

R-973954

8/21/97

OCA

Exhibit LS-9-R
(Updates Exhibit LS-5, page 2)

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Derivation of Market Price

	1999	2000	2001	2002	2003	2004	2005
PP&L Market Price							
Capacity (\$/kW)	\$22.00	\$29.00	\$38.00	\$50.00	\$49.00	\$48.00	\$44.00
Energy (\$/MWh)	\$22.00	\$23.00	\$24.00	\$24.00	\$25.00	\$26.00	\$26.00
All Hours Capacity	\$2.51	\$3.31	\$4.34	\$5.71	\$5.59	\$5.48	\$5.02
All-hours (\$/MWh)	\$24.51	\$26.31	\$28.34	\$29.71	\$30.59	\$31.48	\$31.02
PP&L Rate RS Market Price (OCA-III-39)							
Capacity/kWh	0.00586	0.00772	0.01012	0.01332	0.01305	0.01278	0.01172
Energy/kWh	0.02381	0.02472	0.02597	0.02618	0.02715	0.02822	0.02888
Capacity/MWh	5.86	7.72	10.12	13.32	13.05	12.78	11.72
Energy/MWh	23.81	24.72	25.97	26.18	27.15	28.22	28.88
Capacity Multiplier (Rate RS)	2.333	2.332	2.333	2.334	2.333	2.332	2.333
Capacity Energy (Rate RS)	1.082	1.075	1.082	1.091	1.086	1.085	1.111
PP&L Total Retail Market Price							
Per Response to OCA-III-39	\$29.20	\$31.72	\$35.10	\$38.05	\$38.94	\$39.74	\$39.73
Rate RS/Total Retail Ratio	1.0162	1.0225	1.0281	1.0381	1.0323	1.0318	1.0219
OCA Market Price							
Capacity (\$/kW)	\$19.72	\$30.36	\$41.66	\$42.84	\$44.13	\$45.57	\$47.08
Energy (\$/MWh)	\$21.64	\$22.62	\$24.24	\$25.51	\$27.08	\$28.24	\$29.89
All Hours Capacity	\$2.25	\$3.47	\$4.76	\$4.89	\$5.04	\$5.20	\$5.37
All-hours (\$/MWh)	\$23.89	\$26.09	\$29.00	\$30.40	\$32.12	\$33.44	\$35.26
OCA Rate RS Market Price							
OCA Rate RS Market Price	0.0287	0.0324	0.0373	0.0392	0.0412	0.0428	0.0457
OCA Total Retail Market Price	0.0282	0.0317	0.0363	0.0378	0.0399	0.0415	0.0448
OCA RS Incl GRT							
OCA RS Incl GRT	0.0300	0.0339	0.0390	0.0410	0.0431	0.0448	0.0478
OCA Total Retail Incl GRT	0.0295	0.0331	0.0380	0.0395	0.0417	0.0434	0.0468

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Exhibit LS-10-R

Alternative CTC Methods For PP&L

Example 1: Levelized method CTC

	PTD	CTC	Total Per OCA	Rate ¢/kWh	Rate Change From Prior Year	Total @ Current	Change (OCA-Current) /(Current)
1999	1,597,785	204,740	1,802,525	5.45	-28%	2,495,780	-28%
2000	1,740,093	204,740	1,944,833	5.79	6%	2,530,975	-23%
2001	1,929,619	204,740	2,134,358	6.26	8%	2,569,352	-17%
2002	2,017,058	204,740	2,221,797	6.40	2%	2,611,865	-15%
2003	2,124,483	204,740	2,329,223	6.61	3%	2,649,837	-12%
2004	2,212,014	204,740	2,416,754	6.77	2%	2,683,034	-10%
2005	2,368,574	204,740	2,573,314	7.10	5%	2,719,239	-5%
NPV Rate	0.0724	10,496,858	1,094,228	11,591,086		13,885,412	-17%

