

Pennsylvania Power & Light Company
 Deferred Income Tax Calculation Due to Excess of Tax
 Depreciation Over Depreciation Using Tax Basis and Book Rates
Test Year Ended September 30, 1995
 (\$000's)

Line No.	Description	ACRS & MACRS Tax Depreciation	Deprec Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
<u>1981 Vintage:</u>						
1	Clearing-Transmission	\$0	\$13	(\$13)	46.00%	(\$6)
2	Clearing-Distribution	0	12	(12)	46.00%	(5)
3	Furniture & Fixtures	0	52	(52)	46.00%	(24)
4	Office Equipment	0	18	(18)	46.01%	(8)
5	Steam Production	490	1,337	(847)	38.64%	(327)
6	Hydro Production	2	2	(0)	40.75%	(0)
7	Transmission & Distribution	1,390	2,200	(811)	40.36%	(327)
8	General Buildings	39	23	15	35.00%	5
9	Subtotal-1981 Vintage	<u>1,921</u>	<u>3,657</u>	<u>(1,737)</u>		<u>(693)</u>
<u>1982 Vintage:</u>						
10	Nuclear Production	138	62,587	(62,449)	41.60%	(25,980)
11	Clearing-Transmission	0	1	(1)	45.99%	(0)
12	Clearing-Distribution	0	23	(23)	46.00%	(11)
13	Furniture & Fixtures	0	98	(98)	46.00%	(45)
14	Office Equipment	0	12	(12)	46.00%	(6)
15	Steam Production	2,358	1,480	878	35.00%	307
16	Hydro Production	36	7	29	35.00%	10
17	Transmission & Distribution	4,838	2,150	2,688	35.00%	941
18	General Buildings	298	79	219	35.00%	77
19	Subtotal-1982 Vintage	<u>7,667</u>	<u>66,436</u>	<u>(58,769)</u>		<u>(24,707)</u>
<u>1983 Vintage:</u>						
20	Nuclear Production	0	3,275	(3,275)	40.37%	(1,322)
21	Clearing-Distribution	0	5	(5)	44.74%	(2)
22	Furniture & Fixtures	0	234	(234)	44.75%	(105)
23	Office Equipment	0	16	(16)	44.83%	(7)
24	Steam Production	832	616	216	35.00%	75
25	Hydro Production	53	13	40	35.00%	14
26	Transmission & Distribution	2,845	1,267	1,578	35.00%	552
27	General Buildings	477	143	333	35.00%	117
28	Subtotal-1983 Vintage	<u>4,207</u>	<u>5,569</u>	<u>(1,363)</u>		<u>(678)</u>
<u>1984 Vintage:</u>						
29	Nuclear Production	0	42,573	(42,573)	39.38%	(16,764)
30	Clearing-Distribution	0	25	(25)	42.15%	(11)
31	Furniture & Fixtures	0	31	(31)	42.25%	(13)
32	Office Equipment	0	23	(23)	42.25%	(10)
33	Steam Production	892	707	185	35.00%	65
34	Hydro Production	49	12	36	35.00%	13
35	Transmission & Distribution	4,296	1,973	2,323	35.00%	813
36	General Buildings	37	11	26	35.00%	9
37	Subtotal-1984 Vintage	<u>5,273</u>	<u>45,355</u>	<u>(40,082)</u>		<u>(15,898)</u>
<u>1985 Vintage:</u>						
38	Nuclear Production	0	2,779	(2,779)	38.11%	(1,059)
39	Clearing-Transmission	0	2	(2)	39.35%	(1)
40	Clearing-Distribution	0	23	(23)	39.71%	(9)
41	Furniture & Fixtures	0	58	(58)	39.71%	(23)
42	Office Equipment	0	35	(35)	39.79%	(14)
43	Steam Production	2,125	1,480	644	35.00%	225
44	Hydro Production	54	14	40	35.00%	14

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Line No.	Description	ACRS & MACRS Tax Depreciation	Deprec Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
45	Transmission & Distribution	\$4,602	\$2,113	\$2,490	35.00%	\$871
46	General Buildings	261	81	180	35.00%	63
47	Subtotal-1985 Vintage	<u>7,042</u>	<u>6,585</u>	<u>458</u>		<u>68</u>
	<u>1986 Vintage:</u>					
48	Nuclear Production	837	1,713	(876)	37.19%	(326)
49	Clearing-Distribution	0	28	(28)	37.12%	(10)
50	Furniture & Fixtures	0	35	(35)	37.13%	(13)
51	Steam Production	3,147	2,466	681	35.00%	238
52	Hydro Production	79	21	58	35.00%	20
53	Transmission & Distribution	4,914	2,292	2,623	35.00%	918
54	General Buildings	90	31	59	35.00%	21
55	Subtotal-1986 Vintage	<u>9,067</u>	<u>6,586</u>	<u>2,481</u>		<u>848</u>
	<u>1987 Vintage:</u>					
56	Nuclear Production	9,552	4,941	4,610	35.00%	1,614
57	Clearing-Distribution	0	31	(31)	35.01%	(11)
58	Furniture & Fixtures	0	72	(72)	35.03%	(25)
59	Office Equipment	0	12	(12)	35.41%	(4)
60	Trailers	0	0	(0)	35.11%	(0)
61	Steam Production	2,008	1,829	179	35.00%	63
62	Hydro Production	457	152	305	35.00%	107
63	Transmission & Distribution	5,180	3,069	2,110	35.00%	739
64	General Buildings	286	121	165	35.00%	58
65	Leasehold Improvements	8	36	(29)	35.91%	(10)
66	Subtotal-1987 Vintage	<u>17,491</u>	<u>10,265</u>	<u>7,226</u>		<u>2,529</u>
	<u>1988 Vintage:</u>					
67	Nuclear Production	2,015	1,488	527	35.00%	184
68	Clearing-Distribution	0	34	(34)	34.18%	(11)
69	Furniture & Fixtures	0	33	(33)	34.14%	(11)
70	Computer Equipment	0	2,242	(2,242)	34.00%	(762)
71	Office Equipment	0	15	(15)	34.02%	(5)
72	Steam Production	2,530	2,407	123	35.00%	43
73	Hydro Production	395	163	231	35.00%	81
74	Transmission & Distribution	5,528	3,416	2,112	35.00%	739
75	General Buildings	103	47	56	35.00%	20
76	Leasehold Improvements	44	122	(78)	35.00%	(27)
77	Subtotal-1988 Vintage	<u>10,614</u>	<u>9,967</u>	<u>647</u>		<u>250</u>
	<u>1989 Vintage:</u>					
78	Nuclear Production	2,589	1,934	655	35.00%	229
79	Clearing-Distribution	117	30	86	35.00%	30
80	Furniture & Fixtures	51	97	(47)	34.16%	(16)
81	Computer Equipment	0	1,993	(1,993)	34.00%	(678)
82	Office Equipment	0	13	(13)	34.10%	(4)
83	Steam Production	5,597	7,553	(1,956)	34.25%	(670)
84	Hydro Production	120	42	78	35.00%	27
85	Transmission & Distribution	5,589	3,327	2,262	35.00%	792
86	General Buildings	102	47	55	35.00%	19
87	Leasehold Improvements	8	42	(34)	35.00%	(12)
88	Subtotal-1989 Vintage	<u>14,171</u>	<u>15,078</u>	<u>(907)</u>		<u>(282)</u>
	<u>1989 Vintage:</u>					

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Line No.	Description	ACRS & MACRS Tax Depreciation	Deprec Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
89	Nuclear Production	\$1,648	\$1,125	\$524	35.00%	\$183
90	Clearing-Distribution	202	40	162	35.00%	57
91	Furniture & Fixtures	106	153	(47)	34.23%	(16)
92	Computer Equipment	0	391	(391)	34.22%	(134)
93	Office Equipment	0	14	(14)	34.19%	(5)
94	Steam Production	3,311	3,326	(15)	34.40%	(5)
95	Hydro Production	11	4	7	35.00%	2
96	Transmission & Distribution	6,788	3,661	3,127	35.00%	1,094
97	General Buildings	146	69	77	35.00%	27
98	Leasehold Improvements	2	12	(10)	34.25%	(3)
99	Subtotal-1990 Vintage	<u>12,214</u>	<u>8,794</u>	<u>3,420</u>		<u>1,201</u>
	<u>1990 Vintage:</u>					
100	Nuclear Production	2,287	1,602	686	35.00%	240
101	Clearing-Distribution	159	31	128	35.00%	45
102	Furniture & Fixtures	55	80	(25)	34.40%	(8)
103	Computer Equipment	18	51	(33)	34.60%	(11)
104	Office Equipment	10	19	(9)	34.32%	(3)
105	Steam Production	4,067	4,535	(468)	34.54%	(162)
106	Hydro Production	546	194	352	35.00%	123
107	Transmission & Distribution	7,537	3,893	3,644	35.00%	1,275
108	General Buildings	81	38	44	35.00%	15
109	Vehicles & Equipment	173	207	(34)	34.17%	(12)
110	Leasehold Improvements	106	321	(215)	35.00%	(75)
111	Subtotal-1991 Vintage	<u>15,040</u>	<u>10,971</u>	<u>4,070</u>		<u>1,427</u>
	<u>1992 Vintage:</u>					
112	Nuclear Production	2,612	1,691	921	35.00%	322
113	Clearing-Distribution	144	26	118	35.00%	41
114	Furniture & Fixtures	110	144	(34)	34.76%	(12)
115	Computer Equipment	110	134	(24)	34.77%	(8)
116	Office Equipment	10	14	(4)	34.72%	(1)
117	Trailers	1	0	0	35.00%	0
118	Steam Production	4,478	3,239	1,239	35.00%	434
119	Hydro Production	25	8	17	35.00%	6
120	Transmission & Distribution	10,567	4,788	5,780	35.00%	2,023
121	General Buildings	778	374	404	35.00%	141
122	Vehicles & Equipment	1,537	1,374	164	35.00%	57
123	Leasehold Improvements	99	347	(248)	35.00%	(87)
124	Subtotal-1992 Vintage	<u>20,470</u>	<u>12,138</u>	<u>8,332</u>		<u>2,916</u>
	<u>1993 Vintage:</u>					
125	Nuclear Production	3,304	1,955	1,349	35.00%	472
126	Clearing-Distribution	304	39	265	35.00%	93
127	Furniture & Fixtures	71	66	4	35.00%	2
128	Computer Equipment	241	170	71	35.00%	25
129	Office Equipment	12	14	(2)	35.00%	(1)
130	Steam Production	7,851	6,691	1,160	35.00%	406
131	Hydro Production	577	181	396	35.00%	139
132	Transmission & Distribution	10,751	4,805	5,946	35.00%	2,081
133	General Buildings	618	297	321	35.00%	112
134	Vehicles & Equipment	2,266	1,738	527	35.00%	185

