,595)	(262,230)	46,282,712	3,109,792	1,231,021	0	(4,148,000)	(95,515)	349,440	(412,744)
26a	Less - Net operating loss		0																
26b	Less - Special deductions	C	4,049,493	(131,879,063)	131,879,063	2,606,038		1,434,900	8,527										
27	Taxable income		557,343,213	0	0	557,744,223	(3,566,170)	52,374,768	(33,242)	(55,216,132)	(267,210)	546,282,712	51,309,792	(523,102)	0	(54,148,000)	598,128	519,640	(412,744)

Gross Income & Deductions

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

COST OF GOODS SOLD

	COMBINED	LADY JANE COLLIERIES INC.
Change in coal inventory	\$0	\$0
Wages	360,050	360,050
Freight	2,652	2,652
Power	191,680	191,680
Supplies	10,964	10,964
Water & sewage treatment	39,780	39,780
Federal health & safety	1,462	1,462
Ventilation, drainage	7,059	7,059
Miscellaneous	29,151	29,151
	<hr/>	<hr/>
Total	\$642,798	\$642,798
	<hr/>	<hr/>

Schedule A

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

OTHER INCOME

	<u>COMBINED</u>	<u>PENNSYLVANIA POWER & LIGHT COMPANY</u>	<u>INTERSTATE ENERGY COMPANY</u>	<u>CEP GROUP INC.</u>	<u>PENNSYLVANIA MINES CORPORATION</u>	<u>RUSHTON MINING COMPANY</u>	<u>BDW CORP.</u>	<u>LADY JANE COLLIERIES INC.</u>
Amortization of premium on long-term debt	\$32,114	\$32,114	\$0	\$0	\$0	\$0	\$0	\$0
Recoveries through accounts rec., etc.								
Pension costs	137,895	137,895						
Taxes	330,536	330,536						
Services rendered	1,603,412		1,603,412					
Commission, scrap sales, etc.	279,885	271,298			5,553	750		2,284
Taxes billed to others	132,909						132,909	
Deferred gain - intercompany trans.	95,412	95,173		239				
Total	\$2,612,163	\$867,016	\$1,603,412	\$239	\$5,553	\$750	\$132,909	\$2,284

Schedule B

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

To be filed with Forms 1120, 1120-A, 1120-IG-DISC, 1120-F,
1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL,
1120-REIT, 1120-RIC, 1120-SF, 990-C, and certain Forms 990-T

OMB No. 1545-0123

1995

Name **PP&L Resources, Inc.
and Subsidiary Companies**

Employer identification number
23-2758192

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Kind of property and description (Example, 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (d) less (e)
1 See Page 2 attached and supporting detail					1,895,50
2 Short-term capital gain from installment sales from Form 6252, line 26 or 37					2
3 Short-term gain or (loss) from like-kind exchanges from Form 8824					3
4 Unused capital loss carryover (attach computation)					4
5 Net short-term capital gain or (loss). Combine lines 1 through 4					5 1,895,50

Part II Long-Term Capital Gains and Losses - Assets Held More Than 1 Year

6 See Page 2 attached and supporting detail					5,445,90
7 Enter gain from Form 4797, line 8 or 10					7
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37					8
9 Long-term gain or (loss) from like-kind exchanges from Form 8824					9
10 Net long-term capital gain or (loss). Combine lines 6 through 9					10 5,445,90

Part III Summary of Parts I and II

11 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 10)	11	1,895,50
12 Net capital gain. Enter excess of net long-term capital gain (line 10) over net short-term capital loss (line 5)	12	5,445,90
13 Add lines 11 and 12. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	13	7,341,50

Note: If losses exceed gains, see instructions on capital losses for explanation of capital loss carrybacks.

H761 For Paperwork Reduction Act Notice, see page 1 of the instructions for Forms 1120 and 1120-A.

Schedule D (Form 1120)

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

CONSOLIDATED NET GAINS (LOSSES)

	Short Term Capital Gains (Losses)	Long Term Capital Gains (Losses)	Section 1231 Gains (Losses)	Ordinary Inc. (Losses)
Pennsylvania Power & Light Co.	\$0	\$0	(\$2,960,534) ~	(\$126
Interstate Energy Company			(1,210) ~	
CEP Group, Inc.	1,712,288 ~	5,097,160 ~		
Pennsylvania Mines Corporation	102,211 ~	342,857 ~	89,100 ~	15
Rushton Mining Company			45,987 ~	
Greene Hill Coal Company				51,480
Greene Manor Coal Company			4,279,476 ~	
Power Markets Development Company	81,036 ~	5,960 ~		
Consolidated total	1,895,535	5,445,977	1,452,819	51,369
Transfer			(1,452,819)	1,452
Totals	<u>\$1,895,535</u>	<u>\$5,445,977</u>	<u>\$0</u>	<u>\$52,821</u>

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Pennsylvania Power & Light Company

23-0959590

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((c) plus (e) minus (f))
2 Disposition of Assets							
	VARIES	070195	966160.	124375789.	128302483.	<2960534.>	

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 34, from other than casualty or theft	6	
7 Add lines 2 through 6 in columns (g) and (h)	7	(2960534)
8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.	8	<2960534
9 Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.	10	

Part II Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((c) plus (e) minus (f))
Disposition of Assets							
	VARIES	070195	159954.	144004549.	144169778.	<5275.>	

12 Loss, if any, from line 8	12	<2960534.>
13 Gain, if any, from line 8, or amount from line 9 if applicable	13	
14 Gain, if any, from line 33	14	
15 Net gain or (loss) from Form 4684, lines 31 and 38a	15	<121206.>
16 Ordinary gain from installment sales from Form 6252, line 25 or 36	16	
17 Ordinary gain or (loss) from like-kind exchanges from Form 8824	17	
18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18	
19 Add lines 11 through 18 in columns (g) and (h)	19	(3087015)
20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14	20	<3087015
	20b(1)	
	20b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired	(c) Date sold		
		(mo., day, yr.)	(mo., day, yr.)		
A					
B					
C					
D					
Relate lines 21A through 21D to these columns		Property A	Property B	Property C	Property D
22 Gross sales price (Note: See line 1 before completing.)	22				
23 Cost or other basis plus expense of sale	23				
24 Depreciation (or depletion) allowed or allowable	24				
25 Adjusted basis. Subtract line 24 from line 23	25				
26 Total gain. Subtract line 25 from line 22	26				
27 If section 1245 property:					
a Depreciation allowed or allowable from line 24	27a				
b Enter the smaller of line 26 or 27a	27b				
28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.					
a Additional depreciation after 1975	28a				
b Applicable percentage multiplied by the smaller of line 26 or line 28a	28b				
c Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c				
d Additional depreciation after 1969 and before 1976	28d				
e Enter the smaller of line 28c or 28d	28e				
f Section 291 amount (corporations only)	28f				
g Add lines 28b, 28e, and 28f	28g				
If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.					
a Soil, water, and land clearing expenses	29a				
b Line 29a multiplied by applicable percentage	29b				
c Enter the smaller of line 26 or 29b	29c				
30 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a				
b Enter the smaller of line 26 or 30a	30b				
31 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126	31a				
b Enter the smaller of line 26 or 31a	31b				

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32 Total gains for all properties. Add columns A through D, line 26	32	
33 Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33	
34 Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35 Section 179 expense deduction or depreciation allowable in prior years	35	
36 Recomputed depreciation. See instructions	36	
37 Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37	

Name(s) shown on tax return. Do not enter name and identifying number if shown on Page 1.

Identifying number

Pennsylvania Power & Light Company

23-0959590

SECTION B - Business and Income-Producing Property

(Use this section to report casualties and thefts of property used in a trade or business or for income-producing purposes.)

Part I Casualty or Theft Gain or Loss (Use a separate Part I for each casualty or theft)

19 Description of properties (show type, location, and date acquired for each):

Property A VARIOUS Property Damage Claims

Property B

Property C

Property D

Casualty Number 100

20 Cost or adjusted basis of each property

21 Insurance or other reimbursement (whether or not you filed a claim)
Note: If line 20 is more than line 21, skip line 22.

22 Gain from casualty or theft. If line 21 is more than line 20, enter difference here and on line 29 or line 34, column (c), except as provided in the instructions for line 33. Also, skip lines 23 through 27 for that column. See the instructions for line 4 if line 21 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year

23 Fair market value before casualty or theft

24 Fair market value after casualty or theft

25 Subtract line 24 from line 23

26 Enter the smaller of line 20 or line 25
Note: If the property was totally destroyed by casualty or lost from theft, enter on line 26 the amount from line 20.

27 Subtract line 21 from line 26. If zero or less, enter -0-

28 Casualty or theft loss. Add the amounts on line 27. Enter the total here and on line 29 or line 34. (see instructions) 121,206

Part II Summary of Gains and Losses (from separate Parts I)

(b) Losses from casualties or thefts

(a) Identify casualty or theft

(i) Trade, business, rental or royalty property

(ii) Income-producing property

(c) Gains from casualties or thefts includible in income

Casualty or Theft of Property Held One Year or Less

29

30 Totals. Add the amounts on line 29 30

31 Combine line 30, columns (b)(i) and (c). Enter the net gain or (loss) here and on Form 4797, line 15. If Form 4797 is not otherwise required, see instructions 31

32 Enter the amount from line 30, column (b)(ii) here and on Schedule A (Form 1040), line 22. Partnerships, S corporations, estates and trusts, see instructions 32

Casualty or Theft of Property Held More Than One Year

33 Casualty or theft gains from Form 4797, line 34 33

34 Casualty Number 100 () (121,206.) 0

35 Total losses. Add amounts on line 34, columns (b)(i) and (b)(ii) 35 () (121,206.)

36 Total gains. Add lines 33 and 34, column (c) 36

37 Add amounts on line 35, columns (b)(i) and (b)(ii) 37 <121,206

38 If the loss on line 37 is more than the gain on line 36:
a Combine line 35, column (b)(i) and line 36, and enter the net gain or (loss) here. Partnerships and S corporations see the note below. All others enter this amount on Form 4797, line 15. If Form 4797 is not otherwise required, see instructions. 38a

b Enter the amount from line 35, column (b)(ii) here. Partnerships and S corporations see the note below. Individuals enter this amount on Schedule A (Form 1040), line 22. Estates and trusts, enter on the "Other deductions" line of your tax return 38b 121,206

39 If the loss on line 37 is equal to or less than the gain on line 36, combine these lines and enter here. Partnerships see the note below. All others enter this amount on Form 4797, line 3 39

Note: Partnerships, enter the amount from line 38a, 38b, or line 39 on Form 1065, Schedule K, line 7. S corporations, enter the amount from line 38a or 38b on Form 1120S, Schedule K, line 6.

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also involuntary conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

OMB No. 1545-018

1995

Attachment Sequence No. 27

Name(s) shown on return

Identifying number

Interstate Energy Company

74-1720208

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22 1

Part II Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
2 MACRS Property	070192	070195	101.	1,834.	3,145.	<1,210.>	

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 34, from other than casualty or theft	6	
7 Add lines 2 through 6 in columns (g) and (h)	7	(1,210)

8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.	8	<1,210
9 Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.	10	

Part III Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

12 Loss, if any, from line 8	12	<1,210.>
13 Gain, if any, from line 8, or amount from line 9 if applicable	13	
14 Gain, if any, from line 33	14	
15 Net gain or (loss) from Form 4684, lines 31 and 38a	15	
16 Ordinary gain from installment sales from Form 6252, line 25 or 36	16	
17 Ordinary gain or (loss) from like-kind exchanges from Form 8824	17	
18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18	
19 Add lines 11 through 18 in columns (g) and (h)	19	(1,210)

20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14	20	<1,210
	20b(1)	
	20b(2)	

518001
11-03-95

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)				(c) Date sold (mo., day, yr.)			
A									
B									
C									
D									
Relate lines 21A through 21D to these columns		Property A	Property B	Property C	Property D				
22	Gross sales price (Note: See line 1 before completing.)	22							
23	Cost or other basis plus expense of sale	23							
24	Depreciation (or depletion) allowed or allowable	24							
25	Adjusted basis. Subtract line 24 from line 23	25							
26	Total gain. Subtract line 25 from line 22	26							
27	If section 1245 property:								
a	Depreciation allowed or allowable from line 24	27a							
b	Enter the smaller of line 26 or 27a	27b							
28	If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.								
a	Additional depreciation after 1975	28a							
b	Applicable percentage multiplied by the smaller of line 26 or line 28a	28b							
c	Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c							
d	Additional depreciation after 1969 and before 1976	28d							
e	Enter the smaller of line 28c or 28d	28e							
f	Section 291 amount (corporations only)	28f							
g	Add lines 28b, 28e, and 28f	28g							
29	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.								
a	Soil, water, and land clearing expenses	29a							
b	Line 29a multiplied by applicable percentage	29b							
c	Enter the smaller of line 26 or 29b	29c							
30	If section 1254 property:								
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a							
b	Enter the smaller of line 26 or 30a	30b							
31	If section 1255 property:								
a	Applicable percentage of payments excluded from income under section 126	31a							
b	Enter the smaller of line 26 or 31a	31b							

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32	Total gains for all properties. Add columns A through D, line 26	32	
33	Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33	
34	Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35	Section 179 expense deduction or depreciation allowable in prior years	35
36	Recomputed depreciation. See instructions	36
37	Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37

**Gains and Losses From Section 1256
 Contracts and Straddles**

▶ Attach to your tax return

Names shown on tax return

Identifying number

CEP Group, Inc.

23-1677278

Check applicable box(es):

- A Mixed straddle election
 B Straddle-by-straddle identification election
 C Mixed straddle account election
 D Net section 1256 contracts loss election

Part I Section 1256 Contracts Marked to Market

(a) Identification of account	(b) LOSS	(c) GAIN
1 Ballentine Hedged Utility Fund Ltd Partnership	230,426.	
Ballentine Market Neutral Fund Ltd Partnership	545,586.	
2 Add amounts on line 1 in columns (b) and (c)	<776,012.>	
3 Net gain or (loss). Combine columns (b) and (c) of line 2		<776,012
4 Form 1099-B adjustments (attach schedule)		
5 Combine lines 3 and 4. If a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions		<776,012
6 If you have a net section 1256 contracts loss and checked box D, enter the amount to be carried back		
7 Subtract line 6 from line 5		<776,012
8 Short-term capital gain or (loss). Multiply line 7 by 40%. Enter here and on Schedule D.		<310,405
9 Long-term capital gain or (loss). Multiply line 7 by 60%. Enter here and on Schedule D.		<465,607

Part III Gains and Losses From Straddles. Attach a separate schedule listing each straddle and its components.