Example 2: Levelized Percentage Decrease

	PTD	CTC	Total	Rate ¢/kWh	Rate Change From Prior Year	Total @ Current	Reduction (Current-OCA) /(Current)
1999	1,597,785	485,610	2,083,395	6.30	-17%	2,495,780	-17%
2000	1,740,093	372,682	2,112,775	6.29	-0%	2,530,975	-17%
2001	1,929,619	215,192	2,144,811	6.29	-0%	2,569,352	-17%
2002	2,017,058	163,242	2,180,299	6.29	-0%	2,611,865	-17%
2003	2,124,483	87,513	2,211,997	6.28	-0%	2,649,837	-17%
2004	2,212,014	27,694	2,239,708	6.27	-0%	2,683,034	-17%
2005	2,368,574	(98,643)	2,269,932	6.27	-0%	2,719,239	-17%
0.0724	10,496,858	1,094,228	11,591,086			13,885,412	-17%

Example 3: Front-Loaded Method

	PTD	CTC	Total	Rate ¢/kWh	Rate Change From Prior Year	Total @ Current	Reduction (Current-OCA) /(Current)
1999	1,597,785	897,995	2,495,780	7.54	0%	2,495,780	0%
2000	1,740,093		1,740,093	5.18	-31%	2,530,975	-31%
2001	1,929,619		1,929,619	5.66	9%	2,569,352	-25%
2002	2,017,058		2,017,058	5.81	3%	2,611,865	-23%
2003	2,124,483		2,124,483	6.03	4%	2,649,837	-20%
2004	2,212,014		2,212,014	6.19	3%	2,683,034	-18%
2005	2,368,574		2,368,574	6.54	6%	2,719,239	-13%
0.0724	10,496,858	837,369	11,334,227			13,885,412	-18%

Example 4: Weighted Examples 1 & 2

	PTD	CTC	Total	Rate ¢/kWh	Rate Change From Prior Year	Total @ Current	Reduction
		33.0%					
1999	1,597,785	392,923	1,990,708	6.02	-20%	2,495,780	-20%
2000	1,740,093	317,261	2,057,354	6.13	2%	2,530,975	-19%
2001	1,929,619	211,743	2,141,362	6.28	2%	2,569,352	-17%
2002	2,017,058	176,936	2,193,994	6.32	1%	2,611,865	-16%
2003	2,124,483	126,198	2,250,681	6.39	1%	2,649,837	-15%
2004	2,212,014	86,119	2,298,133	6.44	1%	2,683,034	-14%
2005	2,368,574	1,474	2,370,048	6.54	2%	2,719,239	-13%
0.0724	10,496,858	1,094,228	11,591,086			13,885,412	-17%

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Exhibit LS-11-R
(Updates Exhibit LS-3)

Unbundled Average Retail Rates For PP&L

	1999	2000	2001	2002	2003	2004	2005
Unbundled Revenue Per PP&L (Note a)							
T&D Delivery	\$580,343	\$587,907	\$596,141	\$605,415	\$613,874	\$620,237	\$627,769
CTC	\$949,269	\$877,701	\$776,061	\$686,529	\$664,095	\$643,910	\$652,248
Energy & Capacity	\$966,168	\$1,065,368	\$1,197,150	\$1,319,921	\$1,371,868	\$1,418,887	\$1,439,223
Total Rate Revenue	\$2,495,780	\$2,530,975	\$2,569,352	\$2,611,865	\$2,649,837	\$2,683,034	\$2,719,239

Unbundled Average Rates Per PP&L

MWh	33,090,377	33,581,491	34,104,641	34,688,679	35,228,379	35,707,385	36,224,091
T&D Delivery/kWh	0.0175	0.0175	0.0175	0.0175	0.0174	0.0174	0.0173
CTC/kWh	0.0287	0.0261	0.0228	0.0198	0.0189	0.0180	0.0180
Energy & Cap/kWh	0.0292	0.0317	0.0351	0.0381	0.0389	0.0397	0.0397
Total Rev/kWh	0.0754	0.0754	0.0753	0.0753	0.0752	0.0751	0.0751