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Line No.	Description	ACRS & MACRS Tax Depreciation	Deprec Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
135	Leasehold Improvements	\$20	\$46	(\$27)	35.00%	(\$9)
136	Subtotal-1993 Vintage	<u>26,012</u>	<u>16,002</u>	<u>10,010</u>		<u>3,504</u>
	<u>1994 Vintage:</u>					
137	Nuclear Production	4,383	2,278	2,105	35.00%	737
138	Clearing-Distribution	289	28	261	35.00%	91
139	Furniture & Fixtures	118	83	34	35.00%	12
140	Computer Equipment	263	186	77	35.00%	27
141	Office Equipment	16	12	3	35.00%	1
142	Steam Production	7,288	5,027	2,261	35.00%	791
143	Hydro Production	905	287	618	35.00%	216
144	Transmission & Distribution	9,070	3,724	5,346	35.00%	1,871
145	General Buildings	74	43	31	35.00%	11
146	Vehicles & Equipment	3,651	1,856	1,795	35.00%	628
147	Leasehold Improvements	5	28	(23)	35.00%	(8)
148	Subtotal-1994 Vintage	<u>26,061</u>	<u>13,553</u>	<u>12,509</u>		<u>4,378</u>
	<u>1995 Vintage:</u>					
149	Nuclear Production	4,632	2,263	2,369	35.00%	829
150	Clearing-Distribution	119	8	110	35.00%	39
151	Furniture & Fixtures	169	85	84	35.00%	29
152	Computer Equipment	1,281	542	740	35.00%	259
153	Steam Production	14,751	9,468	5,283	35.00%	1,849
154	Hydro Production	957	277	680	35.00%	238
155	Transmission & Distribution	11,758	4,288	7,469	35.00%	2,614
156	General Buildings	502	297	205	35.00%	72
157	Vehicles & Equipment	8,104	2,475	5,629	35.00%	1,970
158	Leasehold Improvement	57	311	(254)	35.00%	(89)
159	Subtotal-1995 Vintage	<u>42,330</u>	<u>20,015</u>	<u>22,315</u>		<u>7,810</u>
160	Nuclear Fuel	<u>34,105</u>	<u>47,234</u>	<u>(13,129)</u>	34.38%	<u>(4,514)</u>
161	Grand Total	<u>\$253,685</u>	<u>\$298,204</u>	<u>(\$44,519)</u>		<u>(\$21,840)</u>

(a) - The rate used is either 1) the current federal statutory rate of 35% for provisions of deferred federal income taxes or 2) the rate calculated under the average rate assumption method as required by Section 203(e) of the Tax Reform Act of 1986 for reversals of deferred federal income taxes.

- Q.25. Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.
- A.25. See Attachment II-D-25 for the requested information for the future test year ended September 30, 1995. PP&L is amortizing these Accumulated Investment Tax Credits to income over the weighted average book service lives (33 years) for owned property and 39 years and 38 years for progress payments related to Susquehanna Unit No. 1 and Unit No. 2, respectively, and over the composite average life of leases (currently 10 years) for leased property where credit was passed on to the Company by the lessor. Credits applicable to nuclear fuel are amortized over its estimated life of 5 years.

PENNSYLVANIA POWER & LIGHT COMPANY

**Electric Operations
Schedule of Deferred Investment Tax Credits
Year Ended September 30, 1995
(Thousands of Dollars)**

<u>Vintage</u> <u>Year</u>	<u>Rate</u>	<u>Accumulated ITC</u> <u>@ 9/30/94</u>	<u>Amortization for</u> <u>Year Ended 9/30/95</u>	<u>Accumulated ITC</u> <u>@ 9/30/95</u>
<u>Owned Property</u>				
1971	4%	326	35	291
1972	4%	2,198	214	1,984
1973	4%	2,688	239	2,449
1974	4%	1,003	82	921
1975	4%	2,503	189	2,314
	10%	1,631	123	1,508
1976	4%	1,256	88	1,168
	10%	5,818	408	5,410
1977	4%	(5)	0	(5)
	10%	3,468	227	3,241
1978	4%	(5)	0	(5)
	10%	3,444	212	3,232
1979	4%	(1)	0	(1)
	10%	5,128	297	4,831
1980	10%	7,664	420	7,244
1981	10%	10,850	564	10,286
1982	4%	1,454	52	1,402
	10%	20,345	816	19,529
1983	10%	15,297	572	14,725
1984	4%	577	20	557
	10%	7,854	312	7,542
1985	10%	7,330	398	6,932
1986	10%	7,673	1,157	6,516
1987	10%	4,579	166	4,413
1988	10%	729	27	702
1989	10%	150	5	145
1990	10%	94	3	91
<u>Owned Property</u>		<u>114,048</u>	<u>6,626</u>	<u>107,422</u>

PENNSYLVANIA POWER & LIGHT COMPANY

**Electric Operations
Schedule of Deferred Investment Tax Credits
Year Ended September 30, 1995
(Thousands of Dollars)**

<u>Vintage</u> <u>Year</u>	<u>Rate</u>	<u>Accumulated ITC</u> <u>@ 9/30/94</u>	<u>Amortization for</u> <u>Year Ended 9/30/95</u>	<u>Accumulated ITC</u> <u>@ 9/30/95</u>
<u>Leased Property</u>				
1985	10%	32	32	0
1986	10%	107	86	21
1988	10%	497	153	344
<u>Leased Property</u>		<u>636</u>	<u>271</u>	<u>365</u>
<u>Progress Payments-</u>				
<u>Various Years</u>				
SSES #1	10%	75,968	2,721	73,247
SSES #2	10%	40,200	1,419	38,781
<u>Progress Pmts.</u>		<u>116,168</u>	<u>4,140</u>	<u>112,028</u>
<u>Total</u>		<u>230,852</u>	<u>11,037</u>	<u>219,815</u>

- Q. 26. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not otherwise specifically explained and supported in the statement of operating income.
- A. 26. An explanation of Pennsylvania Power & Light Company's claim for any additional operating income items is set forth in Section D of Exhibit Future 1.

- Q. 27. If the utility's operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income data have been adjusted to develop the jurisdictional test year claim.
- A. 27. The Commission's Order, at Docket No. R-80031114, provided that future retail rate filings by PP&L should be on a PUC jurisdictional basis only. This filing has been prepared in compliance with that order. Total system measures of value and components of operating income have been allocated between the FERC and PUC jurisdictions and the proposed revenue increase has been determined on a PUC jurisdictional basis only.

Q. 1. Supply a copy of any budget utilized as a basis for any test year claim and explain the utility's budgeting process.

A. 1. Attachment II-E-1 are summaries of the operating budgets utilized as a basis for the Company's future test year claim. The Future Test Year is based on the budget for the last three months of 1994 and the budget for the first nine months of 1995. An explanation of the Company's budgeting process is contained in the direct testimony of M. J. Berish.

**1994 OPERATING BUDGET
RESULTS OF OPERATIONS**
(Thousands of Dollars)

	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
OPERATING REVENUES													
PUC Customers													
Base Rates	\$1,912,065	\$191,119	\$172,437	\$172,473	\$152,761	\$147,586	\$143,305	\$154,070	\$155,296	\$145,581	\$150,849	\$160,339	\$184,029
Energy Cost Rate	303,381	35,196	22,078	29,450	27,999	26,494	20,403	22,956	23,227	20,020	20,970	24,323	30,265
SBRCR	(44,425)	(4,411)	(3,917)	(3,933)	(3,488)	(3,408)	(3,296)	(3,560)	(3,583)	(3,334)	(3,481)	(3,713)	(4,261)
STAS	721	274	216	220	11	-	-	-	-	-	-	-	-
Total	2,191,742	224,378	190,814	198,190	177,283	170,672	160,412	173,466	174,940	162,267	168,338	180,949	210,033
FERC Customers													
Base Rates	374,318	32,536	31,499	31,352	29,509	28,999	29,101	33,237	33,470	32,246	29,682	30,094	32,593
Fuel Adjustment	(1,042)	(84)	86	(111)	(14)	(10)	(22)	(167)	(129)	(112)	(204)	(136)	(76)
Total	373,269	32,452	31,585	31,201	29,475	28,989	29,076	33,070	33,341	32,127	29,478	29,958	32,517
PJM Interchange Power Sales	101,278	3,929	16,406	7,722	122	633	9,070	13,876	12,845	8,883	12,624	8,667	6,497
Other Electric	62,202	5,271	5,120	5,433	2,347	2,172	2,111	2,212	2,224	2,106	2,261	4,872	2,172
Total Operating Revenues	2,728,498	266,030	243,923	242,536	212,127	205,471	203,669	223,631	226,350	208,383	215,701	224,449	254,224
OPERATING EXPENSES													
Fuel	495,779	49,794	49,360	44,312	28,740	29,801	35,786	43,687	45,202	37,917	40,341	41,151	47,688
Power Purchases	276,336	25,849	23,309	25,531	29,786	23,816	19,883	22,116	21,997	20,807	20,526	20,246	22,450
Wages & Employee Benefits	354,521	27,547	26,174	32,050	31,980	30,808	29,748	28,435	29,194	29,241	31,299	30,365	27,680
Other Operating Expenses	327,796	27,742	23,636	26,521	26,270	26,722	28,921	27,970	27,584	27,883	25,299	26,862	32,386
Amort of Deferred Credits	(18,789)	(3,744)	(3,383)	(3,408)	(3,083)	(3,023)	(2,918)	(3,122)	(3,142)	(2,974)	(3,078)	(3,239)	(3,526)
Total O & M Expenses	1,415,643	127,188	119,096	125,026	113,693	108,122	111,390	121,076	120,828	112,874	114,387	115,385	126,578
Depreciation	287,488	23,960	23,960	23,960	23,960	23,960	23,960	23,960	23,960	23,960	23,960	23,960	23,928
Deferred Depreciation	26,258	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,179
Income Taxes													
Provision-Federal	201,451	24,210	24,210	14,128	10,477	11,847	13,150	16,017	16,908	13,918	16,093	18,116	22,337
-State	80,126	9,646	9,637	5,616	4,160	4,707	5,276	6,370	6,725	5,341	6,400	7,208	8,890
Deferred Income Taxes	(17,463)	(1,531)	(5,942)	5,282	2,414	1,170	(2,894)	(3,921)	(2,814)	(2,189)	(1,983)	(2,605)	(1,208)
ACC-Amortization	(12,117)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,010)	(1,007)
Taxes Other Than Income	206,884	20,528	19,115	17,967	16,632	16,292	16,079	16,634	16,712	16,102	16,114	16,633	17,822
Total Operating Expenses	2,188,270	205,180	191,232	193,138	172,340	162,777	168,090	182,312	183,481	171,208	176,148	179,896	192,222
OPERATING INCOME													
540,228	60,850	52,670	49,378	39,587	38,194	35,379	43,316	42,869	42,869	37,177	41,553	44,553	54,702
Other Income & Deductions													
AFUDC-Equity Funds	9,771	239	926	1,141	1,150	632	212	788	836	1,177	1,312	1,012	326
Deferred Income Taxes-Net	1,673	114	124	124	126	131	147	176	118	140	192	202	79
Income Tax Credits-Federal	461	161	51	113	5	31	26	13	48	7	(7)	(33)	46
-State	184	64	20	45	2	13	10	6	19	3	(3)	(13)	18
Other-Net	2,542	(491)	173	821	146	(16)	620	(127)	21	762	(134)	34	733
Net Other Income & Deductions	14,631	87	1,224	2,244	1,472	721	1,062	828	1,042	2,082	1,360	1,202	1,202
INCOME BEFORE INTEREST													
554,861	60,937	53,964	51,622	41,059	38,985	36,641	44,144	43,911	43,911	39,266	42,713	45,755	55,904
Interest Charges													
Long-Term Debt	210,458	18,007	18,526	18,724	16,609	16,609	17,547	18,088	18,088	17,065	17,065	17,065	17,065
Short-Term Debt	3,123	195	-	-	347	645	455	177	20	208	433	355	288
Other	11,334	819	863	945	911	877	913	917	948	991	1,038	1,058	1,032
AFUDC-Borrowed Funds	(8,903)	(638)	(768)	(663)	(621)	(621)	(806)	(941)	(642)	(686)	(923)	(999)	(428)
Net Interest Charges	216,012	18,383	18,621	19,009	17,122	17,426	18,111	18,222	18,411	17,378	17,581	17,472	17,937
NET INCOME													
338,849	42,554	35,343	32,618	23,824	21,549	18,530	25,893	25,500	25,500	21,888	25,132	28,276	37,947