Section A - Losses From Straddles

(a) Description of property	(b) Date entered into or acquired	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) LOSS If column (e) is more than (d), enter difference. Otherwise, enter -0-.	(g) Unrecognized gain on offsetting positions	(h) RECOGNIZED LOSS. If column (f) is more than (g), enter difference. Otherwise, enter -0-.
	(c) Date closed out or sold					
	Mo. Day Yr.					
10						
11 a Enter short-term portion of line 10, column (h), here and on Schedule D.						
b Enter long-term portion of line 10, column (h), here and on Schedule D.						

Section B - Gains From Straddles

(a) Description of property	(b) Date entered into or acquired	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) GAIN If column (d) is more than (e), enter difference. Otherwise, enter -0-.
	(c) Date closed out or sold			
	Mo. Day Yr.			
12				
13 a Enter short-term portion of line 12, column (f), here and on Schedule D.				
b Enter long-term portion of line 12, column (f), here and on Schedule D.				

Part III Unrecognized Gains From Positions Held on Last Day of Tax Year. Memo Entry Only.

(a) Description of property	(b) Date acquired			(c) Fair market value on last business day of tax year	(d) Cost or other basis as adjusted	(e) UNRECOGNIZED GAIN. If column (c) is more than (d), enter difference. Otherwise, enter -0-.
	Mo.	Day	Yr.			
14						

LHA For Paperwork Reduction Act Notice, see instructions.

PENNSYLVANIA MINES CORPORATION
 INCOME TAX RETURN - 1995
SALE OF TAX-EXEMPT BONDS

	<u>DATE</u> <u>ACQUIRE</u>	<u>DATE</u> <u>SOLD</u>	<u>GROSS</u> <u>SALES</u> <u>PRICE</u>	<u>COST OR</u> <u>OTHER BASIS</u> <u>PLUS EXPENSE</u> <u>OF SALE</u>	<u>GAIN OR</u> <u>(LOSS)</u>
Short Term:					
North Slope Alaska	12-14-94	03-14-95	\$810,600	\$715,110	\$95,490
Massachusetts	03-01-95	05-11-95	2,684,853	2,681,278	3,575
Maine	05-31-95	12-05-95	1,003,620	1,000,474	3,146
Pennsylvania	10-25-95	11-08-95	1,004,970	1,004,970	0
			<u>5,504,043</u>	<u>5,401,832</u>	<u>102,211</u>
Long Term:					
Rhode Island	06-01-92	01-23-95	498,750	492,500	6,250
California State	08-25-93	02-28-95	547,358	547,184	174
Kentucky Turnpike	04-23-93	04-11-95	398,000	400,000	(2,000)
Honolulu	04-15-93	05-01-95	496,255	497,230	(975)
Washington	04-22-93	05-01-95	3,006,420	2,983,530	22,890
Anahiem California	11-09-93	05-11-95	326,193	348,558	(22,365)
Arizona State	11-10-92	05-11-95	1,022,320	962,310	60,010
California State	12-02-92	05-11-95	1,037,850	996,000	41,850
Illinois (3)	06-16-92	05-11-95	2,452,735	2,248,299	204,436
PIMA County	08-13-92	10-31-95	2,362,491	2,349,904	12,587
Connecticut	12-07-93	10-16-95	1,020,000	1,000,000	20,000
			<u>13,168,372</u>	<u>12,825,515</u>	<u>342,857</u>
Total			<u>\$18,672,415</u>	<u>\$18,227,347</u>	<u>\$445,068</u>

SCHEDULE D
PAGE 2

Sales of Business Property
 (Also involuntary Conversions and Recapture Amounts Under
 Sections 179 and 280F(b)(2))
 Attach to your tax return.

Name(s) shown on return

Identifying number

Pennsylvania Mines Corporation

23-1699492

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
2 Timber Sales			89,100.				89,100

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 34, from other than casualty or theft	6	
7 Add lines 2 through 6 in columns (g) and (h)	7	89,100
8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.	8	89,100
9 Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.	10	89,100

Part II Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

12 Loss, if any, from line 8	12	
13 Gain, if any, from line 8, or amount from line 9 if applicable	13	
14 Gain, if any, from line 33	14	15,492
15 Net gain or (loss) from Form 4684, lines 31 and 38a	15	
16 Ordinary gain from installment sales from Form 6252, line 25 or 36	16	
17 Ordinary gain or (loss) from like-kind exchanges from Form 8824	17	
18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18	
19 Add lines 11 through 18 in columns (g) and (h)	19	15,492
20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(3), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14	20	15,492
	20b(1)	
	20b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A Various Assets			070195		
B					
C					
D					
Relate lines 21A through 21D to these columns		Property A	Property B	Property C	Property D
22	Gross sales price (Note: See line 1 before completing.)	22 15,492.			
23	Cost or other basis plus expense of sale	23 88,373.			
24	Depreciation (or depletion) allowed or allowable	24 88,373.			
25	Adjusted basis. Subtract line 24 from line 23	25 0.			
26	Total gain. Subtract line 25 from line 22	26 15,492.			
27 If section 1245 property:					
a	Depreciation allowed or allowable from line 24	27a 88,373.			
b	Enter the smaller of line 26 or 27a	27b 15,492.			
28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975	28a			
b	Applicable percentage multiplied by the smaller of line 26 or line 28a	28b			
c	Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c			
d	Additional depreciation after 1969 and before 1976	28d			
e	Enter the smaller of line 28c or 28d	28e			
f	Section 291 amount (corporations only)	28f			
g	Add lines 28b, 28e, and 28f	28g			
29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses	29a			
b	Line 29a multiplied by applicable percentage	29b			
c	Enter the smaller of line 26 or 29b	29c			
30 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a			
b	Enter the smaller of line 26 or 30a	30b			
31 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126	31a			
b	Enter the smaller of line 26 or 31a	31b			

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32	Total gains for all properties. Add columns A through D, line 26	32 15,492.
33	Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33 15,492.
34	Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35	Section 179 expense deduction or depreciation allowable in prior years	35
36	Recomputed depreciation. See instructions	36
37	Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37

Form **4797**

Department of the Treasury
Internal Revenue Service

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

OMB No. 1545-0184

1995

Attachment
Sequence No. 27

Name(s) shown on return

Identifying number

Rushton Mining Company

25-1123520

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
2 164 Acres Land-Center County	052462	051595	71,750.		25,763.		45,98

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 34, from other than casualty or theft	6	
7 Add lines 2 through 6 in columns (g) and (h)	7	() 45,98
8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.	8	45,98
9 Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.	10	45,98

Part II Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

12 Loss, if any, from line 8	12	
13 Gain, if any, from line 8, or amount from line 9 if applicable	13	
14 Gain, if any, from line 33	14	
15 Net gain or (loss) from Form 4684, lines 31 and 38a	15	
16 Ordinary gain from installment sales from Form 6252, line 25 or 36	16	
17 Ordinary gain or (loss) from like-kind exchanges from Form 8824	17	
18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18	
19 Add lines 11 through 18 in columns (g) and (h)	19	()
20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14	20	
	20b(1)	
	20b(2)	

518001
11-00-95

H761 For Paperwork Reduction Act Notice, see page 1 of separate instructions 1

13300410

251123520

030

Rushton Mining Company

Form 4797 (1995)
2511235

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired	(c) Date sold
		(mo., day, yr.)	(mo., day, yr.)
A			
B			
C			
D			
Relate lines 21A through 21D to these columns	Property A	Property B	Property C
22 Gross sales price (Note: See line 1 before completing.)	22		
23 Cost or other basis plus expense of sale	23		
24 Depreciation (or depletion) allowed or allowable	24		
25 Adjusted basis. Subtract line 24 from line 23	25		
26 Total gain. Subtract line 25 from line 22	26		
27 If section 1245 property:			
a Depreciation allowed or allowable from line 24	27a		
b Enter the smaller of line 26 or 27a	27b		
28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.			
a Additional depreciation after 1975	28a		
b Applicable percentage multiplied by the smaller of line 26 or line 28a	28b		
c Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c		
d Additional depreciation after 1969 and before 1976	28d		
e Enter the smaller of line 28c or 28d	28e		
f Section 291 amount (corporations only)	28f		
g Add lines 28b, 28e, and 28f	28g		
29 If section 1252 property: <small>Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.</small>			
a Soil, water, and land clearing expenses	29a		
b Line 29a multiplied by applicable percentage	29b		
c Enter the smaller of line 26 or 29b	29c		
30 If section 1254 property:			
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a		
b Enter the smaller of line 26 or 30a	30b		
31 If section 1255 property:			
a Applicable percentage of payments excluded from income under section 126	31a		
b Enter the smaller of line 26 or 31a	31b		

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32 Total gains for all properties. Add columns A through D, line 26	32
33 Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33
34 Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less

See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35 Section 179 expense deduction or depreciation allowable in prior years	35	
36 Recomputed depreciation. See instructions	36	
37 Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37	

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Greene Hill Coal Company

23-1920680

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
2							
3	Gain, if any, from Form 4684, line 39					3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5	
6	Gain, if any, from line 34, from other than casualty or theft					6	
7	Add lines 2 through 6 in columns (g) and (h)					7	()
8	Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.					8	
9	Nonrecaptured net section 1231 losses from prior years (see instructions)					9	
10	Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.					10	

Part II Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

(a) Description of property	(b) Date acquired	(c) Date sold	(d) Gross sales price	(e) Depreciation allowed or allowable	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS	(h) GAIN
Coal Reserves/Building	022674	112095	52410361	21,600.	951,961.		51,480,000.

12	Loss, if any, from line 8					12	
13	Gain, if any, from line 8, or amount from line 9 if applicable					13	
14	Gain, if any, from line 33					14	
15	Net gain or (loss) from Form 4684, lines 31 and 38a					15	
16	Ordinary gain from installment sales from Form 6252, line 25 or 36					16	
17	Ordinary gain or (loss) from like-kind exchanges from Form 8824					17	
18	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)					18	
19	Add lines 11 through 18 in columns (g) and (h)					19	() 51,480,000.
20	Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from Form 4797, line 20b(1). See instructions. (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14					20	51,480,000.
						20b(1)	
						20b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired	(c) Date sold		
		(mo., day, yr.)	(mo., day, yr.)		
A					
B					
C					
D					
Relate lines 21A through 21D to these columns		Property A	Property B	Property C	Property D
22	Gross sales price (Note: See line 1 before completing.)	22			
23	Cost or other basis plus expense of sale	23			
24	Depreciation (or depletion) allowed or allowable	24			
25	Adjusted basis. Subtract line 24 from line 23	25			
26	Total gain. Subtract line 25 from line 22	26			
27	If section 1245 property:				
a	Depreciation allowed or allowable from line 24	27a			
b	Enter the smaller of line 26 or 27a	27b			
28	If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975	28a			
b	Applicable percentage multiplied by the smaller of line 26 or line 28a	28b			
c	Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c			
d	Additional depreciation after 1969 and before 1976	28d			
e	Enter the smaller of line 28c or 28d	28e			
f	Section 291 amount (corporations only)	28f			
g	Add lines 28b, 28e, and 28f	28g			
29	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.				
a	Soil, water, and land clearing expenses	29a			
b	Line 29a multiplied by applicable percentage	29b			
c	Enter the smaller of line 26 or 29b	29c			
30	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a			
b	Enter the smaller of line 26 or 30a	30b			
31	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126	31a			
b	Enter the smaller of line 26 or 31a	31b			

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32	Total gains for all properties. Add columns A through D, line 26	32	
33	Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33	
34	Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35	Section 179 expense deduction or depreciation allowable in prior years	35
36	Recomputed depreciation. See instructions	36
37	Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37

Sales of Business Property
 (Also Involuntary Conversions and Recapture Amounts Under
 Sections 179 and 280F(b)(2))
 Attach to your tax return.

Name(s) shown on return: Greene Manor Coal Company Identifying number: 23-1943647

1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1995 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11 or 22: 1

Part I. Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
2 Coal Royalties	020775	070195	6000399		1,720,923.		4,279,476.

3 Gain, if any, from Form 4684, line 39	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6 Gain, if any, from line 34, from other than casualty or theft	6	
7 Add lines 2 through 6 in columns (g) and (h)	7	4,279,476.
8 Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows: Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below. S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax. All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.	8	4,279,476.
9 Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10 Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations - Enter this amount on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below. All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.	10	4,279,476.

Part II. Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

12 Loss, if any, from line 8	12	
13 Gain, if any, from line 8, or amount from line 9 if applicable	13	
14 Gain, if any, from line 33	14	
15 Net gain or (loss) from Form 4684, lines 31 and 38a	15	
16 Ordinary gain from installment sales from Form 6252, line 25 or 36	16	
17 Ordinary gain or (loss) from like-kind exchanges from Form 8824	17	
18 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18	
19 Add lines 11 through 18 in columns (g) and (h)	19	
20 Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows: a For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed. b For individual returns: (1) If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 22 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions (2) Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 14	20	
	20b(1)	
	20b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

21 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
Relate lines 21A through 21D to these columns		Property A	Property B	Property C	Property D
22	Gross sales price (Note: See line 1 before completing.)	22			
23	Cost or other basis plus expense of sale	23			
24	Depreciation (or depletion) allowed or allowable	24			
25	Adjusted basis. Subtract line 24 from line 23	25			
26	Total gain. Subtract line 25 from line 22	26			
27 If section 1245 property:					
a	Depreciation allowed or allowable from line 24	27a			
b	Enter the smaller of line 26 or 27a	27b			
28 If section 1250 property: If straight line depreciation was used, enter -0- on line 28g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975	28a			
b	Applicable percentage multiplied by the smaller of line 26 or line 28a	28b			
c	Subtract line 28a from line 26. If residential rental property or line 26 is not more than line 28a, skip lines 28d and 28e	28c			
d	Additional depreciation after 1969 and before 1976	28d			
e	Enter the smaller of line 28c or 28d	28e			
f	Section 291 amount (corporations only)	28f			
g	Add lines 28b, 28e, and 28f	28g			
29 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership.					
a	Soil, water, and land clearing expenses	29a			
b	Line 29a multiplied by applicable percentage	29b			
c	Enter the smaller of line 26 or 29b	29c			
30 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	30a			
b	Enter the smaller of line 26 or 30a	30b			
31 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126	31a			
b	Enter the smaller of line 26 or 31a	31b			

Summary of Part III Gains. Complete property columns A through D, through line 31b before going to line 32.