Adjustments Per OCA

Reverse Dep Reserve (Note b)	\$18,432	\$18,706	\$18,997	\$19,322	\$19,623	\$19,890	\$20,178
T&D After Adjustment	\$561,911	\$569,201	\$577,144	\$586,093	\$594,251	\$600,347	\$607,591
Market Rev Per OCA	\$976,678	\$1,112,808	\$1,295,081	\$1,371,573	\$1,469,344	\$1,548,782	\$1,696,104
A&G Adder	\$59,196	\$58,084	\$57,394	\$59,391	\$60,888	\$62,885	\$64,879
Stranded Cost Per OCA	\$392,923	\$317,261	\$211,743	\$176,936	\$126,198	\$86,119	\$1,474
Total After Adjustments	\$1,990,708	\$2,057,354	\$2,141,362	\$2,193,994	\$2,250,681	\$2,298,133	\$2,370,048

Unbundled Average Rates Per OCA

T&D Delivery/kWh	0.0170	0.0169	0.0169	0.0169	0.0169	0.0168	0.0168
Market/kWh	0.0295	0.0331	0.0380	0.0395	0.0417	0.0434	0.0468
A&G Adder/kWh	0.0018	0.0017	0.0017	0.0017	0.0017	0.0018	0.0018
CTC/kWh	0.0119	0.0094	0.0062	0.0051	0.0036	0.0024	0.0000
Total Rev/kWh	0.0602	0.0613	0.0628	0.0632	0.0639	0.0644	0.0654

Difference (OCA-PP&L)	(\$505,072)	(\$473,621)	(\$427,991)	(\$417,872)	(\$399,155)	(\$384,900)	(\$349,192)
Percentage Change	-20%	-19%	-17%	-16%	-15%	-14%	-13%

a) Source: OCA-III-39 Attachment 1.

b) Reverse of depreciation reserve includes GRT.

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Proposed Rate RS (1999)

Current Rate	Rate	Billing Units	Revenue
Customer Charge	\$6.47	13,337,538	\$86,293,871
First 200 kWh	\$0.08845	2,468,108,629	\$218,304,208
Next 200 kWh	\$0.07847	4,861,770,271	\$381,503,113
Excess kWh	\$0.07248	4,302,650,225	\$311,856,088
Total	\$0.08579	11,632,529,125	\$997,957,281

OCA Proposed Rate	Rate	Billing Units	Revenue
T&D Delivery:			
Customer Charge	\$6.47	13,337,538	\$86,293,871
First 200 kWh	\$0.01885	2,468,108,629	\$46,514,660
Next 200 kWh	\$0.01885	4,861,770,271	\$91,626,270
Excess kWh	\$0.01885	4,302,650,225	\$81,088,939
Total	\$0.02626	11,632,529,125	\$305,523,740

Avoidable Generation:	Rate	Billing Units	Revenue
First 200 kWh	\$0.03244	2,468,108,629	\$80,076,061
Next 200 kWh	\$0.03244	4,861,770,271	\$157,736,742
Excess kWh	\$0.03244	4,302,650,225	\$139,596,483
Total	\$0.03244	11,632,529,125	\$377,409,287

CTC (Note a):	Rate	Billing Units	Revenue
First 200 kWh	\$0.01463	2,468,108,629	\$36,117,732
Next 200 kWh	\$0.01298	4,861,770,271	\$63,118,468
Excess kWh	\$0.01199	4,302,650,225	\$51,595,591
Total	\$0.01297	11,632,529,125	\$150,831,791

Total Rate:	Rate	Billing Units	Revenue
Customer Charge	\$6.47	13,337,538	\$86,293,871
First 200 kWh	\$0.06592	2,468,108,629	\$162,708,453
Next 200 kWh	\$0.06427	4,861,770,271	\$312,481,481
Excess kWh	\$0.06328	4,302,650,225	\$272,281,013
Total		11,632,529,125	\$833,764,818

Difference (OCA - PP&L) (\$164,192,463)
 Percentage Change -16%

a) CTC allocation to Rate RS per prod allocator, Exhibit JMK-2:

Total CTC w GRT	\$392,922,549
Rate RS Allocation	38.39%
Rate RS CTC	\$150,831,791

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