UNCONSOLIDATED STATEMENT OF INCOME
(THOUSANDS OF DOLLARS)

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	TOTAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
OPERATING REVENUES													
PUC CUSTOMERS													
BASE RATES	1,953,280	195,221	174,693	173,801	154,692	149,218	145,116	155,991	157,130	147,862	153,463	161,687	184,406
ENERGY COST RATE	339,034	42,717	22,977	28,474	27,950	29,444	22,913	22,312	24,911	25,840	31,390	30,461	30,145
SBRCA	-44,931	-4,487	-3,990	-3,983	-3,534	-3,430	-3,333	-3,599	-3,628	-3,382	-3,554	-3,741	-4,270
STAS	-8,037	-570	-340	-338	-626	-814	-701	-752	-760	-709	-746	-786	-895
TOTAL	2,239,346	232,881	193,340	197,954	178,482	174,418	163,995	173,952	177,153	169,611	180,553	187,621	209,386
FERC CUSTOMERS													
BASE RATES	376,294	33,413	33,051	32,031	29,906	29,574	30,902	32,048	32,273	30,779	30,330	29,664	32,323
FUEL ADJUSTMENT	-570	83	-11	-122	-68	-66	-18	-151	-129	-95	-82	63	26
TOTAL	375,724	33,496	33,040	31,909	29,838	29,508	30,884	31,897	32,144	30,684	30,248	29,727	32,349
PJM POWER SALES	93,331	7,782	14,445	6,662	2,762	1,975	8,910	16,275	13,809	7,233	3,998	3,650	5,830
OTHER ELECTRIC	48,088	5,372	5,121	5,279	5,268	5,210	2,882	2,988	2,932	3,114	3,175	3,014	3,733
TOTAL OPER. REV.	2,756,489	279,531	245,946	241,804	216,350	211,111	206,671	225,112	226,038	210,642	217,974	224,012	251,298
OPERATING EXPENSES													
FUEL	515,424	52,633	51,454	44,067	34,529	34,687	38,070	46,929	46,730	41,079	39,327	39,102	46,817
POWER PURCHASES	266,286	23,790	20,380	24,518	25,704	24,215	20,888	20,482	20,352	19,746	22,451	22,353	21,407
WAGES & EMPL BENEFITS	361,389	31,571	26,370	31,512	31,412	33,008	29,465	29,428	30,407	29,903	34,852	29,795	23,666
OTHER OPER EXPENSES	371,721	33,810	28,327	30,604	30,451	30,940	31,874	32,698	31,035	29,945	26,717	30,290	35,010
DEFERRED CREDITS	-39,152	-3,703	-3,433	-3,420	-3,115	-3,040	-2,974	-3,160	-3,183	-3,010	-3,131	-3,261	-3,632
TOTAL O & M EXPENSES	1,475,668	138,021	123,098	127,273	118,981	119,810	117,321	126,377	125,341	117,683	120,216	118,279	123,268
DEPRECIATION	308,817	25,735	25,735	25,735	25,735	25,735	25,735	25,735	25,735	25,735	25,735	25,735	25,732
DEFERRED DEPRECIATION	39,755	3,313	3,313	3,313	3,313	3,313	3,313	3,313	3,313	3,313	3,313	3,313	3,312
INCOME TAX PROV-FEDERAL	184,318	23,489	23,913	19,065	10,662	9,380	11,398	14,387	14,328	12,027	9,218	14,394	22,057
-STATE	64,852	8,272	8,421	6,711	3,748	3,294	4,007	5,061	5,040	4,229	3,238	5,063	7,768
DEFERRED INCOME TAXES	-13,898	868	-6,047	-2,888	205	665	-2,503	-3,573	-1,599	-1,498	3,154	550	-1,232
ITC-DEFERRED	0	0	0	0	0	0	0	0	0	0	0	0	0
-AMORTIZATION	-10,678	-890	-890	-890	-890	-890	-890	-890	-890	-890	-890	-890	-888
TAXES OTHER THAN INC	204,491	19,630	18,360	17,020	16,632	16,350	16,075	16,499	16,560	15,923	15,908	16,324	18,330
TOTAL OPER EXPENSES	2,253,325	210,438	195,903	196,139	178,306	177,657	174,456	186,909	187,828	176,522	179,972	182,768	198,347
OPERATING INCOME	503,164	61,093	50,043	45,665	37,964	33,454	32,215	38,203	38,210	34,120	38,002	41,244	52,951
OTHER INCOME & DEDUCTIONS													
AFUDC-EQUITY FUNDS	6,282	947	1,154	992	972	767	479	445	0	110	249	167	0
DEF INC TAXES-NET	219	62	73	63	60	31	10	7	-23	-21	-4	-16	-23
INCOME TAX CREDITS-FEDERAL	1,879	215	463	133	118	106	126	100	146	124	106	123	119
-STATE	663	76	163	47	42	37	45	35	51	44	38	43	42
OTHER-NET	1,315	-474	-1,105	603	-155	64	673	26	51	740	24	107	761
NET OTHER INC & DED	10,358	826	748	1,838	1,037	1,005	1,333	613	225	997	413	424	899
INCOME BEFORE INTEREST	513,522	61,919	50,791	47,503	39,001	34,459	33,548	38,816	38,435	35,117	38,415	41,668	53,850
INTEREST CHARGES													
LONG-TERM DEBT	214,253	18,260	18,260	18,260	18,260	18,260	18,327	17,666	17,392	17,392	17,392	17,392	17,392
SHORT-TERM DEBT	5,188	126	105	134	390	463	474	719	597	439	589	582	570
OTHER	10,997	908	924	915	900	849	899	928	955	945	925	909	903
AFUDC-BORROWED FUNDS	-7,982	-591	-775	-656	-671	-834	-706	-732	-525	-702	-570	-719	-501
NET INTEREST CHARGES	222,456	18,703	18,514	18,653	18,879	18,758	18,994	18,578	18,419	18,094	18,336	18,164	18,364
NET INCOME	291,066	43,216	32,277	28,850	20,122	15,701	14,524	20,238	20,016	17,023	20,079	23,504	35,486

- Q. 2. Supply summaries of the utility's projected operating and capital budgets for the two calendar years following the end of the test year.**
- A. 2. Attachment II-E-2a provides the Company's projected operating budget for 1995 and 1996. Attachment II-E-2b provides the Company's capital budget for 1995 and 1996.**

PROJECTED OPERATING BUDGET ^{1/}
(Thousands of Dollars)

	<u>1995</u>	<u>1996</u>
Operating Revenues		
PUC Customers		
Base Rates	\$1,953,280	\$1,968,532
Energy Cost Rate	339,034	320,340
Special Base Rate Credit Adjustment	(44,931)	(27,765)
State Tax Adjustment Surcharge	(8,037)	(8,933)
	<u>2,239,346</u>	<u>2,252,174</u>
FERC Customers		
Base Rates	376,294	338,648
Fuel Adjustment	(570)	(1,998)
	<u>375,724</u>	<u>336,650</u>
PJM Power Sales	93,331	134,744
Other Electric Revenue	48,088	38,017
Total Operating Revenue	<u>2,756,489</u>	<u>2,761,585</u>
Operating Expenses		
Fuel	515,424	525,975
Power Purchases	266,286	255,196
Wages & Employee Benefits	361,389	340,966
Other Operating Costs	371,721	385,472
Deferred Credits	(39,152)	(17,048)
Total O&M Expenses	<u>1,475,668</u>	<u>1,490,561</u>
Depreciation	348,572	379,809
Income Taxes- Federal	184,318	182,348
Income Taxes- State	64,852	62,596
Deferred Income Taxes	(13,898)	(27,328)
Investment Tax Credit- Amortization	(10,678)	(9,919)
Taxes Other Than Income	204,491	203,751
Total Operating Expenses	<u>2,253,325</u>	<u>2,281,818</u>
Operating Income	<u>\$503,164</u>	<u>\$479,767</u>

^{1/} Does not include any effect of this rate filing.