32	Total gains for all properties. Add columns A through D, line 26	32	
33	Add property columns A through D, lines 27b, 28g, 29c, 30b, and 31b. Enter here and on line 14	33	
34	Subtract line 33 from line 32. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	34	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
See instructions.

	(a) Section 179	(b) Section 280F(b)(2)
35	Section 179 expense deduction or depreciation allowable in prior years	35
36	Recomputed depreciation. See instructions	36
37	Recapture amount. Subtract line 36 from line 35. See instructions for where to report	37

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995
Compensation of Officers**

Pennsylvania Power & Light Company

Name and Address of Officer	Official Title	Time Devoted to Business	Percentage of Company's Stock Owned		Amount of Compensation	Expense Account Allowances
			Com.	Pub.		
W. F. Hecht Allentown, PA	Chairman, President & Chief Executive Officer	Full	.010			\$18,203
F. A. Long Allentown, PA	Executive Vice President & Chief Operating Officer	"	.007			23,721
R. G. Byram Allentown, PA	Sr. Vice President, Nuclear	"	.004		Data	13,328
R. J. Grey Allentown, PA	Sr. Vice President, General Counsel & Secretary	"				6,074
R. E. Hill Allentown, PA	Sr. Vice President, Financial	"	.004			7,782
R. S. Gombos Allentown, PA	Vice President, Mobile Work Force	"	.005		bc	3,624
M. D. Hill Allentown, PA	Vice President, Information Systems	"	.003			2,689
J. R. Biggar Allentown, PA	Vice President, Finance & Treasurer	"	.002		supplied	8,350
J. P. Kierzkowski Allentown, PA	Vice President	"	.002			210
J. M. Chappellear Allentown, PA	Vice President, Investments & Pensions	"	.005		on	5,745
L. C. Bartholomew Allentown, PA	Vice President, Public Affairs	"	.002			13,922
R. J. Shovlin Allentown, PA	Vice President, Power Production & Engineering	"	.003		audit	13,874
R. F. Suhocki Allentown, PA	Vice President, Marketing & Economic Development	"	.002			12,364
G. T. Jones Allentown, PA	Vice President, Nuclear Engineering	"	.001			7,443
H. G. Stanley Allentown, PA	Vice President, Nuclear Operations	"	.001			-
R. M. Geneczko Allentown, PA	Vice President, Electrical Systems	"	.001			45,231
J. R. Menichini Harrisburg, PA	Vice President, Customer Services	"	.003			4,864
J. J. McCabe Allentown, PA	Vice President & Controller	"				5,643
D. M. Koch Allentown, PA	Assistant Secretary & Assistant Treasurer	"	.001			203
Total						<u>\$5,106,507</u>

Pennsylvania Mines Corporation

R. J. Shovlin Allentown, PA	President	Part	None		Data	\$ -
J. R. Biggar Allentown, PA	Vice President & Treasurer	Part	"		will	-
A. M. Snovitch Allentown, PA	Asst. Vice President, Operations	Part	"		be	-
A. M. Vargo Ebensburg, PA	Comptroller	Full	"		supplied	1,636
M. A. McGrail Allentown, PA	Secretary	Part	"		on	-
T. J. Croyle Ebensburg, PA	Assistant Secretary & Assistant Treasurer	Full	"		audit	4,669
Total						<u>\$6,305</u>

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

BAD DEBTS

PENNSYLVANIA POWER & LIGHT COMPANY

Accounts receivable balance December 31, 1995	<u>\$208,563,251</u>
Reserve for bad debts at January 1, 1995	\$28,982,659
Amounts added to reserve	
Current years provision	24,795,600
Recoveries	2,927,957
Amounts charged against reserve	<u>(21,894,303)</u>
Reserve for bad debts at December 31, 1995	<u>\$34,811,913</u>

Bad Debt Deduction

1995 Charge-off against reserve per above	\$21,894,303
1995 Bad debt recovery per above	<u>(2,927,957)</u>
Total per Line 15, Form 1120	<u>\$18,966,346</u>

Schedule F

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

SUMMARY OF DEPRECIATION

	<u>ACRS</u>	<u>ADR</u>	<u>OTHER</u>	<u>TOTAL</u>
Pennsylvania Power & Light Company	\$267,823.200	\$35,297.396	\$23,239.325	\$326,359,921
Less depr. capitalized (tax basis)				<u>523,642</u>
Sub-total				325,836,279
Interstate Energy Company	59,513	59,404	10,788	129,705
CEP Group, Inc.			1,343	1,343
Pennsylvania Mines Corporation	45,442	38,592	3,576	87,610
Rushton Mining Company	2,788		1,305	4,093
Realty Company of Pennsylvania	1,186,586		147	1,186,733
Lady Jane Collieries, Inc.	163,084		212,050	375,134
Totals	<u>\$269,280.613</u>	<u>\$35,395.392</u>	<u>\$23,468.534</u>	<u>\$327,620.897</u>

Note: Data in support of the deduction for depreciation shown above will be made available to the Examining Agent upon audit.

Schedule G
(Consolidated)

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Elections - Depreciation

**Election to Compute Depreciation on Assets Placed
in Service Prior to January 1, 1971 Under the
Provisions of Regulations Section 1.167(a)-12**

PP&L Resources, Inc. hereby elects, pursuant to the authority contained in Regulations Section 1.167(a)-12(e)(2), as parent company on behalf of Pennsylvania Power & Light Company, to apply the provisions of Regulations Section 1.167(a)-12 for the calendar year 1995 to assets placed in service prior to January 1, 1971 which are contained in the following asset guideline classes set forth in Revenue Procedure 72-10.

Pennsylvania
Power & Light Company

00.27	49.40
49.11	65.41
49.13	70.11
49.14	70.13

In connection with this election, Pennsylvania Power & Light Company consents to and agrees to apply all of the provisions of Regulations Section 1.167(a)-12.

Election to Switch From Declining Balance Methods

PP&L Resources, Inc., as common parent of the affiliated group, hereby elects on behalf of the following subsidiary companies: Pennsylvania Power & Light Company; CEP Group, Inc.; Interstate Energy Company; Rushton Mining Company; Pennsylvania Mines Corporation; Realty Company of Pennsylvania; and Lady Jane Collieries, Inc. to switch certain depreciable property from the double declining balance and limited declining balance methods to the straight line method of depreciation commencing with the year 1995. The information required by Regulation Section 1.167(e)-1 will be made available to the examining agent upon audit.

Elections-
Depreciation

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach this form to your return.

OTHER

1995
Attachment
Sequence No. 67

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Pennsylvania Power & Light Company

Electric Utility

23-0959590

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1	Maximum dollar limitation (If an enterprise zone business, see instructions.)	1	17,500.
2	Total cost of section 179 property placed in service during the tax year	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1994	10	
11	Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	17,500.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part III MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(l)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property		95,492,926.	5 yrs.	HY	DDB	19,098,585.
c 7-year property		2,397,355.	7 yrs.	HY	DDB	342,479.
d 10-year property						
e 15-year property		58,931,882.	15 yrs.	HY	150DB	2,946,594.
f 20-year property		285,195,730.	20 yrs.	HY	150DB	10,694,840.
g Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	/	23,389,898.	39 yrs.	MM	S/L	357,237.
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions)

16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	178,189,215.
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	113,620,748.

Part IV Summary

20	Listed property. Enter amount from line 26	20	586,581.
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	325,836,279.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	19,347,187.

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/ investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
Luxury auto	000095	%	1130829		5 YRSDDDB/HY		171,360.	
Luxury auto	000094	%	693,356.		5 YRSDDDB/HY		169,200.	
Luxury auto	VARIES	%	2027633		5 YRSDDDB/HY		246,021.	

25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
		%				S/L -		

26 Add amounts in column (h). Enter the total here and on line 20, page 1 **26 586,581.**

27 Add amounts in column (i). Enter the total here and on line 7, page 1 **27**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle											
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
	Yes	No										
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)	X	
37 Do you treat all use of vehicles by employees as personal use?		X
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?	X	
39 Do you meet the requirements concerning qualified automobile demonstration use?		X

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
Pollution Control Facilities	010195	58659687	169	20%	11,731,937.
41 Amortization of costs that began before 1995					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42 11,731,937.

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement
 Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/ investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
		%				S/L -		
25 Add amounts in column (h). Enter the total here and on line 20, page 1							25	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
Total other personal (noncommuting) miles driven												
Total miles driven during the year.												
Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or rate	(f) Amortization for this year
Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995					
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42

Depreciation and Amortization
 (Including Information on Listed Property)

1995
 Attachment
 Sequence No. 67

▶ Attach this form to your return.

OTHER

Names shown on return CEP Group, Inc.	Business or activity to which this form relates Other Depreciation	Identifying number 23-1677278
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Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1 Maximum dollar limitation (if an enterprise zone business, see instructions.)	1	17,500.
2 Total cost of section 179 property placed in service during the tax year	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost	(c) Elected cost

7 Listed property. Enter amount from line 27	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1994	10	
11 Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	/			MM	S/L	
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions)

16 a Class life						
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	1,343.

Part IV Summary

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	1,343.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions. Form 4562 (1995)

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed? 23b If "Yes," is the evidence written? 24 Property used more than 50% in a qualified business use: 25 Property used 50% or less in a qualified business use: 26 Add amounts in column (h). 27 Add amounts in column (i).

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

28 Total business/investment miles driven during the year (DO NOT include commuting miles) 29 Total commuting miles driven during the year 30 Total other personal (noncommuting) miles driven 32 Was the vehicle available for personal use during off-duty hours? 33 Was the vehicle used primarily by a more than 5% owner or related person? 34 Is another vehicle available for personal use?

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? 37 Do you treat all use of vehicles by employees as personal use? 38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 39 Do you meet the requirements concerning qualified automobile demonstration use?

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

40 Amortization of costs that begins during your 1995 tax year: 41 Amortization of costs that began before 1995 42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return

Form **4562**

Department of the Treasury
Internal Revenue Service (229)

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach this form to your return.

OTHER

OMB No. 1545-0172

1995
Attachment
Sequence No. 67

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Pennsylvania Mines Corporation

Other Depreciation

23-1699492

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1	Maximum dollar limitation (If an enterprise zone business, see instructions.)	1	17,500.
2	Total cost of section 179 property placed in service during the tax year	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost	(c) Elected cost

7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1994	10	
11	Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	09/95	24,836.	39	MM	S/L	186.

Section C - Alternative Depreciation System (ADS) (See instructions)

16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	23,028.
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	58,893.

Part IV Summary

20	Listed property. Enter amount from line 26	20	5,503.
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	87,610.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Form 4562 (1995)

Part V

Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		23b If "Yes," is the evidence written?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
Schedule		%						
Attached		%						
		%						
		%						
25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
		%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	5,503.
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)	X	
37 Do you treat all use of vehicles by employees as personal use?		X
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?	X	
39 Do you meet the requirements concerning qualified automobile demonstration use?		X

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42

PENNSYLVANIA MINES CORPORATION
 INCOME TAX RETURN - 1995
LISTED PROPERTY

<u>DESCRIPTION</u>	<u>DATE PLACE IN SERVICE</u>	<u>BUSINESS USE PERCENT</u>	<u>COST OR OTHER BASIS</u>	<u>BASIS FOR DEPREC</u>	<u>RECOVERY PERIOD</u>	<u>METHOD/ CONVENTIO</u>	<u>DEPRECIATION AMOUNT</u>
Various Vehicles	1995	100%	13,802	13,802	5 Yrs.	DDB/HY	\$ 2,760
Various Vehicles	1992	100%	11,644	11,644	5 Yrs.	DDB/HY	1,341
Various Vehicles	1990	100%	24,345	24,345	5 Yrs.	DDB/HY	1,402
GMC Pickup	1989	100%	12,918	12,918	5 Yrs.	DDB/HY	FD
GMC Pickup	1987	100%	15,030	15,030	5 Yrs.	DDB/HY	FD
GMC Ambulance	1979	100%	7,015	7,015	5 Yrs.	DDB/HY	FD
							\$ 5,503

FORM 4562
PAGE 3

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach this form to your return.

OTHER

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Rushton Mining Company

Other Depreciation

25-1123520

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1	Maximum dollar limitation (If an enterprise zone business, see instructions.)	1	17,500.
2	Total cost of section 179 property placed in service during the tax year	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1994	10	
11	Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	/		27.5 yrs.	MM	S/L	
Section C - Alternative Depreciation System (ADS) (See instructions)						
16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	59
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	4,034

Part IV Summary

20	Listed property. Enter amount from line 26	20	
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	4,093
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed?		Yes		No		23b If "Yes," is the evidence written?		Yes		No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/ investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
24 Property used more than 50% in a qualified business use:											
		%									
		%									
		%									
		%									
25 Property used 50% or less in a qualified business use:											
		%				S/L -					
		%				S/L -					
		%				S/L -					
		%				S/L -					
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26				
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27			

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
Total miles driven during the year.												
Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization per month	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995					
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					

Depreciation and Amortization
 (Including Information on Listed Property)

OTHER

▶ Attach this form to your return.

Names shown on return Realty Company of Pennsylvania	Business or activity to which this form relates Other Depreciation	Identifying number 23-1612742
--	--	---

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1 Maximum dollar limitation (if an enterprise zone business, see instructions.)	1	17,500.
2 Total cost of section 179 property placed in service during the tax year	2	47,228.
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	17,500.
6 (a) Description of property (b) Cost (c) Elected cost		
7 Listed property. Enter amount from line 27	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1994	10	
11 Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	17,500.
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property		47,228.	20 yrs.	HY	150DB	1,771.
g Residential rental property	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	/		27.5 yrs.	MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions)

16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	91,218.
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	1,093,744.

Part IV Summary

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	1,186,733.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

Part IV

Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
		%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part V Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42

Depreciation and Amortization
 (Including Information on Listed Property)

OMB No. 1545-0172

1995
 Attachment
 Sequence No. 67

▶ Attach this form to your return.

OTHER

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Lady Jane Collieries, Inc.

Coal Mining

24-0856538

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any 'Listed Property,' complete Part V before you complete Part I.)

1	Maximum dollar limitation (If an enterprise zone business, see instructions.)	1	17,500.
2	Total cost of section 179 property placed in service during the tax year	2	9,800.
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	17,500.
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1994	10	
11	Taxable income limitation. Enter the smaller of taxable income (not less than zero) or line 5	11	17,500.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1996. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1995 Tax Year (Do Not Include Listed Property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (Business/investment use only)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
Section B - General Depreciation System (GDS) (See instructions)						
15 a 3-year property						
b 5-year property		4,122.	5 YRS.	HY	DDB	824.
c 7-year property		5,678.	7 YRS.	HY	DDB	811.
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property	/		27.5 yrs.	MM	S/L	
h Nonresidential real property	/		27.5 yrs.	MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions)

16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1995	17	129,645.
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	240,279.