PROJECTED CAPITAL BUDGET
(Millions of Dollars)

<u>Budget Category</u>	<u>1995</u>	<u>1996</u>
Existing Generation - Nuclear	\$49.5	\$45.0
Existing Generation - Fossil & Hydro	105.1	116.6
Bulk Power	9.8	7.0
Regional Supply	36.6	36.0
Area Supply	48.3	46.6
Revenue Work	80.0	80.0
Sites and R/W	0.7	0.7
Buildings	9.9	6.3
Other *	<u>47.0</u>	<u>62.6</u>
Total New Construction	386.9	400.8
Nuclear Fuel Purchases	<u>52.1</u>	<u>77.2</u>
Grand Total	<u>\$439.0</u>	<u>\$478.0</u>

* Includes rounding adjustment

PENNSYLVANIA POWER & LIGHT COMPANY

**Exhibit Regs. § 53.53
Part V - Plant and Depreciation
Supporting Data
Part VI - Unadjusted Comparative
Balance Sheets and Operating Income Statements**

Docket No. R-00943271

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This book contains responses to each of the pertinent items contained in § 53.53, Part V (Plant and Depreciation Supporting Data, Including Related Depreciation Study Report) and § 53.53, Part VI (Unadjusted Comparative Balance Sheets and Operating Income Statements) of the Commission's Regulations.

- Q.1. Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.
- A.1. Attachment V-A-1 provides Pennsylvania Power & Light Company's Electric Plant In Service by account for the future test year ended September 30, 1995.

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

Intangible

301.0	Organization	476,252
302.0	Franchises and Consents	147,084
303.0	Misc Intang Plt - Other	22,055
303.2	Misc Intang Plt - Computer Software	<u>21,258,024</u>
	Subtotal -- Intangible	21,903,415

Steam Production

Sunbury SES

310.0	Land and Land Rights	940,852
311.0	Structures and Improvements	35,957,016
312.0	Boiler Plant Equipment	142,404,383
314.0	Turbo-Generator Units	62,129,568
315.0	Accessory Electric Equipment	23,617,374
316.0	Misc Power Plant Equipment	<u>3,881,835</u>
	Subtotal -- Sunbury SES	268,931,028

Martins Creek #1 & #2 SES

310.0	Land and Land Rights	2,949,245
311.0	Structures and Improvements	13,653,687
312.0	Boiler Plant Equipment	97,094,580
314.0	Turbo-Generator Units	49,085,028
315.0	Accessory Electric Equipment	12,329,047
316.0	Misc Power Plant Equipment	<u>2,091,545</u>
	Subtotal -- Martins Creek #1 & #2 SES	177,203,132

Martins Creek #3 & #4 SES

310.0	Land and Land Rights	5,564
311.0	Structures and Improvements	58,120,182
312.0	Boiler Plant Equipment	198,694,420
314.0	Turbo-Generator Units	126,826,279
315.0	Accessory Electric Equipment	35,719,968
316.0	Misc Power Plant Equipment	<u>5,556,116</u>
	Subtotal -- Martins Creek #3 & #4 SES	424,922,529

Brunner Island SES

310.0	Land and Land Rights	1,743,263
311.0	Structures and Improvements	56,234,413
312.0	Boiler Plant Equipment	330,387,510
314.0	Turbo-Generator Units	110,338,792
315.0	Accessory Electric Equipment	24,832,217
316.0	Misc Power Plant Equipment	<u>3,570,122</u>
	Subtotal -- Brunner Island SES	527,106,317

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/95</u>
<u>Conemaugh SES</u>		
310.0	Land and Land Rights	257,192
311.0	Structures and Improvements	9,858,308
312.0	Boiler Plant Equipment	66,012,882
314.0	Turbo-Generator Units	12,197,603
315.0	Accessory Electric Equipment	2,424,476
316.0	Misc Power Plant Equipment	<u>1,056,682</u>
	Subtotal -- Conemaugh SES	91,807,143
 <u>Keystone SES</u>		
310.0	Land and Land Rights	500,592
311.0	Structures and Improvements	9,854,625
312.0	Boiler Plant Equipment	35,279,668
314.0	Turbo-Generator Units	13,314,652
315.0	Accessory Electric Equipment	2,600,866
316.0	Misc Power Plant Equipment	<u>1,026,302</u>
	Subtotal -- Keystone SES	62,576,705
 <u>Montour SES</u>		
310.0	Land and Land Rights	4,175,204
311.0	Structures and Improvements	43,086,165
312.0	Boiler Plant Equipment	256,169,943
314.0	Turbo-Generator Units	120,067,642
315.0	Accessory Electric Equipment	26,345,777
316.0	Misc Power Plant Equipment	<u>4,126,758</u>
	Subtotal -- Montour SES	453,971,489
 <u>Holtwood SES</u>		
310.0	Land and Land Rights	160,092
311.0	Structures and Improvements	11,791,281
312.0	Boiler Plant Equipment	39,718,413
314.0	Turbo-Generator Units	7,083,241
315.0	Accessory Electric Equipment	3,421,715
316.0	Misc Power Plant Equipment	<u>1,456,377</u>
	Subtotal -- Holtwood SES	63,631,119
	Subtotal -- Steam Production	2,070,149,462

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

Nuclear Production

<u>Susquehanna SES Unit #1</u>		
321.0	Structures and Improvements	239,277,920
322.0	Reactor Plant Equipment	846,653,001
323.0	Turbo-Generator Units	247,435,368
324.0	Accessory Electric Equipment	154,796,745
325.0	Misc Power Plant Equipment	<u>9,106,418</u>
	Subtotal -- Susquehanna SES Unit #1	1,497,269,452
 <u>Susquehanna SES Unit #2</u>		
321.0	Structures and Improvements	225,302,507
322.0	Reactor Plant Equipment	849,698,839
323.0	Turbo-Generator Units	276,365,298
324.0	Accessory Electric Equipment	142,137,123
325.0	Misc Power Plant Equipment	<u>10,870,980</u>
	Subtotal -- Susquehanna SES Unit #2	1,504,374,747
 <u>Susquehanna SES Common</u>		
320.2	Land	5,503,445
320.4	Land Rights	10,472,569
321.0	Structures and Improvements	445,596,117
322.0	Reactor Plant Equipment	176,093,931
323.0	Turbo-Generator Units	38,828,018
324.0	Accessory Electric Equipment	251,255,214
325.0	Misc Power Plant Equipment	<u>109,935,955</u>
	Subtotal -- Susquehanna SES Common	1,037,685,249
	Subtotal -- Nuclear Production	4,039,329,448

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

Hydro Production

<u>Wallenpaupack HES</u>		
330.2	Land and Land Rights - Other	2,493,884
330.4	Land and Land Rights - Rec Fac	35,278
331.2	Structures and Improvements - Other	1,725,898
331.4	Structures and Improvements - Rec Fac	1,707,692
332.2	Resv, Dam, Waterway - Flow Line	6,189,211
332.4	Resv, Dam, Waterway - Other	5,427,986
333.0	Water Wheels, Turbines and Generators	785,694
334.0	Accessory Electric Equipment	1,235,738
335.2	Misc Power Plant Equipment - Other	109,493
335.4	Misc Power Plant Equipment - Rec Fac	367,665
336.0	Roads, Railroads and Bridges	<u>167,902</u>
	Subtotal -- Wallenpaupack HES	20,246,441

<u>Holtwood HES</u>		
330.2	Land and Land Rights - Other	2,052,792
330.4	Land and Land Rights - Rec Fac	205,046
331.2	Structures and Improvements - Other	2,925,067
331.4	Structures and Improvements - Rec Fac	1,246,025
332.4	Resv, Dam, Waterway - Other	14,281,423
333.0	Water Wheels, Turbines and Generators	38,259,567
334.0	Accessory Electric Equipment	24,793,841
335.2	Misc Power Plant Equipment - Other	2,581,811
335.4	Misc Power Plant Equipment - Rec Fac	105,994
336.0	Roads, Railroads and Bridges	<u>92,106</u>
	Subtotal -- Holtwood HES	86,543,672

Subtotal -- Hydro Production 106,790,113

Other Production

<u>Allentown C/T</u>		
341.0	Structures and Improvements	603
342.0	Fuel Holders, Producers and Accessories	345,833
343.0	Prime Movers	3,201,444
344.0	Generators	1,396,479
345.0	Accessory Electric Equipment	520,125
346.0	Misc Power Plant Equipment	<u>31,068</u>
	Subtotal -- Allentown C/T	5,495,552

<u>Harwood C/T</u>		
341.0	Structures and Improvements	8,531
342.0	Fuel Holders, Producers and Accessories	169,485
343.0	Prime Movers	1,712,645
344.0	Generators	769,977
345.0	Accessory Electric Equipment	319,723
346.0	Misc Power Plant Equipment	<u>8,995</u>
	Subtotal -- Harwood C/T	2,989,356

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/95</u>
<u>Williamsport C/T</u>		
341.0	Structures and Improvements	22,716
342.0	Fuel Holders, Producers and Accessories	140,047
343.0	Prime Movers	2,014,312
344.0	Generators	897,032
345.0	Accessory Electric Equipment	451,197
346.0	Misc Power Plant Equipment	<u>8,445</u>
Subtotal -- Williamsport C/T		3,533,749
 <u>Harrisburg C/T</u>		
341.0	Structures and Improvements	28,601
342.0	Fuel Holders, Producers and Accessories	193,317
343.0	Prime Movers	3,450,634
344.0	Generators	1,456,773
345.0	Accessory Electric Equipment	552,784
346.0	Misc Power Plant Equipment	<u>11,962</u>
Subtotal -- Harrisburg C/T		5,694,071
 <u>Jenkins C/T</u>		
341.0	Structures and Improvements	79,010
342.0	Fuel Holders, Producers and Accessories	257,654
343.0	Prime Movers	1,904,525
344.0	Generators	853,716
345.0	Accessory Electric Equipment	326,559
346.0	Misc Power Plant Equipment	<u>9,353</u>
Subtotal -- Jenkins C/T		3,430,817
 <u>Sunbury (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	1,292
343.0	Prime Movers	339,984
344.0	Generators	58,723
345.0	Accessory Electric Equipment	128,447
346.0	Misc Power Plant Equipment	<u>1,325</u>
Subtotal -- Sunbury (D) C/T		529,771
 <u>Sunbury C/T</u>		
341.0	Structures and Improvements	116,907
342.0	Fuel Holders, Producers and Accessories	257,696
343.0	Prime Movers	49,032
345.0	Accessory Electric Equipment	76,722
346.0	Misc Power Plant Equipment	<u>8,352</u>
Subtotal -- Sunbury C/T		508,709