Part IV Summary

20	Listed property. Enter amount from line 26	20	3,575.
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	375,134.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Form 4562 (1995)

Part V **Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement**
 Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limitations for automobiles.)

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
24 Property used more than 50% in a qualified business use:									
ACRS	:	100.00 %	18,176.	18,176.	3 YRS/PR		0.		
MACRS	:	100.00 %	29,739.	29,739.	5 YRS/DB/HY		3,575.		
	:	%							
	:	%							
25 Property used 50% or less in a qualified business use:									
	:	%				SL-			
	:	%				SL-			
	:	%				SL-			
	:	%				SL-			
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	3,575.	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		X
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)	X	
37 Do you treat all use of vehicles by employees as personal use?		X
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		X
39 Do you meet the requirements concerning qualified automobile demonstration use?		X

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1995 tax year:					
41 Amortization of costs that began before 1995					41
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return					42

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

SPECIAL DEDUCTIONS

Pennsylvania Power & Light Company:

Line 18 - Dividends on certain preferred stocks:

	<u>Shares Outstanding</u>	<u>Par Value @ \$100</u>	<u>Dividends Paid</u>
4-1/2% Preferred	530,189	\$53,018,900	\$2,385,850.52
Less shares not entitled to deduction	87,000	8,700,000	391,500.00
Balance	443,189	44,318,900	1,994,350.52
3.35% Preferred	41,783	4,178,300	139,973.04
 Total Dividends Subject to Deduction			 \$2,134,323.56
 Deduction = 14% / Current Year Rate = 14% / 35% x \$2,134,323.56 =			 \$853,728

Schedule I

POOR ORIGINAL

**PPAL RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

BALANCE SHEET - DECEMBER 31, 1995

ASSETS AND OTHER DEBITS	COMBINED	ELIMINATIONS	PPAL RESOURCES INC.	PENNSYLVANIA POWER & LIGHT CORPORATION	INTERSTATE ENERGY CORPORATION	CEP GROUP INC.	PENN COAL RESOURCES CORP.	PENNSYLVANIA MINES CORPORATION	RUSHTON MINING COMPANY	GREENE MANOR COAL CORPORATION	REALTY COMPANY OF PENNSYLVANIA	BDW CORP.	POWER MARKETS DEVELOPMENT CORPORATION	PMDC LATIN AMERICA, INC.	PMDC ASIA, INC.	PMDC CLUSTER, INC.	PMDC INDONESIA INC.	PMDC OPERATIONS INC.	SPECTRUM ENERGY SERVICES CORPORATION	LADY JANE COLLIERIES INC.	
Fixed plant																					
Utility plant	\$10,101,817,423	\$0	\$0	\$10,037,611,964	\$55,523,294	\$0	\$0	\$0	\$0	\$0	\$10,081,964	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Nonutility property																					
Deprec. assets	14,867,672			1,344,934		90,344		1,422,634	1,347,013											3,302,711	
Duplicable assets	5,994,456									5,991,656											
Land	5,344,524			2,044,108	1,218,799	319,401		477,470	26,606											112,177	
Construction work in progress	1,164,642				7,130,812						1,036,166	57,930									
Nonutility property - total	31,371,484	0	0	2,649,042	8,359,611	619,747	0	5,300,099	1,373,619	5,991,656	1,090,098	0	0	0	0	0	0	0	0	3,414,888	
Total plant	10,133,118,911			10,039,261,006	63,882,907	619,747	0	5,100,099	1,373,619	5,991,656	11,772,061	0	0	0	0	0	0	0	0	6,716,883	
Accumulated deprec. & amort.	2,959,478,809			2,908,972,910	72,599,633	89,026		2,611,424	1,267,027	2,991,456	6,918,164									4,908,003	
Net plant	7,173,640,102	0	0	7,130,288,096	51,283,274	530,721	0	477,470	26,606	5,991,656	14,853,897	0	0	0	0	0	0	0	0	519,880	
Investments																					
Investments in assoc. company	17,167,872	(7,664,337,779)	2,599,356,416	71,374,659			1,000	700			20,010										
Other investments	378,343,153			122,283,411		92,796,327		66,064,900					151,807	62,589,317						13,061,284	
Sub-total	395,511,025	(7,664,337,779)	2,599,356,416	193,658,070	0	92,796,327	1,000	66,064,900	0	0	10,010	151,807	62,589,317	12,061,184	0	0	0	0	0	0	
Current and deferred assets																					
Cash	11,855,506			1,372,287	2,599,703	305,117	90,108	936,231	100	1,931,069	32,811	5,455	551,930							3,971,312	
Special deposit	2,134			2,134																1,300	
Working funds	1,515,515			1,582,223																	
Notes and accounts receivable	218,424,793			212,971,674	389,544	1,149,703		1,042,865	100		104,110	33,320	2,185,760							143,610	
Provision for uncollectible accounts	(34,910,903)			(31,910,903)																	
Receivables - assoc. companies	545,735	(118,044,044)		83,018,131	192,483		1,849,391		1,933,649	2,615	21,221,828		15,565	100	100	100	100	100	100	2,073	
Inventory	14,219			190,948,099							14,219									4,937,676	
Materials and supplies	191,069,618			10,273,435	80,295	1,124		6,972												133,749	
Prepayments	10,421,262			42,119,449							14,073									32,331	
Accrued utility revenues	42,139,469																			11,000	
Ready receivable	7,514,645																				
Other	70,809,039			20,778,421						0	29,990									500	
Sub-total	519,488,392	(118,044,044)	0	615,690,327	1,462,079	1,456,219	1,457,499	2,026,016	2,933,649	1,935,631	21,920,087	10,212	2,373,178	100	100	100	100	100	4,129,997	4,330,236	
Deferred debits																					
Deferred Squeezed-out tax #1 CORP	14,961,887			14,961,887																	
Unamortized loss on reacquired debt	146,933,503			116,933,503																	
Unamortized debt expense	3,089,845			3,089,845																	
Clearing accounts	1,209,261			1,209,261																	
Preliminary survey	692,463			692,463																	
State deferred debits	16,350,130			16,350,130																	
Future tax benefits	337,713,292			310,947,322				19,555,911	210,923	639,638										9,300	
Other (regulatory) assets	1,318,974,116			1,229,534,116																333,010	
Sub-total	1,862,311,096	0	0	1,821,541,226	0	0	0	19,555,911	210,923	639,638	0	0	0	0	0	0	0	0	0	9,300	
Total assets	59,984,177,301	(12,664,337,779)	2,599,356,416	19,858,951,919	65,345,011	1,457,678	1,457,499	58,126,115	1,584,542	11,927,287	11,782,148	151,807	64,968,495	12,161,184	100	100	100	100	4,139,297	5,049,236	

POOR ORIGINAL

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

BALANCE SHEET - DECEMBER 31, 1995

LIABILITIES & OTHER CREDITS	COMBINED	ELIMINATIONS	PP&L RESOURCES INC.	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA. COAL RESOURCES CORP.	PENNSYLVANIA MDTES CORPORATION	RUSHION MINING COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	EDW. CORP.	POWER MARKETS DEVELOPMENT COMPANY	PMDC LATIN AMERICA, INC.	PMDC ASIA, INC.	PMDC CHESTER, INC.	PMDC INDONESIA, INC.	PMDC OPERATIONS, INC.	SPECTRUM ENERGY SERVICES CORPORATION	LADY JANE COLLENEE, INC.	
Proprietary capital																					
Common stock issued	37,394,033	(\$1,476,079,709)	\$1,594,033	\$1,476,048,207	\$1,000	\$10,000	\$1,500	\$1,000	\$300	\$1,000	\$15,000	\$1,000	\$100	\$100	\$100	\$100	\$100	\$100	\$1	\$11	
Preferred stock issued	466,374,300			466,374,300																	
Capital stock expense	(10,506,203)	\$6,028,605	(\$6,028,605)	(10,506,203)																	
Capital surplus	1,519,436,327	(\$132,707,374)	1,319,454,327	15,064,931		23,481,463	3,000	81,001			100,941		61,793,214	12,039,117					4,143,933		
Earned surplus	1,033,134,661	(\$1,061,730,604)	1,033,134,661			12,349,364					16,184,181	7,330	(708,283)	24,069					(51,543)		
Valuation allowance - noncurrent investable equity securities	3,479,937			1,156,421		10,767		2,223,000					40,269								
Subtotal	3,063,483,268	(2,664,489,181)	2,598,136,416	2,992,653,217	1,000	37,832,489	4,000	2,304,001	100	1,000	16,309,122	8,330	61,125,802	12,063,286	100	100	100	100	4,086,386	31	
Long-term debt																					
Bonds	2,883,500,000			2,883,500,000																	
Other long-term debt	0			0																	
Unamortized (disc 1 & 2)	(24,771,915)			(24,771,915)																	
Subtotal	2,858,728,085	0	0	2,858,728,085	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Current & accrued liabilities																					
Notes payable	89,145,000			72,143,000	17,002,000																
Accounts payable	113,154,904			122,130,023	429,882	112,047		128,339		1,863	25,079	103	119,096							4,31	
Payables to alliance companies	696,154	(118,094,592)		32,515,923	349,223	16,909,232	3,934,499	9,834,094		7,847,315	17,810,628	563,699									
Taxes accrued	49,350,221			44,280,639	4,070	15,965		(174,541)		30,800	1,177,799		50	2,341						152,71	
Interest accrued	63,498,720			63,349,019	149,702																
Dividends declared	73,379,143			73,379,143																	
Deferred energy cost recovery	640,556			0	440,869																
Vacation pay	16,878,823			16,878,823																	
Tax collections payable	4,857,612			4,857,612																	
Accrued cost - energy cost	14,043,231			14,043,231																	
Cap. lease obligations - current	11,014,693			11,014,693																	
Other	19,824,191			19,062,444	181,938			4,135						18,418							80,12
Subtotal	357,664,217	(118,094,592)	0	365,435,270	22,917,884	17,093,204	3,954,499	9,830,312	(34,301)	7,080,403	18,420,315	164,014	150,137	0	0	0	0	0	0	0	
Deferred credits																					
Customer advances for construction	90,249			40,339																	10,000
Accrued deferred investment tax credits	219,250,444			217,143,324	2,107,120																
Liab. - Suspense/advance plant	1,668,992			1,668,992																	
Sequelance tax #1 & #2 energy services	43,937,565			43,937,565																	
Cap. lease obligations - long term	138,624,328			135,614,356																	
Accrued/deferred nuclear operations provisions	76,966,924			76,966,924																	
Other deferred credits	487,372,367			378,631,499				76,010,124	5,304,504	1,306,713											3,019,31
Other regulatory liabilities	172,066,720			172,066,720																	
Subtotal	1,091,037,639	0	0	1,003,131,649	2,107,120	0	0	76,010,124	6,204,504	1,306,713	0	0	0	0	0	0	0	0	0	30,000	
Accrued deferred income taxes	2,396,373,632	0	0	2,382,843,394	9,706,005	1,827,894	0	0	0	1,366,931	15,916	0	0	0	0	0	0	0	0	3,641	
Total liabilities	10,984,177,361	(52,782,393,879)	\$2,598,136,416	\$9,806,176,210	\$14,745,011	\$96,803,287	\$3,958,499	\$18,144,657	\$6,120,496	\$8,518,116	\$16,787,595	\$372,284	\$65,341,495	\$12,063,286	\$100	\$100	\$100	\$100	\$4,129,827	\$1,022,14	

POOR ORIGINAL

P&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1993

BALANCE SHEET - DECEMBER 31, 1994

ASSETS AND OTHER DEBITS	COMBINED	ELIMINATIONS	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENN. COAL RESOURCES CORP.	PENNSYLVANIA MINES CORPORATION	RUSHTON MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP.	POWER MARKETS DEVELOPMENT COMPANY	LADY JANE COLLIERIES INC.
Fixed plant														
Utility plant	\$9,818,819,790	\$0	\$9,742,648,473	\$55,536,581	\$0	\$0	\$0	\$0	\$0	\$0	\$20,634,736	\$0	\$0	\$0
Nonutility property														
Deprec. assets	15,896,230		1,590,442		90,366	5,629,959	1,267,033		30,000					7,288,430
Depletable assets	18,030,361								6,758,528	11,291,833				
Land	8,568,792		2,081,498	1,218,299	549,601	481,657	32,475		3,016,822		1,036,268			152,172
Construction work in progress	422,830			350,634							72,196			
Nonutility property - total	42,938,213	0	3,671,940	1,568,933	639,967	0	6,111,616	1,299,508	9,805,350	11,291,833	1,108,464	0	0	7,440,602
Total plant	9,861,758,003		9,746,320,413	57,105,514	639,967	0	6,111,616	1,299,508	9,805,350	11,291,833	21,743,200	0	0	7,440,602
Accumulated deprec. & Amort.	2,667,231,303		2,616,381,387	31,065,693	87,641	5,629,959	1,267,033		21,600		5,968,367			6,809,823
Net plant	7,194,526,700	0	7,129,939,026	26,039,821	552,326	0	481,657	32,475	9,783,750	11,291,833	15,774,833	0	0	630,779
Investments														
Investment in assoc. companies	17,088,101	(128,813,776)	94,993,590		50,896,951	1,000	300				10,030			
Other investments	317,821,335		122,156,969		86,811,117		58,782,039					560,619	49,510,591	
Sub-total	334,909,436	(128,813,776)	217,150,559	0	137,708,074	1,000	58,782,339	0	0	0	10,030	560,619	49,510,591	0
Current and accrued assets														
Cash	8,311,580		1,649,495	105,805	43,956	149,654	4,505,008	100	1,074,630		7,637	3,220	970,183	1,200
Special deposits	2,426		2,426											
Working funds	855,239		855,239											
Notes and accounts receivable	234,142,986		230,791,209	311,411	1,352,171		867,801		16,862		89,542	32,849	681,141	
Provision for uncollectible accounts	(29,082,855)		(29,082,855)											
Receivables - assoc. companies	540,000	(112,288,160)	90,689,478	213,669		3,266,232		6,513,021	8,460,027	2,533	198,573			3,384,627
Inventories	14,219													14,219
Materials and supplies	249,159,876		249,048,249											111,627
Prepayments	11,010,172		10,574,752	101,393	1,287		1,882		297,674		7,869			25,335
Accrued utility revenues	88,667,987		88,667,987											
Rents receivable	7,215,075		7,215,075											
Other	18,796,047		18,760,503	4,765					151	138	29,990			500
Sub-total	589,632,852	(112,288,160)	669,171,638	737,043	1,397,414	3,316,578	5,374,691	6,513,121	9,849,344	2,671	247,830	36,069	1,651,324	3,523,289
Deferred debits														
Deferred Susquehanna unit #1 costs	100,153,080		100,153,080											
Unamortized loss on reacquired debt	113,466,264		113,466,264											
Unamortized debt expense	4,855,071		4,855,071											
Clearing accounts	935,383		935,383											
Preliminary survey	549,926		549,926											
Misc. deferred debits	22,198,300		22,198,300											
Future tax benefits	366,100,985		342,066,918				23,085,191	330,946					55,655	562,275
Other regulatory assets	1,233,932,514		1,233,932,514											
Sub-total	1,842,191,523	0	1,818,157,456	0	0	0	23,085,191	330,946	0	0	0	0	55,655	562,275
Total assets	\$9,961,260,311	(\$241,101,936)	\$9,834,418,679	\$26,776,864	\$139,657,814	\$3,317,578	\$87,722,878	\$6,876,542	\$19,633,094	\$11,294,504	\$16,132,693	\$396,688	\$51,217,570	\$4,716,343