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/95</u>
<u>Martins Creek (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	2,335
343.0	Prime Movers	277,309
344.0	Generators	58,499
345.0	Accessory Electric Equipment	130,196
346.0	Misc Power Plant Equipment	<u>4,433</u>
Subtotal -- Martins Creek (D) C/T		472,772
 <u>Martins Creek C/T</u>		
341.0	Structures and Improvements	238,075
342.0	Fuel Holders, Producers and Accessories	106,115
343.0	Prime Movers	82,127
345.0	Accessory Electric Equipment	134,002
346.0	Misc Power Plant Equipment	<u>20,899</u>
Subtotal -- Martins Creek C/T		581,218
 <u>Brunner Island (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	1,589
343.0	Prime Movers	411,592
344.0	Generators	87,256
345.0	Accessory Electric Equipment	160,997
346.0	Misc Power Plant Equipment	<u>1,325</u>
Subtotal -- Brunner Island (D) C/T		662,759
 <u>Conemaugh (D) C/T</u>		
344.0	Generators	107,642
345.0	Accessory Electric Equipment	<u>2,910</u>
Subtotal -- Conemaugh (D) C/T		110,552
 <u>Keystone (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	5,319
344.0	Generators	113,606
345.0	Accessory Electric Equipment	<u>10,845</u>
Subtotal -- Keystone (D) C/T		129,770
 <u>Fishbach C/T</u>		
340.0	Land and Land Rights	49,917
341.0	Structures and Improvements	84,431
342.0	Fuel Holders, Producers and Accessories	136,653
343.0	Prime Movers	2,236,671
344.0	Generators	520,407
345.0	Accessory Electric Equipment	488,867
346.0	Misc Power Plant Equipment	<u>13,037</u>
Subtotal -- Fishbach C/T		3,529,983

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

<u>West Shore C/T</u>		
341.0	Structures and Improvements	51,652
342.0	Fuel Holders, Producers and Accessories	216,298
343.0	Prime Movers	2,071,043
344.0	Generators	519,936
345.0	Accessory Electric Equipment	486,272
346.0	Misc Power Plant Equipment	<u>10,868</u>
	Subtotal -- West Shore C/T	3,356,069

<u>Lock Haven C/T</u>		
340.0	Land and Land Rights	17,777
341.0	Structures and Improvements	168,659
342.0	Fuel Holders, Producers and Accessories	118,486
343.0	Prime Movers	1,048,575
344.0	Generators	688,856
345.0	Accessory Electric Equipment	258,085
346.0	Misc Power Plant Equipment	<u>7,229</u>
	Subtotal -- Lock Haven C/T	2,307,667

Subtotal -- Other Production 33,332,815

Transmission

350.2	Land	2,568,712
350.4	Land Rights	20,449,972
352.0	Structures and Improvements	14,444,867
353.0	Station Equipment	216,360,860
354.0	Towers and Fixtures	107,869,819
354.2	Clearing Land and R/W - Towers	5,992,920
355.0	Poles and Fixtures	1,836,403
355.2	Clearing Land and R/W - Poles	211,587
356.0	Overhead Conductors and Devices	71,758,759
359.0	Roads and Trails	<u>5,486,770</u>
	Subtotal -- Transmission	446,980,669

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

Distribution

360.2	Land	12,726,534
360.4	Land Rights	94,710,519
361.0	Structures and Improvements	32,642,981
362.0	Station Equipment	303,309,543
364.2	Towers and Fixtures	97,472,071
364.4	Poles and Fixtures	516,511,770
364.6	Clearing Land and R/W - Towers	4,259,828
364.8	Clearing Land and R/W - Poles	33,392,434
365.0	Overhead Conductors and Devices	470,352,391
366.0	Underground Conduit	82,612,265
367.0	Underground Conductors and Devices	181,942,385
368.2	Transformers - Overhead Type	201,949,916
368.4	Transformers - Submersible or Pad Mounted	91,346,963
368.6	Transformers - Non-Network Housing	1,697,337
369.0	Services	295,157,393
370.0	Meters	83,146,577
371.2	Installations on Customers Premises	701,378
371.4	Area Lighting Fixtures	3,195,387
373.2	Street Lighting and Signal Systems	<u>48,885,854</u>
	Subtotal -- Distribution	2,556,013,526

General Plant

389.0	Land and Land Rights	8,916,634
390.2	Structures and Improvements - Buildings	172,052,514
390.4	Structures and Improvements - Air Cond. Equi	12,706,392
390.6	Structures and Improvements - Holtwood Op.	0
391.2	Office Furniture and Equipment - Furniture	16,044,199
391.4	Office Furniture and Equipment - Mech Equip	2,205,203
391.6	Computer Equipment - General	2,236,607
391.8	Computer Equipment - Power Mgmt System	38,453,645
392.4	Transportation Equipment - Trailers	106,502
393.0	Stores Equipment	2,148,641
394.0	Tools & Work Equipment - L&S Line Crews	2,296,802
394.2	Shop Equipment -- Haz Serv Depot	0
394.4	Tools & Work Equipment - Const Dept	10,878,544
394.6	Tools & Work Equipment - Other	3,323,941
394.8	Transportation Equipment - Garage Equipmen	7,673,662
395.0	Laboratory Equipment	4,525,554
397.0	Communication Equipment	7,798,126
398.0	Miscellaneous Equipment	<u>3,373,747</u>
	Subtotal -- General Plant	294,740,713

Total -- Electric Plant in Service 9,569,240,161

Pennsylvania Power & Light Company

Electric Plant in Service

9/30/95

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>		
311.0	Structures and Improvements	<u>49,346</u>
	Subtotal -- Sunbury SES	<u>49,346</u>
 <u>Martins Creek #1 & #2 SES</u>		
312.0	Boiler Plant Equipment	79,141
316.0	Misc Power Plant Equipment	<u>6,427</u>
	Subtotal -- Martins Creek #1 & #2 SES	<u>85,568</u>
 <u>Martins Creek #3 & #4 SES</u>		
311.0	Structures and Improvements	277,620
312.0	Boiler Plant Equipment	1,473,260
315.0	Accessory Electric Equipment	24,991
316.0	Misc Power Plant Equipment	<u>5,039</u>
	Subtotal -- Martins Creek #3 & #4 SES	<u>1,780,910</u>
 <u>Montour SES</u>		
316.0	Misc Power Plant Equipment	<u>24,385</u>
	Subtotal -- Montour SES	<u>24,385</u>
	Subtotal -- Steam Production	1,940,209

Nuclear Production -- Leasehold Improvements

<u>Susquehanna SES Common</u>		
325.0	Misc Power Plant Equipment	<u>451,364</u>
	Subtotal -- Susquehanna SES Common	<u>451,364</u>
	Subtotal -- Nuclear Production	451,364

Other Production -- Leasehold Improvements

<u>Sunbury C/T</u>		
343.0	Prime Movers	748,918
344.0	Generators	381,764
345.0	Accessory Electric Equipment	<u>80,158</u>
	Subtotal -- Sunbury C/T	<u>1,210,840</u>

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/95</u>
<u>Martins Creek (D) C/T</u>		
341.0	Structures and Improvements	0
342.0	Fuel Holders, Producers and Accessories	130,344
343.0	Prime Movers	1,475,033
344.0	Generators	134,356
345.0	Accessory Electric Equipment	<u>112,010</u>
Subtotal -- Martins Creek (D) C/T		1,851,743
Subtotal -- Other Production		3,062,583

General Plant -- Leasehold Improvements

390.2	Structures and Improvements - Buildings	1,029,594
390.4	Structures and Improvements - Air Cond. Equi	697,114
391.6	Computer Equipment - General	24,256
392.2	Transportation Equipment - Vehicles	1,129,459
392.4	Transportation Equipment - Trailers	82,705
394.4	Tools & Work Equipment - Const Dept	68,067
397.0	Communication Equipment	322,463
398.0	Miscellaneous Equipment	<u>22,263</u>
Subtotal -- General Plant		3,375,921

Total -- Electric Plant in Service -- Leasehold Improvements 8,830,077

Common Plant

Steam Production -- Common Plant

<u>Martins Creek #3 & #4 SES</u>		
311.0	Structures and Improvements	103,255
312.0	Boiler Plant Equipment	451,354
314.0	Turbo-Generator Units	246,320
315.0	Accessory Electric Equipment	79,951
316.0	Misc Power Plant Equipment	<u>5,789</u>
Subtotal -- Martins Creek #3 & #4 SES		886,669

Nuclear Production -- Common Plant

<u>Susquehanna SES Common</u>		
321.0	Structures and Improvements	13,186,330
322.0	Reactor Plant Equipment	5,292,850
323.0	Turbo-Generator Units	1,280,402
324.0	Accessory Electric Equipment	5,952,606
325.0	Misc Power Plant Equipment	<u>2,790,134</u>
Subtotal -- Susquehanna SES Common		28,502,322

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/95</u>
<u>Transmission -- Common Plant</u>		
353.0	Station Equipment	<u>12,296</u>
Subtotal -- Transmission		12,296
Total -- Common Plant		<u>29,401,287</u>
Total -- Electric Plant in Service		<u>9,607,471,525</u>

RECAP -- Electric Plant in Service

Intangible	21,903,415
Steam Production	2,072,976,340
Nuclear Production	4,068,283,134
Hydro Production	106,790,113
Other Production	36,395,398
Transmission	446,992,965
Distribution	2,556,013,526
General Plant	<u>298,116,634</u>
Total -- Electric Plant in Service	<u>9,607,471,525</u>

- Q.2. Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.
- A.2. Attachment V-A-2 provides Pennsylvania Power & Light Company's calculated depreciation reserve versus book reserve by account for the future test year ended September 30, 1995.

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

<u>Intangible</u>		<u>Calculated</u> <u>at 09/30/95</u>	<u>Book</u> <u>at 09/30/95</u>
301.0	Organization	Non-Depreciable	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable	Non-Depreciable
303.0	Misc Intang Plt - Other	Non-Depreciable	Non-Depreciable
303.2	Misc Intang Plt - Computer Software	<u>8,849,539</u>	<u>8,849,539</u>
	Subtotal -- Intangible	8,849,539	8,849,539

Steam Production

<u>Sunbury SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	27,267,697	29,187,290
312.0	Boiler Plant Equipment	67,309,208	65,365,148
314.0	Turbo-Generator Units	23,489,276	20,050,755
315.0	Accessory Electric Equipment	11,839,820	10,552,660
316.0	Misc Power Plant Equipment	<u>2,250,154</u>	<u>1,853,066</u>
	Subtotal -- Sunbury SES	132,156,155	127,008,918

<u>Martins Creek #1 & #2 SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	9,249,436	8,902,599
312.0	Boiler Plant Equipment	43,967,072	32,812,584
314.0	Turbo-Generator Units	20,321,514	12,609,941
315.0	Accessory Electric Equipment	6,253,982	5,445,266
316.0	Misc Power Plant Equipment	<u>1,124,081</u>	<u>849,696</u>
	Subtotal -- Martins Creek #1 & #2 SES	80,916,085	60,620,086

<u>Martins Creek #3 & #4 SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	32,412,888	31,860,159
312.0	Boiler Plant Equipment	95,210,371	95,880,054
314.0	Turbo-Generator Units	56,462,096	53,611,289
315.0	Accessory Electric Equipment	19,842,128	19,920,813
316.0	Misc Power Plant Equipment	<u>2,702,626</u>	<u>2,763,398</u>
	Subtotal -- Martins Creek #3 & #4 SES	206,630,109	204,035,713

<u>Brunner Island SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	20,647,010	24,149,619
312.0	Boiler Plant Equipment	95,810,475	120,054,474
314.0	Turbo-Generator Units	34,450,817	41,262,546
315.0	Accessory Electric Equipment	10,878,522	13,175,346
316.0	Misc Power Plant Equipment	<u>1,418,777</u>	<u>1,806,945</u>
	Subtotal -- Brunner Island SES	163,205,601	200,448,928

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated</u>	<u>Book</u>
		at 09/30/95	at 09/30/95
<u>Conemaugh SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	3,951,729	4,616,481
312.0	Boiler Plant Equipment	14,928,711	18,544,697
314.0	Turbo-Generator Units	6,124,684	7,358,451
315.0	Accessory Electric Equipment	1,386,966	1,620,761
316.0	Misc Power Plant Equipment	<u>302,982</u>	<u>338,187</u>
	Subtotal -- Conemaugh SES	26,695,072	32,478,577
 <u>Keystone SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	4,387,720	5,650,689
312.0	Boiler Plant Equipment	14,717,091	17,529,959
314.0	Turbo-Generator Units	5,733,525	6,986,987
315.0	Accessory Electric Equipment	1,487,735	1,953,718
316.0	Misc Power Plant Equipment	<u>328,834</u>	<u>361,771</u>
	Subtotal -- Keystone SES	26,654,905	32,483,124
 <u>Montour SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	18,793,050	21,157,995
312.0	Boiler Plant Equipment	81,356,655	93,542,509
314.0	Turbo-Generator Units	41,535,017	45,357,637
315.0	Accessory Electric Equipment	11,842,508	14,115,211
316.0	Misc Power Plant Equipment	<u>1,467,376</u>	<u>1,689,324</u>
	Subtotal -- Montour SES	154,994,606	175,862,674
 <u>Holtwood SES</u>			
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	8,145,608	8,385,607
312.0	Boiler Plant Equipment	23,933,613	25,439,763
314.0	Turbo-Generator Units	4,280,810	4,323,594
315.0	Accessory Electric Equipment	2,556,651	2,821,381
316.0	Misc Power Plant Equipment	<u>789,964</u>	<u>618,990</u>
	Subtotal -- Holtwood SES	39,706,646	41,589,334
	Subtotal -- Steam Production	830,959,179	874,527,354

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated at 09/30/95</u>	<u>Book at 09/30/95</u>
<u>Nuclear Production</u>			
	<u>Susquehanna SES Unit #1</u>		
321.0	Structures and Improvements	84,242,836	84,243,202
322.0	Reactor Plant Equipment	141,634,221	139,618,636
323.0	Turbo-Generator Units	41,105,354	38,456,216
324.0	Accessory Electric Equipment	46,324,443	46,283,595
325.0	Misc Power Plant Equipment	<u>9,506,219</u>	<u>9,507,743</u>
	Subtotal -- Susquehanna SES Unit #1	322,813,073	318,109,391
	 <u>Susquehanna SES Unit #2</u>		
321.0	Structures and Improvements	76,680,878	76,704,964
322.0	Reactor Plant Equipment	124,848,809	124,727,354
323.0	Turbo-Generator Units	48,146,776	48,473,586
324.0	Accessory Electric Equipment	42,403,498	42,426,839
325.0	Misc Power Plant Equipment	<u>8,809,203</u>	<u>8,817,337</u>
	Subtotal -- Susquehanna SES Unit #2	300,889,163	301,150,080
	 <u>Susquehanna SES Common</u>		
320.2	Land	Non-Depreciable	Non-Depreciable
320.4	Land Rights	1,853,574	1,912,149
321.0	Structures and Improvements	58,121,510	57,874,187
322.0	Reactor Plant Equipment	95,411,168	94,945,523
323.0	Turbo-Generator Units	30,857,687	30,614,290
324.0	Accessory Electric Equipment	31,135,953	30,818,176
325.0	Misc Power Plant Equipment	<u>(5,372,523)</u>	<u>(5,574,938)</u>
	Subtotal -- Susquehanna SES Common	212,007,368	210,589,388
	Subtotal -- Nuclear Production	835,709,604	829,848,859

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated</u> at 09/30/95	<u>Book</u> at 09/30/95
<u>Hydro Production</u>			
	<u>Wallenpaupack HES</u>		
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	799,107	731,133
331.4	Structures and Improvements - Rec Fac	459,783	1,104,702
332.2	Resv, Dam, Waterway - Flow Line	3,131,597	3,591,945
332.4	Resv, Dam, Waterway - Other	2,059,306	2,062,231
333.0	Water Wheels, Turbines and Generators	381,716	639,024
334.0	Accessory Electric Equipment	366,717	481,709
335.2	Misc Power Plant Equipment - Other	57,447	77,353
335.4	Misc Power Plant Equipment - Rec Fac	47,167	116,585
336.0	Roads, Railroads and Bridges	<u>103,656</u>	<u>48,784</u>
	Subtotal -- Wallenpaupack HES	7,406,496	8,853,466
	<u>Holtwood HES</u>		
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	850,702	1,212,217
331.4	Structures and Improvements - Rec Fac	358,164	1,026,976
332.4	Resv, Dam, Waterway - Other	5,651,568	5,485,630
333.0	Water Wheels, Turbines and Generators	5,024,114	5,671,716
334.0	Accessory Electric Equipment	1,101,338	1,067,151
335.2	Misc Power Plant Equipment - Other	460,946	409,575
335.4	Misc Power Plant Equipment - Rec Fac	24,546	77,179
336.0	Roads, Railroads and Bridges	<u>29,294</u>	<u>81,213</u>
	Subtotal -- Holtwood HES	13,500,672	15,031,656
	Subtotal -- Hydro Production	20,907,168	23,885,122
<u>Other Production</u>			
	<u>Allentown C/T</u>		
341.0	Structures and Improvements	399	(816)
342.0	Fuel Holders, Producers and Accessories	174,968	192,295
343.0	Prime Movers	2,351,634	2,706,833
344.0	Generators	960,178	1,101,676
345.0	Accessory Electric Equipment	406,978	469,729
346.0	Misc Power Plant Equipment	<u>18,698</u>	<u>19,441</u>
	Subtotal -- Allentown C/T	3,912,855	4,489,158
	<u>Harwood C/T</u>		
341.0	Structures and Improvements	6,019	7,794
342.0	Fuel Holders, Producers and Accessories	120,716	145,794
343.0	Prime Movers	1,316,898	1,538,192
344.0	Generators	492,099	526,328
345.0	Accessory Electric Equipment	247,638	285,673
346.0	Misc Power Plant Equipment	<u>6,850</u>	<u>7,857</u>
	Subtotal -- Harwood C/T	2,190,220	2,511,637

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated at 09/30/95</u>	<u>Book at 09/30/95</u>
	<u>Williamsport C/T</u>		
341.0	Structures and Improvements	17,907	23,139
342.0	Fuel Holders, Producers and Accessories	104,530	123,343
343.0	Prime Movers	1,400,592	1,610,928
344.0	Generators	519,774	589,312
345.0	Accessory Electric Equipment	250,621	260,698
346.0	Misc Power Plant Equipment	<u>5,544</u>	<u>(6,481)</u>
	Subtotal -- Williamsport C/T	2,298,968	2,600,939
	<u>Harrisburg C/T</u>		
341.0	Structures and Improvements	19,826	24,294
342.0	Fuel Holders, Producers and Accessories	146,135	173,179
343.0	Prime Movers	2,363,806	2,714,753
344.0	Generators	934,002	1,060,615
345.0	Accessory Electric Equipment	426,425	497,544
346.0	Misc Power Plant Equipment	<u>8,773</u>	<u>(5,591)</u>
	Subtotal -- Harrisburg C/T	3,898,967	4,464,793
	<u>Jenkins C/T</u>		
341.0	Structures and Improvements	61,828	76,278
342.0	Fuel Holders, Producers and Accessories	143,363	140,897
343.0	Prime Movers	1,403,533	1,609,699
344.0	Generators	533,109	596,837
345.0	Accessory Electric Equipment	239,176	276,160
346.0	Misc Power Plant Equipment	<u>7,123</u>	<u>7,232</u>
	Subtotal -- Jenkins C/T	2,388,132	2,707,102
	<u>Sunbury (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	1,016	5,904
343.0	Prime Movers	236,557	268,423
344.0	Generators	46,102	57,838
345.0	Accessory Electric Equipment	96,298	114,650
346.0	Misc Power Plant Equipment	<u>1,030</u>	<u>6,453</u>
	Subtotal -- Sunbury (D) C/T	381,003	453,268
	<u>Sunbury C/T</u>		
341.0	Structures and Improvements	87,436	102,908
342.0	Fuel Holders, Producers and Accessories	171,818	145,009
343.0	Prime Movers	37,168	45,034
345.0	Accessory Electric Equipment	56,783	66,243
346.0	Misc Power Plant Equipment	<u>5,999</u>	<u>6,404</u>
	Subtotal -- Sunbury C/T	359,204	365,596