Schedule L
(Continued-3)

POOR ORIGINAL

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

BALANCE SHEET - DECEMBER 31, 1995

LIABILITIES & OTHER CREDITS	COMBINED	ELIMINATIONS	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA. COAL RESOURCES CORP.	PENNSYLVANIA MINES CORPORATION	RUSHION MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANO COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP.	POWER MARKETS DEVELOPMENT COMPANY	LADY JANE COLLIERIES INC.
Proprietary capital														
Common stock issued	\$1,440,527,235	(\$31,900)	\$1,440,527,235	\$1,000	\$10,000	\$1,000	\$1,000	\$100	\$1,000	\$1,000	\$15,000	\$1,000	\$100	\$500
Preferred stock issued	466,461,500		466,461,500											
Capital stock expense	(10,591,132)		(10,591,132)											
Capital surplus	972,170	(123,666,406)	972,170		75,481,464	3,000	81,001				100,941		50,000,000	
Earned surplus	1,024,126,747	(3,115,470)	1,024,126,747		6,325,460				(1,000)		(4,113,377)	7,530	896,857	
Valuation allowance - noncurrent marketable equity securities	(93,634)				(19,234)								(74,400)	
Sub-total	2,921,402,886	(128,813,776)	2,921,496,320	1,000	81,797,690	4,000	82,001	100	0	1,000	(3,997,436)	8,530	50,822,557	500
Long-term debt														
Bonds	2,968,750,000		2,968,750,000											
Other long-term debt	38,740		38,740											
Unamortized (disc.) & prem.	(27,999,716)		(27,999,716)											
Sub-total	2,940,789,024	0	2,940,789,024	0	0	0	0	0	0	0	0	0	0	0
Current & accrued liab.														
Notes payable	74,167,410		64,000,000	9,380,738						786,672				
Accounts payable	141,003,109		138,986,895	171,048	1,405,759	(6)	185,200		34,602		11,063	206		8,342
Payables to assoc. companies	759,407	(112,288,160)	1,654,296	150	55,409,068	3,313,584	9,879,233		19,598,492	8,047,925	14,211,233	587,902	345,664	
Taxes accrued	48,005,278		42,389,158	969,010	162,933		248,534	(31,841)		91,371	-1,113,062	50	49,303	13,496
Interest accrued	63,958,537		63,924,477	27,898						6,162				
Dividends declared	71,710,200		71,710,200											
Deferred energy cost revenues	4,718,531		0	4,718,531										
Vacation pay	29,483,120		29,483,120											
Tax collections payable	4,346,664		4,346,664											
Accrued rent - energy trust	21,510,404		21,510,404											
Cap. lease obligations - current	73,681,675		73,681,675											
Other	40,327,136		40,094,946	175,609		998							44	35,362
Sub-total	573,871,491	(112,288,160)	551,982,035	15,442,984	57,177,760	3,313,578	10,313,982	(31,841)	19,633,094	8,932,130	18,335,358	588,156	393,013	77,400
Deferred credits														
Customer advances for construction	40,389		40,389											
Accum. deferred investment tax credits	230,063,983		227,823,051	2,240,932										
Liab. - Susquehanna plant	820,173		820,173											
Susquehanna unit #1 & unit #2 energy savings	88,160,773		88,160,773											
Cap. lease obligations - long term	151,083,441		151,083,441											
Accumulated misc. operating provision	28,894,886		28,894,886											
Other deferred credits	419,637,182		329,290,920			77,327,895	6,908,083			1,471,841				4,638,443
Other regulatory liabilities	221,455,907		221,455,907											
Sub-total	1,140,156,734	0	1,047,569,340	2,240,932	0	0	77,327,895	6,908,083	0	1,471,841	0	0	0	4,638,443
Accum. deferred income taxes	2,385,040,136		2,372,581,560	9,091,948	682,764					889,533	1,794,771			
Total liabilities	\$9,961,260,311	(\$241,101,936)	\$9,834,418,679	\$26,776,864	\$139,657,814	\$3,317,578	\$87,723,878	\$6,876,542	\$19,633,094	\$11,294,504	\$16,132,693	\$596,688	\$51,217,570	\$4,716,343

POOR ORIGINAL

**PPAL RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1993**

RECONCILIATION OF NET INCOME PER BOOKS WITH INCOME TAX RETURN

LINE NO.	COMBINED	ELIMINATIONS	PPAL RESOURCES, INC.	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA COAL RESOURCES CORPORATION	PENNSYLVANIA MINES CORPORATION	RUSHTON POWER MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP.	POWER MARKET DEVELOPMENT COMPANY	PMDC LATON AMERICA, INC.	SPECTRUM ENERGY SERVICES CORPORATION	LADY JANE COLLIERIES INC.	
1	Net income (loss) per books	\$330,421,520	(211,601,866)	\$306,328,478	\$332,084,310	\$0	\$6,931,761	\$0	\$0	\$0	\$0	\$20,297,558	\$0	\$1,605,142	\$24,069	(\$37,968)	\$0	
2	Federal income tax	201,160,449			191,511,567	(1,253,280)	(552,966)							(1,491,667)		(34,658)	(1168,037)	
3	Investment credit adjustment	(10,813,339)			(10,877,727)	(133,812)			(113,927)		1,158,429	16,111,453						
4	Taxable income not recorded on books:																	
	Transfers to/from parent company	0			912							1,343	(2,255)					
	Contributions in aid of construction	5,787,754			5,787,754													
	Dividends received	2,423,896	(131,879,065)	131,879,065	2,190,000			12,196										
	Subpart F income	148,384																
	Recognition - intangible gain	95,412			93,123		239											
	Leasee ITC income adjust.	71,378			71,378													
	ECR - Section 481	333,516			333,516													
	ECR over recovery	14,196,653			14,196,653													
	Leased luxury auto	8,749			8,749													
	Partnership income per K-1	8,983,068					8,983,068											
	Sale of investments or assets	\$1,619,546						93,559	43,987	\$1,400,000								
	Royalty income	750							750									
	Interest income	380,193						28,031	352,322									
	Nonqualified defcom trust	148,900			148,900													
	Sub-total	628,966,640	(1363,480,937)	338,207,343	555,751,125	(1,389,092)	15,382,102	0	(1,872,923)	284,932	\$3,480,000	1,158,429	26,410,354	(2,255)	(1,096,749)	396,153	(92,006)	(168,031)
5	Expenses recorded on books - not deducted:																	
	Amortization	14,099,346			14,099,346													
	Book depreciation	407,647,643			404,853,818	1,516,936	1,385		9,427								97,980	
	Deferred taxes	26,564,706			14,669,891	614,057	1,123,816			1,000		946,217					(6,725)	
	Severance pay/deferred comp	818,214			2,914,077			1,494,254	130,937		(1,525,220)	90,355						
	Adjust coal inventory	348,709			348,709			12,111,909	157,662					53,708				
	"Clearing" reserves/balances	1,333,096			1,333,096													
	Meal expense	991,337			981,057	1,729	14		336					7,842		223	106	
	Intangibles capitalized	8,524,786			8,502,559	22,227												
	Administrative & general capitalized	2,322,718			2,322,718													
	Environmental clean up	2,960,102			2,960,501													
	Health care cost - PMC amortization	2,434,422			2,434,433													
	Book provision - bad debts	24,793,600			24,793,600													
	Book prov - prop damage	120,000			120,000													
	Pension expense	6,473,107			5,877,282			548,627									7,399	
	Susp. decommissioning costs	4,461,303			4,461,303												247	
	Penalty charges	6,317			6,317	5,270												
	Sec. 162(e) expense	488,431			488,431													
	Spent nuclear fuel storage	880,257			880,257													
	Low level rad waste	2,551,424			2,551,424													
	Deferred credit - STAS	2,157,253			2,157,253													
	Net unrealized loss - materials & supplies	18,273,338			18,273,338													
	Adjust. sale of property	842,749			(3,834,760)	(1,210)						1,278,919						
	SEC filing fee	1,141,906			1,141,906													
	Reversal of Susquehanna expense																	
	Adrenal	9,017,964			9,017,964													
	State income tax	1,226,933			1,226,937	826	(131,550)		32,708	16,622	(5,142,982)	60	3,142,852					
	Sub-total	546,304,453	0	0	537,092,422	(1,187,875)	986,737	0	22,443	79,887	(5,141,982)	3,753,359	6,369,422	0	61,550	0	(6,166)	99,006
6	Total of Lines 1 through 5	\$1,171,271,102	(\$163,480,911)	\$338,207,343	\$1,092,843,547	\$798,761	\$16,368,839	\$0	(\$1,850,480)	\$364,819	\$46,318,018	\$3,911,888	\$43,579,776	(\$2,255)	(\$1,015,199)	\$394,153	(\$98,172)	(\$69,027)

POOR ORIGINAL

PPL RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1993

RECONCILIATION OF NET INCOME PER BOOKS WITH INCOME PER RETURN

LINE NO.	COMBINED	ELIMINATIONS	PPL RESOURCES, INC.	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA COAL RESOURCES CORPORATION	PENNSYLVANIA ADVES CORPORATION	MUSKIE HILL COAL COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	EDW CORP.	POWER MARKET DEVELOPMENT COMPANY	PMDC LASTH AMERICA, INC.	SPECTRUM ENERGY SERVICES CORPORATION	LADY JANE COLLIERIES INC.	
6	Total of lines 1 through 5 from page 1 of 2	\$1,171,271,102	(\$365,480,931)	\$318,207,543	\$1,092,163,547	\$798,793	\$16,348,819	0	(81,850,480)	\$364,819	\$46,338,018	\$5,911,608	\$43,379,776	(52,251)	(53,035,199)	\$394,133	(598,172)	(169,027)
7	Income recorded on books - see items:																	
	Est. during construction	11,470,049		11,470,049														
	Spent path change of accounting	4,002,528		4,002,528														
	Equity in earnings - rube net	2,305,776	(223,801,846)	206,328,478	29,529,056									24,069	24,069			
	Tax exempt interest	1,412,135			148,142		(4,127)							1,102,736				
	EPA emission allowance	706,013		706,013														
	Deferred pipeline revenues	4,277,663			4,277,663													
	Partnership income - books	12,212,910				12,212,910												
	Sale of subsidiary - See 338(X)(10)	23,209,617										42,209,617						
	Subtotal	78,597,751	(223,601,846)	206,328,478	45,975,738	4,277,663	12,212,910	0	0	0	0	0	42,209,617	0	1,128,805	24,069	0	
8	Additional deductions not recorded on books:																	
	Removal costs	16,268,271		16,268,271														
	Tax Depreciation	327,620,897		325,836,279	128,705	(1,341)			67,610	1,093					1,164,733		375,134	
	Amortization of pollution control facilities	11,731,937		11,731,937														
	Amortization of RAR items	834		834														
	ESOP dividends paid in cash	9,435,601		9,435,601														
	Fuel K/C carryover A/C	1,818		1,818														
	GB investment	2,174,923		2,174,923														
	Reinvestments VERA	3,965,227		3,965,227			(100,000)											
	CCR settlement	4,684,269		4,684,269														
	Bad debts - net write-offs	18,966,244		18,966,244														
	Property damage	121,207		121,207														
	Interest and fees - nuclear energy unit	135,977		135,977														
	Deportmentary costs - Section 468A	8,116,085		8,116,085														
	Taxes charged capitalized - book over tax	1,832,296		1,832,296														
	Adjust bond disc & exp	3,475,760		3,475,760														
	Sec 139 exp	157,500		157,500														
	Non-cash dividends	45,283		45,283														
	Vacation pay	2,155,674		2,191,464	(47,701)												(132)	
	Revenue reserves - HEIL	3,985		3,985														
	Uranium enrichment cleanup	52,417		52,417														
	Post-employment benefits	16,110,433		16,110,433														
	Post-employment benefits	791,652		791,652														
	Deferred refunding	4,944,762		4,944,762														
	Organizational expenses	39,894		39,894														
	Voluntary early retirement	44,161,637		44,161,637														
	Compass software	25,173,049		25,173,049														
	Rate case expense	1,597,812		1,597,812														
	Adjust policy losses	1,903,422		2,341,092	239	100,601	3,342	4,499	(489)	55,306	(12)	(183,471)	(2,255)	(14,004)	144	(54)	(28)	
	Insurance, health, term, etc. capitalized	1,391,807		240,464														
	Workforce compensation	1,712,633						549,435				601,901					(53,259)	
	Depletion	109						1,449,336	293,336									
	Charitable contributions	903,818						903,818										
	State closing	739,920						161,991	537,939									
	Subtotal	513,320,543	0	0	207,617,308	87,240	101,944	3,342	3,357,118	627,069	25,306	601,896	601,262	(5,355)	(14,004)	244	(54)	543,217
9	Total of lines 7 and 8	591,978,294	(223,601,846)	206,328,478	352,493,266	4,264,903	12,459,751	3,342	3,357,118	627,069	25,306	601,896	601,819	(2,133)	(1,682,801)	24,069	(44)	343,217
10	Taxable income - line 9 from line 9	\$579,292,808	(\$131,879,065)	\$131,879,065	\$339,310,741	\$5,244,120	\$5,909,663	(\$3,342)	\$5,207,901	(\$242,250)	\$46,212,712	\$5,309,792	(\$231,103)	0	(\$4,148,000)	\$369,640	(\$98,128)	(\$412,244)