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated</u> <u>at 09/30/95</u>	<u>Book</u> <u>at 09/30/95</u>
	<u>Martins Creek (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	1,550	2,684
343.0	Prime Movers	182,799	258,289
344.0	Generators	38,562	54,607
345.0	Accessory Electric Equipment	83,824	117,330
346.0	Misc Power Plant Equipment	<u>2,552</u>	<u>3,199</u>
	Subtotal -- Martins Creek (D) C/T	309,087	436,109
	<u>Martins Creek C/T</u>		
341.0	Structures and Improvements	146,427	197,438
342.0	Fuel Holders, Producers and Accessories	57,812	72,716
343.0	Prime Movers	51,187	69,880
345.0	Accessory Electric Equipment	83,471	114,640
346.0	Misc Power Plant Equipment	<u>11,836</u>	<u>15,145</u>
	Subtotal -- Martins Creek C/T	350,733	469,818
	<u>Brunner Island (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	973	1,268
343.0	Prime Movers	249,059	347,866
344.0	Generators	52,799	73,850
345.0	Accessory Electric Equipment	97,426	137,742
346.0	Misc Power Plant Equipment	<u>798</u>	<u>736</u>
	Subtotal -- Brunner Island (D) C/T	401,055	561,461
	<u>Conemaugh (D) C/T</u>		
344.0	Generators	68,012	82,252
345.0	Accessory Electric Equipment	1,840	2,251
346.0	Misc Power Plant Equipment	<u>0</u>	<u>0</u>
	Subtotal -- Conemaugh (D) C/T	69,852	84,502
	<u>Keystone (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	3,734	4,496
344.0	Generators	79,505	95,330
345.0	Accessory Electric Equipment	<u>7,468</u>	<u>8,919</u>
	Subtotal -- Keystone (D) C/T	90,707	108,744
	<u>Fishbach C/T</u>		
340.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	61,739	73,919
342.0	Fuel Holders, Producers and Accessories	94,388	112,311
343.0	Prime Movers	1,595,031	1,851,905
344.0	Generators	390,529	462,048
345.0	Accessory Electric Equipment	359,389	404,089
346.0	Misc Power Plant Equipment	<u>9,191</u>	<u>10,338</u>
	Subtotal -- Fishbach C/T	2,510,267	2,914,610

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated</u> <u>at 09/30/95</u>		<u>Book</u> <u>at 09/30/95</u>
	<u>West Shore C/T</u>			
341.0	Structures and Improvements	35,446		40,506
342.0	Fuel Holders, Producers and Accessories	118,884		129,934
343.0	Prime Movers	1,537,212		1,806,650
344.0	Generators	390,176		460,676
345.0	Accessory Electric Equipment	355,617		421,825
346.0	Misc Power Plant Equipment	<u>7,699</u>		<u>7,966</u>
	Subtotal -- West Shore C/T	2,445,034		2,867,557
	<u>Lock Haven C/T</u>			
340.0	Land and Land Rights		Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	126,160		149,150
342.0	Fuel Holders, Producers and Accessories	82,429		103,007
343.0	Prime Movers	778,690		913,923
344.0	Generators	230,422		246,197
345.0	Accessory Electric Equipment	187,707		221,610
346.0	Misc Power Plant Equipment	<u>5,116</u>		<u>5,398</u>
	Subtotal -- Lock Haven C/T	1,410,524		1,639,284
	<u>Suburban C/T</u>			
341.0	Structures and Improvements	0		0
342.0	Fuel Holders, Producers and Accessories	0		0
343.0	Prime Movers	0		0
344.0	Generators	0		0
345.0	Accessory Electric Equipment	0		0
346.0	Misc Power Plant Equipment	<u>0</u>		<u>0</u>
	Subtotal -- Suburban C/T	0		0
	Subtotal -- Other Production	23,016,608		26,674,577
	<u>Transmission</u>			
350.2	Land		Non-Depreciable	Non-Depreciable
350.4	Land Rights	7,316,458		5,894,819
352.0	Structures and Improvements	4,178,122		3,746,207
353.0	Station Equipment	63,162,915		45,378,634
354.0	Towers and Fixtures	39,921,723		50,318,889
354.2	Clearing Land and R/W - Towers	2,095,319		2,926,488
355.0	Poles and Fixtures	435,290		700,084
355.2	Clearing Land and R/W - Poles	47,300		78,156
356.0	Overhead Conductors and Devices	30,510,704		32,210,444
359.0	Roads and Trails	<u>1,395,166</u>		<u>1,380,755</u>
	Subtotal -- Transmission	149,062,997		142,634,476

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated</u> <u>at 09/30/95</u>	<u>Book</u> <u>at 09/30/95</u>
<u>Distribution</u>			
360.2	Land	Non-Depreciable	Non-Depreciable
360.4	Land Rights	25,270,320	30,675,428
361.0	Structures and Improvements	8,040,710	13,786,793
362.0	Station Equipment	62,432,002	100,387,171
364.2	Towers and Fixtures	17,904,008	25,891,870
364.4	Poles and Fixtures	118,991,836	174,960,130
364.6	Clearing Land and R/W - Towers	1,061,797	1,385,283
364.8	Clearing Land and R/W - Poles	10,662,913	13,587,094
365.0	Overhead Conductors and Devices	134,311,128	177,797,789
366.0	Underground Conduit	15,369,011	12,716,653
367.0	Underground Conductors and Devices	49,822,223	35,337,768
368.2	Transformers - Overhead Type	70,943,422	79,538,954
368.4	Transformers - Submersible or Pad Mounted	15,943,161	32,366,723
368.6	Transformers - Non-Network Housing	1,062,035	908,425
369.0	Services	95,132,711	145,314,484
370.0	Meters	27,267,571	25,713,096
371.2	Installations on Customers Premises	70,752	110,266
371.4	Area Lighting Fixtures	1,273,164	2,330,779
373.2	Street Lighting and Signal Systems	<u>16,737,336</u>	<u>20,084,352</u>
	Subtotal -- Distribution	672,296,100	892,891,057
<u>General Plant</u>			
389.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
390.2	Structures and Improvements - Buildings	28,830,544	47,401,635
390.4	Structures and Improvements - Air Cond. Equip.	4,068,869	8,513,643
390.6	Structures and Improvements - Holtwood Op. Vill.	0	0
391.2	Office Furniture and Equipment - Furniture	5,318,831	5,318,831
391.4	Office Furniture and Equipment - Mech Equip	1,030,561	1,030,561
391.6	Computer Equipment - General	1,248,795	1,248,795
391.8	Computer Equipment - Power Mgmt System	26,898,597	26,857,658
392.4	Transportation Equipment - Trailers	54,298	87,465
393.0	Stores Equipment	1,096,024	1,096,024
394.0	Tools & Work Equipment - L&S Line Crews	456,195	456,195
394.2	Shop Equipment - Haz Serv Depot	0	0
394.4	Tools & Work Equipment - Const Dept	2,070,150	2,070,150
394.6	Tools & Work Equipment - Other	879,746	879,746
394.8	Transportation Equipment - Garage Equipment	653,758	653,758
395.0	Laboratory Equipment	1,074,810	1,074,810
397.0	Communication Equipment	2,901,558	3,361,535
398.0	Miscellaneous Equipment	<u>1,062,081</u>	<u>1,062,081</u>
	Subtotal -- General Plant	77,644,816	101,112,885
	Total -- Accumulated Depreciation -- Electric Plant in Service	<u>2,618,446,010</u>	<u>2,900,423,868</u>

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

<u>Net Salvage</u>	<u>Calculated at 09/30/95</u>	<u>Book at 09/30/95</u>
Steam Production	(16,947,774)	(16,947,774)
Nuclear Production	(16,658,679)	(16,658,679)
Hydro Production	(809,502)	(809,502)
Other Production	(92,723)	(92,723)
Transmission	(631,175)	(631,175)
Distribution	(18,078,496)	(18,078,496)
General Plant	<u>(549,102)</u>	<u>(549,102)</u>
Total -- Net Salvage	(53,767,451)	(53,767,451)

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>			
311.0	Structures and Improvements	49,346	49,346
	Subtotal -- Sunbury SES	49,346	49,346
 <u>Martins Creek #1 & #2 SES</u>			
311.0	Structures and Improvements	0	0
312.0	Boiler Plant Equipment	81,731	81,731
316.0	Misc Power Plant Equipment	<u>6,837</u>	<u>6,837</u>
	Subtotal -- Martins Creek #1 & #2 SES	88,568	88,568
 <u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	172,531	172,531
312.0	Boiler Plant Equipment	870,070	870,070
315.0	Accessory Electric Equipment	13,452	13,452
316.0	Misc Power Plant Equipment	<u>3,916</u>	<u>3,916</u>
	Subtotal -- Martins Creek #3 & #4 SES	1,059,970	1,059,970
 <u>Montour SES</u>			
316.0	Misc Power Plant Equipment	<u>12,985</u>	<u>12,985</u>
	Subtotal -- Montour SES	12,985	12,985
	Subtotal -- Steam Production	1,210,869	1,210,869

Nuclear Production -- Leasehold Improvements

<u>Susquehanna SES Common</u>			
325.0	Misc Power Plant Equipment	<u>372,942</u>	<u>372,942</u>
	Subtotal -- Susquehanna SES Common	372,942	372,942
	Subtotal -- Nuclear Production	372,942	372,942