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

ANALYSIS OF EARNED SURPLUS - PER BOOKS

	COMBINED	ELIMINATIONS	PP&L RESOURCES INC.	PENNSYLVANIA POWER & LIGHT COMPANY	CEP GROUP INC.	GREENE HILL COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	DDW CORP.	POWER MARKETS DEVELOPMENT COMPANY	PMDC LATIN AMERICA, INC.	SPECTRUM ENERGY SERVICES CORP.	ALL OTHER COMPANIES
Balance beg. of year	\$1,024,126,747	(3,115,470)	\$0	\$1,024,126,747	\$6,325,460	(\$1,000)	(\$4,113,377)	\$7,530	\$896,857	\$0	\$0	\$0
Net income (loss) per books	350,421,520	(233,601,866)	206,328,478	352,084,230	6,951,761		20,297,558		(1,605,142)	24,069	(57,568)	
Investments in subsidiaries	0	(1,075,122,271)	1,075,122,271									
Sale of subsidiary stock	0	(1,000)				1,000						
Earnings transferred to newly formed parent holding co.	0	896,957		(896,957)								
Dividends - stock	0	896,957			(896,957)							
Dividends - cash	(291,413,606)	248,316,089	(198,316,088)	(341,413,607)								
Balance end of year	\$1,083,134,661	(\$1,061,730,604)	\$1,083,134,661	\$1,033,900,413	\$12,380,264	\$0	\$16,184,181	\$7,530	(\$708,285)	\$24,069	(\$57,568)	\$0

Schedule M-2

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

TAXES

	COMBINED	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNA. COAL RESOURCES CORP.	PENNSYLVANIA AGNES CORPORATION	RUSHTON MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	BRW CORP.	POWER MARKETS DEVELOPMENT COMPANY	SPECTRUM ENERGY SERVICES CORPORATION	PMDC LATON AMERICA, INC.	LADY JANE COLLIERIES INC.
Pennsylvania															
Income	\$65,380,196	\$59,555,548	50	3212,878	50	50	50	55,142,982	5367,788	50	50	50	50	50	50
Capital Stock/ Franchise	34,131,491	33,712,005	300	385,293	3,346	4,356	300	19,644	300	1,068	300	300	3,979	30	300
Gross receipts	101,525,173	101,439,401	83,772												
Regulatory commission	21,112	0	21,112												
Public utility reativ	45,866,476	45,796,173	70,303												
Sales and use	3,932,913	3,921,068				2,176									9,669
Motor vehicle	53	0	53												
Unemployment	1,561,329	1,542,751	3,994			11,099									3,483
Corporate loans	2,172	2,172													
Other state/taxes	96,170	9,085	50							86,985	50				
Federal															
Unemployment	436,191	432,875	1,091			3,721									504
Social security & hospital ins	23,556,754	23,376,272	82,642			28,532						42,208			27,100
Highway use	12,167	12,167													
Excise	3,951	3,951													
Environmental	753,994	701,580	(4,269)	4,394	(4)	(2,115)	(327)	55,606	3,977	234		(3,968)	(118)	444	(420)
Local,															
Property	1,800,060	819,092	31,286	3,604		617		764,916		42,893	138,634				6,898
Total	\$278,980,202	\$271,321,189	\$296,385	\$606,169	\$2,742	\$45,386	(\$27)	\$5,983,148	\$372,063	\$131,160	\$131,004	\$38,540	\$1,861	\$444	\$47,536

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Contributions

Pennsylvania Power & Light Company:

Community Chests/United Fund	\$ 390,680
Hospitals	54,255
Universities and colleges - scholarships	45,230
Universities and colleges - other	239,697
Youth organizations (YMCA, YWCA, Boys Club, Boy Scouts, etc.)	28,397
Local health and welfare organizations	57,317
Operation Help	719,348
Community programs, libraries	131,016
Community partnership program	2,409,720
Other civic and welfare organizations	<u>138,988</u>
Sub-total	4,214,648
Pennsylvania Mines Corporation	904,008
Lady Jane Collieries, Inc.	<u>50</u>
Total Contribution Deduction	<u>\$5,118,706</u>

Schedule P

Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ See separate instructions.

Name(s) shown on your income tax return

Pennsylvania Mines Corporation

Identifying number

23-1699492

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A—List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property
A		
B		
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						

Part II Other Information—Complete line 2 if you gave less than an entire interest in property listed in Part I. Complete line 3 if restrictions were attached to a contribution listed in Part I.

- 2 If during the year, you contributed less than the entire interest in the property, complete lines a - e.
- a Enter the letter from Part I that identifies the property ▶ _____ . If Part II applies to more than one property, attach a separate statement.
 - b Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ _____
(2) For any prior tax years ▶ _____
 - c Name and address of each organization to which any such contribution was made in a prior year (complete only if different than the donee organization above).
Name of charitable organization (donee) _____
Address (number, street, and room or suite no.) _____
City or town, state, and ZIP code _____
 - d For tangible property, enter the place where the property is located or kept ▶ _____
 - e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

3 If conditions were attached to any contribution listed in Part I, answer questions a - c and attach the required statement (see instructions).

- a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?
- b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?
- c Is there a restriction limiting the donated property for a particular use?

	Yes	No

Name(s) shown on your income tax return **Pennsylvania Mines Corporation** identifying number

Section B—Appraisal Summary—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group. **Exception.** Report contributions of certain publicly traded securities only in Section A.

If you donated art, you may have to attach the complete appraisal. See the **Note** in Part I below.

Part I: Information on Donated Property—To be completed by the taxpayer and/or appraiser.

4 Check type of property:

Art* (contribution of \$20,000 or more) Real Estate Gems/Jewelry Stamp Collections

Art* (contribution of less than \$20,000) Coin Collections Books Other

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antique furniture, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

Note: If your total art contribution deduction was \$20,000 or more, you must attach a complete copy of the signed appraisal. See instructions.

5	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If tangible property was donated, give a brief summary of the overall physical condition at the time of the gift	(c) Appraised fair market value
A	Buildings and Land - main complex	Fair Condition	1,036,200
B			
C			
D			

A	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	See instructions	
					(h) Amount claimed as a deduction	(i) Average trading price of securities
A	1971-78	Purchase	958,950			
B						
C						
D						

Part II: Taxpayer (Donor) Statement— List each item included in Part I above that is separately identified in the appraisal as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions.

Signature of taxpayer (donor) _____ Date _____

Part III: Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing person. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this appraisal summary may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I affirm that I have not been barred from presenting evidence or testimony by the Director of Practice.

Sign Here Signature William L. ... Title Appraiser Date of appraisal April 28, 1995

Business address (including room or suite no.) 716 Church Street Identifying number P.L. - 000613 - L

City or town, state, and ZIP code Indiana, PA 15701 FIN 25-1224187

Part IV: Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on June 29, 1995

(Date)

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 2 years after the date of receipt, it will file an **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Name of charitable organization (donee) Northern Cambria Community Development Corporation	Employer identification number 25-1534235
Address (number, street, and room or suite no.) Box 174	City or town, state, and ZIP code Barnesboro, PA 15714
Authorized signature <u>[Signature]</u>	Title <u>Chairman and CEO</u> Date <u>6-10-96</u>

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

DEPLETION

	COMBINED <u>TOTAL</u>	COAL <u>(Cost Method)</u>	OIL & GAS <u>(15% of Gross Income)</u>
Pennsylvania Mines Corporation	\$409 [✓]	\$0	\$409

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1993

OTHER DEDUCTIONS

	COMBINED	PENNSYLVANIA POWER & LIGHT COMPANY	INTERSTATE ENERGY COMPANY	CEP GROUP INC.	PENNSYLVANIA MINES CORPORATION	RUSHTON MINING COMPANY	GREENE HILL COAL COMPANY	GREENE MANOR COAL COMPANY	REALTY COMPANY OF PENNSYLVANIA	RDW CORP.	POWER MARKETS DEVELOPMENT COMPANY	SPECTRUM ENERGY SERVICES CORPORATION	LADY JANE COLLIERIES INC.
Operating expenses:													
Production and power	\$880,889,823	\$880,889,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission	4,432,458	4,432,458											
Distribution	46,868,511	46,868,511											
Customers' accounting	34,785,130	34,785,130											
Sales expense & customer info	23,064,377	23,064,377											
Administrative & General	159,415,701	147,717,431	475,153	2,440,185	3,270,192	352,998	20,686	6,018	16,250	4,548	4,708,763	265,947	137,332
Operating	4,894,844		2,903,979	177	569,694	304,045			531,342				585,607
Sub-total	1,154,351,044	1,137,757,930	3,379,132	2,440,360	1,839,886	657,043	20,686	6,018	547,592	4,548	4,708,763	265,947	723,139
Less portion of expense charges reclassified and deducted as taxes, pensions, other employee benefits and depreciation	8,155,063	8,155,063											
Remainder	1,146,195,981	1,129,602,867	3,379,132	2,440,360	1,839,886	657,043	20,686	6,018	547,592	4,548	4,708,763	265,947	723,139
Removal costs	16,368,773	16,368,773											
Amortization	11,731,937	11,731,937											
Severance pay & deferred comp	(2,934,077)	(2,934,077)											
Amortization of debt disc. & exp.	9,824,460	9,824,460											
Cost of reacquired debt	3,475,760	3,475,760											
Coal inventory adjustment	(388,709)	(388,709)											
Adjustment of clearing accounts	(1,335,096)	(1,335,096)											
Amortization of various RAR items	834	834											
Decommissioning costs - Section 468A	8,116,005	8,116,005											
Transfer to/from parent company	0	1,471,417											
ESOP dividends paid in cash	9,455,601	9,455,601					(1,461,848)	(10,307)	(11,318)	12,056			
Vacation pay	2,199,464	2,199,464											
Amort - Book leasehold impr.	(1,749,379)	(1,749,379)											
Business meals disallowed	(991,293)	(981,057)	(1,729)		(336)								
Admin. & General capitalized	(2,322,718)	(2,322,718)									(7,842)	(223)	(106)
Keystone/Conemaugh escrow	1,618	1,618											
PMC health care amortization	(2,454,422)	(2,454,422)											
Post-retirement benefits	20,145,780	20,145,780											
Post-employment benefits	791,652	791,652											
ECR settlement	17,432,025	17,432,025											
Reserve premium - NEIL	3,985	3,985											
Computer software amortization	(2,653,305)	(2,653,305)											
Vehicle & equip. BLC book amort.	(9,696,662)	(9,696,662)											
Power plant inventory	(19,464,300)	(19,464,300)											
DOE uranium enrichment cleanup	52,417	52,417											
Unrealized loss on inventory	(18,273,538)	(18,273,538)											
Environmental clean up	(2,960,302)	(2,960,302)											
Organizational expenses	39,894	39,894											
Spent nuclear fuel storage	(880,257)	(880,257)											
Low level rad waste	(2,551,424)	(2,551,424)											
SSES window deferral	726,861	726,861											
SEC filing fee	(1,141,906)	(1,141,906)											
Computer software capitalized per books	28,173,049	28,173,049											
Rate case expense	1,397,812	1,397,812											
EPA emission allowance	799,477	799,477											
Deferred credit - STAS	(2,157,253)	(2,157,253)											
Total	\$1,204,977,744	\$1,189,666,283	\$3,377,403	\$2,440,360	\$3,839,550	\$657,043	(\$1,441,162)	(\$4,289)	\$536,274	\$16,604	\$4,700,921	\$265,724	\$723,033

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Answers to Questions, Pages 1, 2 and 3

	<u>PP&L Resources, Inc.</u>	<u>Pennsylvania Power & Light Company</u>	<u>Realty Company of Pennsylvania</u>	<u>CEP Group, Inc.</u>
Questions on Page 1:				
B - E.I. number	23-2758192	23-0959590	23-1612742	23-1677278
C - Date incorporated	3/15/94	6/4/20	11/29/50	10/19/66
D - Total assets	\$2,598,156,416	\$9,806,176,719	\$36,787,595	\$96,803,587
Question on Page 2:				
9(a) - Valuation method	N/A	N/A	N/A	N/A
9(b) - LIFO this year	N/A	N/A	N/A	N/A
9(c) - LIFO inv.	N/A	N/A	N/A	N/A
9(d) - Do Sec. 263A rules apply?	N/A	N/A	N/A	N/A
9(e) - Change in inv.	N/A	N/A	N/A	N/A
Questions on Page 3, Schedule K:				
1 - Accrual method of accounting	Yes	Yes	Yes	Yes
2(a) - Business activity code no.	6749	4910	6599	6749
2(b) - Principal business activity	Holding Company	Electric Utility	Lessor of Real Property	Investing
3 - Own 50% stock	Page 6	Page 6	Page 6	No
4 - Subsidiary	N/A	Yes	Yes	Yes
Parent information	N/A	Page 6	Page 6	Page 6
5 - 50% stock owned	No	Page 6	Page 6	Page 6
6 - Non-tax dividends	No	No	No	No
7 - Foreign corp.	No	No	No	No
8 - Financial accts.-foreign country	No	No	No	No
9 - Foreign trust	No	No	No	No
10 - Foreign person own 25%	No	No	No	No
11 - Public offered debt with OID	No	No	No	No
12 - Tax-exempt interest received	No	\$168,142	None	\$141,277
13 - Number of shareholders if less than 35	N/A	N/A	One	One
14 - Forego NOL carryback period	N/A	N/A	N/A	N/A
15 - Available NOL carryover	None	None	None	None

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Answers to Questions, Pages 1, 2 and 3

	<u>Interstate Energy Company</u>	<u>Pennsylvania Mines Corporation</u>	<u>Rushton Mining Company</u>	<u>Lady Jane Collieries, Inc.</u>
Questions on Page 1:				
B - E.I. number	74-1720208	23-1699492	25-1123520	24-0856538
C - Date incorporated	3/3/71	6/3/68	5/24/62	8/22/60
D - Total assets	\$34,745,011	\$88,144,657	\$6,170,496	\$5,092,146
Question on Page 2:				
9(a) - Valuation method	N/A	N/A	N/A	N/A
9(b) - LIFO this year	N/A	N/A	N/A	N/A
9(c) - LIFO inv.	N/A	N/A	N/A	N/A
9(d) - Do Sec. 263A rules apply?	No	No	No	No
9(e) - Change in inv.	No	No	No	No
Questions on Page 3, Schedule K:				
1 - Accrual method of accounting	Yes	Yes	Yes	Yes
2(a) - Business activity code no.	4600	1150	1150	1150
2(b) - Principal business activity	Oil P/L Transportation	Bituminous Coal Mining	Bituminous Coal Mining	Bituminous Coal Mining
3 - Own 50% stock	No	Page 6	No	No
4 - Subsidiary	Yes	Yes	Yes	Yes
Parent information	Page 6	Page 6	Page 6	Page 6
5 - 50% stock owned	Page 6	Page 6	Page 6	Page 6
6 - Non-tax dividends	No	No	No	No
7 - Foreign corp.	No	No	No	No
8 - Financial accts.-foreign country	No	No	No	No
9 - Foreign trust	No	No	No	No
10 - Foreign person own 25%	No	No	No	No
11 - Public offered debt with OID	No	No	No	No
12 - Tax-exempt interest received	None	\$3,368,889	None	None
13 - Number of shareholders if less than 35	One	One	One	One
14 - Forego NOL carryback period	N/A	N/A	N/A	N/A
15 - Available NOL carryover	None	None	None	None

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Answers to Questions, Pages 1, 2 and 3

<u>Company</u>	<u>Greene Hill Coal Company</u>	<u>Greene Manor Coal Corporation</u>	<u>BDW Corporation</u>	<u>Pennsylvania Coal Resources Corporation</u>
Questions on Page 1:				
B - E.I. number	23-1920680	23-1943647	51-0116798	23-2274938
C - Date incorporated	2/26/74	2/7/75	12/11/72	12/14/83
D - Total assets	N/A	\$8,588,116	\$572,584	\$3,958,499
Question on Page 2:				
9(a) - Valuation method	N/A	N/A	N/A	N/A
9(b) - LIFO this year	N/A	N/A	N/A	N/A
9(c) - LIFO inv.	N/A	N/A	N/A	N/A
9(d) - Do Sec. 263A rules apply?	N/A	N/A	N/A	N/A
9(e) - Change in inv.	N/A	N/A	N/A	N/A
Questions on Page 3, Schedule K:				
1 - Accrual method of accounting	Yes	Yes	Yes	Yes
2(a) - Business activity code no.	1150	1150	6599	1150
2(b) - Principal business activity	Bituminous Coal Mining (Inactive)	Lessor of Coal Lands	Real Estate Investment	Owns Coal Mining Companies
3 - Own 50% stock	No	No	No	Page 6
4 - Subsidiary	Yes	Yes	Yes	Yes
Parent information	Page 6	Page 6	Page 6	Page 6
5 - 50% stock owned	Page 6	Page 6	Page 6	Page 6
6 - Non-tax dividends	No	No	No	No
7 - Foreign corp.	No	No	No	No
8 - Financial accts. - foreign country	No	No	No	No
9 - Foreign trust	No	No	No	No
10 - Foreign person own 25%	No	No	No	No
11 - Public offered debt with OID	No	No	No	No
12 - Tax-exempt interest received	None	None	None	None
13 - Number of shareholders if less than 35	One	One	One	One
14 - Forego NOL carryback period	N/A	N/A	N/A	N/A
15 - Available NOL carryover	None	None	None	None

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Answers to Questions, Pages 1, 2 and 3

	Power Markets Development Company	PMDC Latin America, Inc.	PMD Chester, Inc.	PMDC Asia, Inc.
Questions on Page 1:				
B - E.I. number	23-2755459	51-0368426	51-0368424	51-0368428
C - Date incorporated	3/09/94	4/27/95	4/27/95	02/21/95
D - Total assets	\$65,361,895	\$12,063,286	\$100	\$100
Question on Page 2:				
9(a) - Valuation method	N/A	N/A	N/A	N/A
9(b) - LIFO this year	N/A	N/A	N/A	N/A
9(c) - LIFO inv.	N/A	N/A	N/A	N/A
9(d) - Do Sec. 263A rules apply?	N/A	N/A	N/A	N/A
9(e) - Change in inv.	N/A	N/A	N/A	N/A
Questions on Page 3, Schedule K:				
1 - Accrual method of accounting	Yes	Yes	Yes	Yes
2(a) - Business activity code no.	4910	4910	4910	4910
2(b) - Principal business activity	Power Market Investment	Power Market Investment	Power Market Investment	Power Marke: Investment
3 - Own 50% stock	Page 6	No	No	No
4 - Subsidiary	Yes	Yes	Yes	Yes
Parent information	Page 6	Page 7	Page 7	Page 7
5 - 50% stock owned	Page 6	Page 7	Page 7	Page 7
6 - Non-tax dividends	No	No	No	No
7 - Foreign corp.	Yes - 1	Yes - 2	No	No
8 - Financial accts.-foreign country	No	Yes - Netherlands	No	No
9 - Foreign trust	No	No	No	No
10 - Foreign person own 25%	No	No	No	No
11 - Public offered debt with OID	No	No	No	No
12 - Tax-exempt interest received	\$1,102,736	None	None	None
13 - Number of shareholders if less than 35	One	One	One	One
14 - Forego NOL carryback period	N/A	N/A	N/A	N/A
15 - Available NOL carryover	None	None	None	None

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Answers to Questions, Pages 1, 2 and 3

	PMD Indonesia, <u>Inc.</u>	PMDC Operations, <u>Inc.</u>	Spectrum Energy Services <u>Corporation</u>
Questions on Page 1:			
B - E.I. number	51-0368425	51-0368427	23-2816389
C - Date incorporated	2/10/95	5/24/95	7/14/95
D - Total assets	\$100	\$100	\$4,139,827
Question on Page 2:			
9(a) - Valuation method	N/A	N/A	N/A
9(b) - LIFO this year	N/A	N/A	N/A
9(c) - LIFO inv.	N/A	N/A	N/A
9(d) - Do Sec. 263A rules apply?	N/A	N/A	N/A
9(e) - Change in inv.	N/A	N/A	N/A
Questions on Page 3, Schedule K:			
1 - Accrual method of accounting	Yes	Yes	Yes
2(a) - Business activity code no.	4910	4910	8980
2(b) - Principal business activity	Power Market Investment	Power Market Investment	Energy Products & Services
3 - Own 50% stock	No	No	No
4 - Subsidiary	Yes	Yes	Yes
Parent information	Page 7	Page 7	Page 6
5 - 50% stock owned	Page 7	Page 7	Page 6
6 - Non-tax dividends	No	No	No
7 - Foreign corp.	No	No	No
8 - Financial accts.-foreign country	No	No	No
9 - Foreign trust	No	No	No
10 - Foreign person own 25%	No	No	No
11 - Public offered debt with OID	No	No	No
12 - Tax-exempt interest received	None	None	None
13 - Number of shareholders if less than 35	One	One	One
14 - Forego NOL carryback period	N/A	N/A	N/A
15 - Available NOL carryover	None	None	None

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Statement of Stock Ownership

	<u>Percent of Voting Stock Owned</u>
 <u>PP&L RESOURCES, INC.</u>	
Pennsylvania Power & Light Company	97.12%
Spectrum Energy Services Corporation	100%
Two North Ninth Street	
Allentown, PA 18101	
Power Markets Development Company	100%
11350 Random Hills Road, Suite 800	
Fairfax, VA 22030	
 <u>PENNSYLVANIA POWER & LIGHT COMPANY</u>	
Realty Company of Pennsylvania	100%
Interstate Energy Company	100%
Pennsylvania Coal Resources Corporation	100%
CEP Group, Inc.	100%
Two North Ninth Street	
Allentown, PA 18101	
Safe Harbor Water Power Corporation	50%
P. O. Box 97	
Conestoga, Lancaster County, PA 17516	
 <u>REALTY COMPANY OF PENNSYLVANIA</u>	
BDW Corporation	100%
Lady Jane Collieries, Inc.	100%
Greene Hill Coal Company	100%
Greene Manor Coal Company	100%
Two North Ninth Street	
Allentown, PA 18101	
 <u>PENNSYLVANIA MINES CORPORATION</u>	
Rushton Mining Company	100%
P. O. Box 367	
Ebensburg, PA 15931	
 <u>PENNSYLVANIA COAL RESOURCES CORPORATION</u>	
Pennsylvania Mines Corporation	100%
P. O. Box 367	
Ebensburg, PA 15931	

Schedule S
(Continued-6)

PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995

Statement of Stock Ownership

Percent of
Voting Stock
Owned

POWER MARKETS DEVELOPMENT COMPANY

PMDC Latin America, Inc.	100%
PMD Chester, Inc.	100%
PMDC Asia, Inc.	100%
PMD Indonesia, Inc.	100%
PMDC Operations, Inc.	100%
11350 Random Hills Road, Suite 800 Fairfax, VA 22030	

Schedule S
(Concluded-7)

Form **8275**

(Rev. April 1995)

Department of the Treasury
Internal Revenue Service**Disclosure Statement**Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement.
See separate instructions.

▶ Attach to your tax return.

OMB No. 1545-0889

Attachment
Sequence No. **92**

Name(s) shown on return

PP&L Resources, Inc. and Subsidiary Companies

Identifying number shown on return

23-2758192

Part I General Information (See instructions.)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1		Liability for continuing fee required under the Nuclear Waste Policy Act of 1982.	1120	26	\$ 3,255,054
2		Liability for "spare parts"-related refunds required pursuant to orders of the PA PUC and FERC	1120	1a	\$23,466,828
3		Liability for decontamination and decommissioning payments pursuant to Title XI of the Energy Policy Act of 1992	1120	26	\$ 2,699,955

Part II Detailed Explanation (See instructions.)

1 Taxpayer has deducted in this return its liability to the DOE arising from electricity generated at its nuclear power units for the period October 1, 1995 through December 31, 1995. Deduction has been claimed under the "recurring item exception." The "recurring item exception" method of accounting was elected by taxpayer in its 1984 tax return.

2 See attached Disclosure Statement.

3 See attached Disclosure Statement.

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure with respect to a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company, real estate investment trust, or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity to
	4 Internal Revenue Service Center where the pass-through entity filed its return

For Paperwork Reduction Act Notice, see separate instructions.

Form **8275** (Rev. 4-95)

**PP&L RESOURCES, INC.
AND SUBSIDIARY COMPANIES
INCOME TAX RETURN - 1995**

Disclosure

"Spare Parts"-Related Refunds

Taxpayer has claimed a deduction in this return in the amount of \$23,466,828 which reflects the amount of "spare parts"-related refunds paid out during 1995 to its customers. This amount constitutes a part of a larger amount which Taxpayer is obligated to refund pursuant to orders of the Pennsylvania Public Utility Commission (PPUC) and the Federal Energy Regulatory Commission (FERC) [which orders became final in 1991] on account of a change in its regulatory accounting for spare parts. The ordered refunds are to be made over a 60-month period. On its originally filed 1991 return, Taxpayer claimed a deduction for such refunds on the same basis as in this return.

Prior to the filing of the 1992 return, Taxpayer filed an amended 1991 return which claimed a deduction for the entire amount of the refund liability which was established by the relevant regulatory orders. Thus, the amount claimed as a deduction for "spare parts"-related refunds in this return has been subsumed in the deduction claimed with respect to 1991 by amended return.

Thus far the Service has denied the claim on the 1991 amended return. However, the taxpayer continues to contest the matter in appeals. In the event that such tax refund claim is approved, Taxpayer will amend its 1995 return to eliminate the duplicative deduction claimed in this return.

Decontamination and Decommissioning Payment

Taxpayer has claimed a deduction in this return in the amount of \$2,699,955 which reflects the special assessments paid prior to September 15, 1996 to the United States Department of Energy for the decontamination and decommissioning fund. This amount constitutes a part of a larger amount which taxpayer is obligated to pay pursuant to Title XI of the Energy Policy Act of 1992 (Act). The payments are to continue for a period of the earlier of fifteen years or when a specific amount (\$2.25 billion for all companies) has been collected.

Prior to the filing of the 1993 return, taxpayer filed an amended 1992 return which recognized the entire amount of the liability which was established by the Act. Thus, the amount claimed as a deduction for decontamination and decommissioning payments has been subsumed in the amount reflected in the 1992 amended return.

The Service has not yet responded to the 1992 amended return and the tax refund claimed therein has not been received. In the event that such tax refund claim is approved, taxpayer will amend its 1995 return to eliminate the duplicative deduction claimed in this return.

PP&L Resources, Inc.
Power Markets Development Company
Shareholder Section 1295 Election Statement

PP&L Resources, Inc., the common parent of the affiliated group, hereby elects on behalf of Power Markets Development Company to make a qualified electing fund (QEF) of PMDC International N. V.

The information required by Notice 88-125 is as follows:

1. Shareholder Information

- a) Name of Shareholder: Power Markets Development Company
- b) Address: Suite 800
11350 Random Hills Road
Fairfax, VA 22030
- c) Taxpayer Identification Number: 23-27555459
- d) First Taxable year of the Shareholder for which the Election is made: Calendar Year 1995

2. I, PP&L Resources, Inc., on behalf of Power Markets Development Company hereby make an election under section 1295 of the Internal Revenue Code on this 16th day of September, 1996.

3. PFIC Information

- a) Name of Passive Foreign Investment Company: PMDC International N. V.
- b) Address: John B. Gorsiraweg 14
Curacao, Netherlands Antilles
- c) Taxpayer Identification Number (if any): NA
- d) Country of Incorporation: Netherlands Antilles
- e) Year of Incorporation: 1995

4. This election is to be effective for the taxable year of PMDC International N. V. ending December 31, 1995.

5. Stock Information

Number of shares of each class of stock of PMDC International N. V. owned by Power Markets Development Company during the taxable year for which the election applies:

6,000 Shares Common Stock

Under penalties of perjury, I declare that I have examined this election statement and, that to the best of my knowledge and belief, the information and representations provided herein are true, correct and complete.

Date: _____

V. P. & Controller
PP&L Resources, Inc.

PMDC International N. V.
PFIC Annual Information Statement

- (1) This Information Statement applies to the taxable year of PMDC International N. V. beginning on May 17, 1995, and ending on December 31, 1995.
- (2) Power Markets Development Company has the following pro-rata share of the ordinary earnings and net capital gain of PMDC International N. V., for the taxable year of PMDC International N. V. specified in paragraph (1):

Ordinary Earnings:	\$ 0
Net Capital Gain:	\$ 0

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by PMDC International N. V., to Power Markets Development Company during the taxable year specified in paragraph (1) is as follows:

Cash:	None
Fair Market Value of Property:	None

- (4) PMDC International N. V. will permit Power Markets Development Company, to inspect and copy PMDC International N. V.'s permanent books of account, records, and such other documents as may be maintained by PMDC International N. V. that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in section 1293(e) of the Code, are computed in accordance with U. S. income tax principles.

Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

Attachment
Sequence No. **69**

Name of shareholder Power Markets Development Company	Identifying number (see instructions) 23-2755459
Number, street, and room or suite no. (if a P.O. box, see instructions.) 11350 Random Hills Road, Suite 800	Your tax year: Calendar year 1995 or other tax year beginning 19 and ending 19
City or town, state, and ZIP code or country Fairfax, VA 22030	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) PMDC International N. V.	Employer identification number (if any) N/A
Address (Enter number, street, city or town, and country.) John B. Gorsiraweg 14 Curacao, Netherlands Antilles	Tax year or Company of Fund: Calendar year 19 or other tax year beginning May 17 1995 and ending December 31 1995

Part I Elections (See Specific Instructions for Information To Attach When Making an Election.)

- 1 I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. (Section 1295.)
Complete lines 6a through 7c of Part II.
- 2 I, a shareholder on the first day of the first tax year of a PFIC as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. (Section 1291(d)(2)(A).)
Enter gain or loss on line 10f. A shareholder who makes the line 2 election is also required to complete lines 6a through 7c of Part II.
- 3 I, a shareholder on the first day of the first tax year of a PFIC as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. (Section 1291(d)(2)(B).)
Enter this amount on line 10e. See Specific Instructions for tax years over which the excess distribution is allocated. A shareholder who makes the line 3 election is also required to complete lines 6a through 7c of Part II for its QEF earnings.
- 4 I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until terminated. (Section 1294.) For the calculation of the tax that may be deferred, see lines 8a through 9c, below.
Note: If any portion of line 6a or line 7a is includible under section 551 or 951, you may not make the line 4 election. See sections 1294(c) and 1294(f) for events that terminate this election.
- 5 I, a shareholder of a former PFIC, elect to recognize gain on the deemed sale of my interest in the PFIC on the last day of the last tax year the foreign corporation qualified as a PFIC. (Section 1297(b)(1).)
Enter gain or loss on line 10f.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 6a through 7c. Those making the line 4 election also complete lines 8a through 9c.

6a Enter your pro rata share of the ordinary earnings of the QEF	6a	0
6b Enter the portion of line 6a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	6b	0
6c Subtract line 6b from line 6a. Enter this amount on your tax return as dividend income	6c	0
7a Enter your pro rata share of the net capital gain of the QEF	7a	0
7b Enter the portion of line 7a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	7b	0
7c Subtract line 7b from line 7a. This amount is long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return	7c	0
8a Add lines 6c and 7c	8a	0
8b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF (See instructions for line 8b.)	8b	
8c Enter the portion of line 8a to the extent not already included in line 8b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	8c	
8d Add lines 8b and 8c	8d	
8e Subtract line 8d from line 8a, and enter the difference (if zero or less, enter amount in brackets). If no portion of line 6a or line 7a is includible in income under section 551 or 951 and line 8e is greater than zero, you may make the line 4 election with respect to the amount on line 8e.	8e	
Computation of Tax for Which the Time for Payment Is Extended		
9a Enter the total tax for total taxable income for the tax year	9a	
b Enter the total tax for the tax year determined without regard to the amount entered on line 8e	9b	
c Subtract line 9b from line 9a. This is the deferred tax, the time for payment of which is extended by making the line 4 election. See instructions	9c	

Part III Distributions and Disposition of Stock in a Section 1291 Fund (See instructions.)

10a	Enter the total amount of distributions made to you by the PFIC during the tax year. If the holding period of the stock began in the tax year, enter this amount as a dividend on your tax return to the extent there are accumulated earnings and profits	10a
b	Enter the total amount of distributions, reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B), made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year)	10b
c	Divide line 10b by 3 (but see instructions if the number of preceding tax years is less than 3)	10c
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return	10d
e	Subtract line 10d from line 10a. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part III. The amount on line 10e, if more than zero, is the total excess distribution. See instructions if you received more than one distribution during the tax year	10e
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. A loss is not recognized. If a loss, show it in brackets and do not complete lines 11a through 11f. If a gain, complete lines 11a through 11f	10f
11	On an attached statement for each distribution and disposition, show your holding period for each share of stock or block of shares held and:	
a	Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.	
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as dividend income. (See instructions.)	11b
c	To determine the increase in tax for each tax year in your holding period (other than the current tax year and pre-PFIC years), multiply the amount allocated to each tax year by the highest rate of tax under section 1 or section 11, whichever applies, in effect for that tax year. Enter the aggregate increases in taxes (before credits) here	11c
d	Foreign tax credit	11d
e	Subtract the amount on line 11d from the amount on line 11c. Enter this amount on your income tax return as "additional tax"	11e
f	Determine interest on each net increase in tax (increase in tax less any foreign tax credit) determined in line 11e by using the rates and method contained in section 6621 and enter the aggregate amount of interest here	11f

Part IV Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections
Complete a separate column for each outstanding election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election	____, 19__	____, 19__	____, 19__	____, 19__	____, 19__	____, 19__
2 Undistributed earnings to which the election relates						
3 Deferred tax						
4 Interest accrued on deferred tax (line 3) as of the filing date						
5 Event terminating election						
6 Earnings distributed or deemed distributed during the tax year						
7 Deferred tax due with this return						
8 Accrued interest due with this return						
Complete lines 9 and 10 only if there is a partial termination of the section 1294 election						
9 Portion of deferred tax outstanding after partial termination of section 1294 election						
10 Portion of interest accrued after partial termination of section 1294 election						

Power Markets Development Company
E.I. No. 23-2755459
Attachment to Form 8621

Name of passive foreign investment company: PMDC International N. V.

Number of shares held at the beginning of taxable year: 6,000 Shares Common Stock

Number of shares held at the end of taxable year: 6,000 Shares Common Stock

There were no changes in share ownership during the taxable year.

PP&L Resources, Inc.
PMDC Latin America, Inc.
Shareholder Section 1295 Election Statement

PP&L Resources, Inc., the common parent of the affiliated group, hereby elects on behalf of PMDC Latin America, Inc. to make a qualified electing fund (QEF) of Empresa Electrica Valle Hermoso S. A.

The information required by Notice 88-125 is as follows:

1. Shareholder Information

- a) Name of Shareholder: PMDC Latin America, Inc.
- b) Address: Suite 800
11350 Random Hills Road
Fairfax, VA 22030
- c) Taxpayer Identification Number: 51-0368426
- d) First Taxable year of the Shareholder for which the Election is made: Calendar Year 1995

2. I, PP&L Resources, Inc., on behalf of PMDC Latin America, Inc. hereby make an election under section 1295 of the Internal Revenue Code on this 16th day of September, 1996.

3. PFIC Information

- a) Name of Passive Foreign Investment Company: Empresa Electrica Valle Hermoso S.A.
- b) Address: Calle Colombia No. 0-0655
Cochabamba, Bolivia
- c) Taxpayer Identification Number (if any): NA
- d) Country of Incorporation: Bolivia
- e) Year of Incorporation: 1995

4. This election is to be effective for the taxable year of Empresa Electrica Valle Hermoso S. A. ending December 31, 1995.

5. Stock Information

Number of shares of each class of stock of Empresa Electrica Valle Hermoso S. A. owned by PMDC Latin America, Inc. during the taxable year for which the election applies:

429,438 Shares Class B Capital Stock

Under penalties of perjury, I declare that I have examined this election statement and, that to the best of my knowledge and belief, the information and representations provided herein are true, correct and complete.

Date: _____

V. P. & Controller
PP&L Resources, Inc.

Empresa Electrica Valle Hermoso S. A.
PFIC Annual Information Statement

- (1) This Information Statement applies to the taxable year of Empresa Electrica Valle Hermoso S. A. beginning on April 1, 1995, and ending on December 31, 1995.
- (2) PMDC Latin America, Inc., has the following pro-rata share of the ordinary earnings and net capital gain of Empresa Electrica Valle Hermoso S. A., for the taxable year of Empresa Electrica Valle Hermoso S. A. specified in paragraph (1):

Ordinary Earnings:	\$ 370,084
Net Capital Gain:	\$ 0

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Empresa Electrica Valle Hermoso S. A., to PMDC Latin America, Inc. during the taxable year specified in paragraph (1) is as follows:

Cash:	None
Fair Market Value of Property:	None

- (4) Empresa Electrica Valle Hermoso S. A. will permit PMDC Latin America, Inc., to inspect and copy Empresa Electrica Valle Hermoso S. A.'s permanent books of account, records, and such other documents as may be maintained by Empresa Valle Hermoso S. A. that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in section 1293(e) of the Code, are computed in accordance with U. S. income tax principles.

**Return by a Shareholder of a Passive Foreign
Investment Company or Qualified Electing Fund**

▶ See separate instructions.

Name of shareholder PMDC Latin America, Inc.	Identifying number (see instructions) 51-0368426
Number, street, and room or suite no. (if a P.O. box, see instructions.) 11350 Random Hills Road, Suite 800	Your tax year: Calendar year 1995 or other tax year beginning 19 and ending 19
City or town, state, and ZIP code or country Fairfax, VA 22030	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF) Empresa Electrica Valle Hermoso S.A.	Employer identification number (if any) N/A
Address (Enter number, street, city or town, and country.) Calle Colombia No. 0-0655 Cochabamba, Bolivia	Tax year or Company of Fund: Calendar year 19 or other tax year beginning April 1 19 95 and ending December 31 19 95

Part I Elections (See Specific Instructions for Information To Attach When Making an Election.)

- 1 I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. (Section 1295.)
Complete lines 6a through 7c of Part II.
- 2 I, a shareholder on the first day of the first tax year of a PFIC as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. (Section 1291(d)(2)(A).)
Enter gain or loss on line 10f. A shareholder who makes the line 2 election is also required to complete lines 6a through 7c of Part II.
- 3 I, a shareholder on the first day of the first tax year of a PFIC as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. (Section 1291(d)(2)(B).)
Enter this amount on line 10e. See Specific Instructions for tax years over which the excess distribution is allocated. A shareholder who makes the line 3 election is also required to complete lines 6a through 7c of Part II for its QEF earnings.
- 4 I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until terminated. (Section 1294.) For the calculation of the tax that may be deferred, see lines 8a through 9c, below.
Note: If any portion of line 6a or line 7a is includible under section 551 or 951, you may not make the line 4 election. See sections 1294(c) and 1294(f) for events that terminate this election.
- 5 I, a shareholder of a former PFIC, elect to recognize gain on the deemed sale of my interest in the PFIC on the last day of the last tax year the foreign corporation qualified as a PFIC. (Section 1297(b)(1).)
Enter gain or loss on line 10f.

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 6a through 7c. Those making the line 4 election also complete lines 8a through 9c.

6a Enter your pro rata share of the ordinary earnings of the QEF	6a	370.084
6b Enter the portion of line 6a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	6b	370.084
6c Subtract line 6b from line 6a. Enter this amount on your tax return as dividend income	6c	0
7a Enter your pro rata share of the net capital gain of the QEF	7a	0
7b Enter the portion of line 7a that is included in income under section 551 or 951 or that may be excluded under section 1293(g)	7b	0
7c Subtract line 7b from line 7a. This amount is long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return	7c	0
8a Add lines 6c and 7c	8a	0
8b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF (See instructions for line 8b.)	8b	
8c Enter the portion of line 8a to the extent not already included in line 8b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	8c	
8d Add lines 8b and 8c	8d	
8e Subtract line 8d from line 8a, and enter the difference (if zero or less, enter amount in brackets). If no portion of line 6a or line 7a is includible in income under section 551 or 951 and line 8e is greater than zero, you may make the line 4 election with respect to the amount on line 8e.	8e	
Computation of Tax for Which the Time for Payment is Extended		
9a Enter the total tax for total taxable income for the tax year	9a	
b Enter the total tax for the tax year determined without regard to the amount entered on line 8e.	9b	
c Subtract line 9b from line 9a. This is the deferred tax, the time for payment of which is extended by making the line 4 election. See instructions	9c	

Part III Distributions and Disposition of Stock in a Section 1291 Fund (See instructions.)

10a	Enter the total amount of distributions made to you by the PFIC during the tax year. If the holding period of the stock began in the tax year, enter this amount as a dividend on your tax return to the extent there are accumulated earnings and profits	10a
b	Enter the total amount of distributions, reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B), made by the company for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year)	10b
c	Divide line 10b by 3 (but see instructions if the number of preceding tax years is less than 3)	10c
d	Multiply line 10c by 125%. Enter the lesser of line 10a or line 10d as a dividend on your income tax return	10d
e	Subtract line 10d from line 10a. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part III. The amount on line 10e, if more than zero, is the total excess distribution. See instructions if you received more than one distribution during the tax year	10e
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. A loss is not recognized. If a loss, show it in brackets and do not complete lines 11a through 11f. If a gain, complete lines 11a through 11f	10f
11	On an attached statement for each distribution and disposition, show your holding period for each share of stock or block of shares held and:	
a	Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.	
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as dividend income. (See instructions.)	11b
c	To determine the increase in tax for each tax year in your holding period (other than the current tax year and pre-PFIC years), multiply the amount allocated to each tax year by the highest rate of tax under section 1 or section 11, whichever applies, in effect for that tax year. Enter the aggregate increases in taxes (before credits) here	11c
d	Foreign tax credit	11d
e	Subtract the amount on line 11d from the amount on line 11c. Enter this amount on your income tax return as "additional tax"	11e
f	Determine interest on each net increase in tax (increase in tax less any foreign tax credit) determined in line 11e by using the rates and method contained in section 6621 and enter the aggregate amount of interest here	11f

Part IV Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections
Complete a separate column for each outstanding election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
Tax year of outstanding election	____, 19__	____, 19__	____, 19__	____, 19__	____, 19__	____, 19__
2 Undistributed earnings to which the election relates						
3 Deferred tax						
4 Interest accrued on deferred tax (line 3) as of the filing date						
5 Event terminating election						
6 Earnings distributed or deemed distributed during the tax year						
7 Deferred tax due with this return						
8 Accrued interest due with this return						
Complete lines 9 and 10 only if there is a partial termination of the section 1294 election						
9 Portion of deferred tax outstanding after partial termination of section 1294 election						
10 Portion of interest accrued after partial termination of section 1294 election						

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