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated at 09/30/95</u>		<u>Book at 09/30/95</u>
<u>Other Production -- Leasehold Improvements</u>				
	<u>Sunbury C/T</u>			
343.0	Prime Movers	614,087		614,087
344.0	Generators	317,449		317,449
345.0	Accessory Electric Equipment	<u>30,258</u>		<u>30,258</u>
	Subtotal -- Sunbury C/T	961,794		961,794
	<u>Martins Creek (D) C/T</u>			
341.0	Structures and Improvements	0		0
342.0	Fuel Holders, Producers and Accessories	106,234		106,234
343.0	Prime Movers	1,274,342		1,274,342
344.0	Generators	115,750		115,750
345.0	Accessory Electric Equipment	<u>132,139</u>		<u>132,139</u>
	Subtotal -- Martins Creek (D) C/T	1,628,465		1,628,465
	Subtotal -- Other Production	2,590,259		2,590,259
<u>General Plant -- Leasehold Improvements</u>				
390.2	Structures and Improvements - Buildings	866,128		866,128
390.4	Structures and Improvements - Air Cond. Equip.	565,376		565,376
391.6	Computer Equipment - General	12,942		12,942
392.2	Transportation Equipment - Vehicles	849,085		849,085
392.4	Transportation Equipment - Trailers	65,630		65,630
394.4	Tools & Work Equipment - Const Dept	30,617		30,617
397.0	Communication Equipment	279,708		279,708
398.0	Miscellaneous Equipment	<u>22,263</u>		<u>22,263</u>
	Subtotal -- General Plant	2,691,750		2,691,750
	Total -- Accumulated Amortization -- Leasehold Improvements	<u>6,865,821</u>		<u>6,865,821</u>

Pennsylvania Power & Light Company

Calculated Depreciation Reserve versus Book Reserve

		<u>Calculated at 09/30/95</u>		<u>Book at 09/30/95</u>
<u>Common Plant</u>				
<u>Steam Production -- Common Plant</u>				
	<u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	56,113		56,113
312.0	Boiler Plant Equipment	245,306		245,306
314.0	Turbo-Generator Units	133,846		133,846
315.0	Accessory Electric Equipment	43,421		43,421
316.0	Misc Power Plant Equipment	<u>3,116</u>		<u>3,116</u>
	Subtotal -- Martins Creek #3 & #4 SES	481,802		481,802
 <u>Nuclear Production -- Common Plant</u>				
	<u>Susquehanna SES Common</u>			
321.0	Structures and Improvements	3,034,530		3,034,530
322.0	Reactor Plant Equipment	1,218,071		1,218,071
323.0	Turbo-Generator Units	294,614		294,614
324.0	Accessory Electric Equipment	1,369,826		1,369,826
325.0	Misc Power Plant Equipment	<u>642,271</u>		<u>642,271</u>
	Subtotal -- Susquehanna SES Common	6,559,312		6,559,312
 <u>Transmission -- Common Plant</u>				
353.0	Station Equipment	<u>6,718</u>		<u>6,718</u>
	Subtotal -- Transmission	6,718		6,718
	Total -- Accumulated Amortization -- Common Plant	<u>7,047,832</u>		<u>7,047,832</u>
	Total -- Accumulated Depreciation and Amortization	<u>2,578,592,212</u>		<u>2,860,570,070</u>
 <u>RECAP -- Accumulated Depreciation and Amortization</u>				
	Intangible	8,849,539		8,849,539
	Steam Production	815,704,076		859,272,251
	Nuclear Production	825,983,179		820,122,434
	Hydro Production	20,097,666		23,075,620
	Other Production	25,514,144		29,172,113
	Transmission	148,438,539		142,010,018
	Distribution	654,217,604		874,812,560
	General Plant	<u>79,787,464</u>		<u>103,255,534</u>
	Total -- Accumulated Depreciation and Amortization	<u>2,578,592,212</u>		<u>2,860,570,070</u>

Q.3. Provide supporting schedules which indicate the procedures and calculations employed to develop the original cost plant and applicable reserves to the test year and as submitted in the current proceeding.

A.3. Attachment V-A-3, provides Pennsylvania Power and Light Company's plant in service as of September 30, 1995 based on actual plant balances as of September 30, 1994 adjusted for 12 months projected additions, retirements, and adjustments.

Reserves as of September 30, 1995 are based on actual reserves as of September 30, 1994 adjusted for 12 months projected depreciation provisions, retirements, and adjustments.

Projected additions and retirements are based on Pennsylvania Power and Light Company's capital budget adjusted for the 12 months ending September 30, 1995. Projects are identified by project description, estimated addition and retirement, and expected in service date.

Projected depreciation provisions are based on projected plant balances at the end of the budget year adjusted for the period ending September 30, 1995.

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>Intangible</u>						
301.0	Organization	476,252	0	0	0	476,252
302.0	Franchises and Consents	147,084	0	0	0	147,084
303.0	Misc Intang Plt - Other	22,055	0	0	0	22,055
303.2	Misc Intang Plt - Computer Software	<u>20,778,024</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>21,258,024</u>
	Subtotal -- Intangible	21,423,415	480,000	0	0	21,903,415
 <u>Steam Production</u>						
<u>Sunbury SES</u>						
310.0	Land and Land Rights	940,852	0	0	0	940,852
311.0	Structures and Improvements	35,595,566	377,630	(16,180)	0	35,957,016
312.0	Boiler Plant Equipment	129,410,893	13,782,790	(789,300)	0	142,404,383
314.0	Turbo-Generator Units	47,592,928	15,351,640	(815,000)	0	62,129,568
315.0	Accessory Electric Equipment	21,002,174	2,695,940	(80,740)	0	23,617,374
316.0	Misc Power Plant Equipment	<u>3,869,215</u>	<u>12,680</u>	<u>(60)</u>	<u>0</u>	<u>3,881,835</u>
	Subtotal -- Sunbury SES	238,411,628	32,220,680	(1,701,280)	0	268,931,028
 <u>Martins Creek #1 & #2 SES</u>						
310.0	Land and Land Rights	2,949,245	0	0	0	2,949,245
311.0	Structures and Improvements	13,653,687	0	0	0	13,653,687
312.0	Boiler Plant Equipment	93,440,580	3,743,000	(89,000)	0	97,094,580
314.0	Turbo-Generator Units	48,888,028	254,000	(57,000)	0	49,085,028
315.0	Accessory Electric Equipment	12,378,047	91,000	(140,000)	0	12,329,047
316.0	Misc Power Plant Equipment	<u>2,091,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,091,545</u>
	Subtotal -- Martins Creek #1 & #2 SES	173,401,132	4,088,000	(286,000)	0	177,203,132
 <u>Martins Creek #3 & #4 SES</u>						
310.0	Land and Land Rights	5,564	0	0	0	5,564
311.0	Structures and Improvements	58,120,182	0	0	0	58,120,182
312.0	Boiler Plant Equipment	198,295,420	1,156,000	(757,000)	0	198,694,420
314.0	Turbo-Generator Units	121,721,279	9,518,000	(4,413,000)	0	126,826,279
315.0	Accessory Electric Equipment	35,719,968	0	0	0	35,719,968
316.0	Misc Power Plant Equipment	<u>5,556,116</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,556,116</u>
	Subtotal -- Martins Creek #3 & #4 SES	419,418,529	10,674,000	(5,170,000)	0	424,922,529

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>Brunner Island SES</u>						
310.0	Land and Land Rights	1,743,263	0	0	0	1,743,263
311.0	Structures and Improvements	49,336,413	6,898,000	0	0	56,234,413
312.0	Boiler Plant Equipment	270,957,510	61,910,000	(2,480,000)	0	330,387,510
314.0	Turbo-Generator Units	100,160,792	12,322,000	(2,144,000)	0	110,338,792
315.0	Accessory Electric Equipment	24,434,217	399,000	(1,000)	0	24,832,217
316.0	Misc Power Plant Equipment	<u>3,570,122</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,570,122</u>
	Subtotal -- Brunner Island SES	450,202,317	81,529,000	(4,625,000)	0	527,106,317
<u>Conemaugh SES</u>						
310.0	Land and Land Rights	257,192	0	0	0	257,192
311.0	Structures and Improvements	9,001,028	857,280	0	0	9,858,308
312.0	Boiler Plant Equipment	30,031,042	35,981,840	0	0	66,012,882
314.0	Turbo-Generator Units	12,197,603	0	0	0	12,197,603
315.0	Accessory Electric Equipment	2,424,476	0	0	0	2,424,476
316.0	Misc Power Plant Equipment	<u>913,802</u>	<u>142,880</u>	<u>0</u>	<u>0</u>	<u>1,056,682</u>
	Subtotal -- Conemaugh SES	54,825,143	36,982,000	0	0	91,807,143
<u>Keystone SES</u>						
310.0	Land and Land Rights	500,592	0	0	0	500,592
311.0	Structures and Improvements	8,835,645	1,018,980	0	0	9,854,625
312.0	Boiler Plant Equipment	31,771,888	3,507,780	0	0	35,279,668
314.0	Turbo-Generator Units	13,314,652	0	0	0	13,314,652
315.0	Accessory Electric Equipment	2,573,326	27,540	0	0	2,600,866
316.0	Misc Power Plant Equipment	<u>888,602</u>	<u>137,700</u>	<u>0</u>	<u>0</u>	<u>1,026,302</u>
	Subtotal -- Keystone SES	57,884,705	4,692,000	0	0	62,576,705
<u>Montour SES</u>						
310.0	Land and Land Rights	4,175,204	0	0	0	4,175,204
311.0	Structures and Improvements	42,133,165	981,000	(28,000)	0	43,086,165
312.0	Boiler Plant Equipment	230,149,943	30,620,000	(4,600,000)	0	256,169,943
314.0	Turbo-Generator Units	118,082,642	2,540,000	(555,000)	0	120,067,642
315.0	Accessory Electric Equipment	26,345,777	0	0	0	26,345,777
316.0	Misc Power Plant Equipment	<u>4,126,758</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,126,758</u>
	Subtotal -- Montour SES	425,013,489	34,141,000	(5,183,000)	0	453,971,489

Pennsylvania Power & Light Company

	Original Cost 9/30/94	----- Projected Through 09/30/95 -----			Original Cost 9/30/95	
		Additions	Retirements	Transfers		
<u>Holtwood SES</u>						
310.0	Land and Land Rights	160,092	0	0	0	160,092
311.0	Structures and Improvements	11,738,281	53,000	0	0	11,791,281
312.0	Boiler Plant Equipment	39,718,413	0	0	0	39,718,413
314.0	Turbo-Generator Units	7,083,241	0	0	0	7,083,241
315.0	Accessory Electric Equipment	3,421,715	0	0	0	3,421,715
316.0	Misc Power Plant Equipment	<u>1,456,377</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,456,377</u>
	Subtotal -- Holtwood SES	63,578,119	53,000	0	0	63,631,119
	Subtotal -- Steam Production	1,882,735,062	204,379,680	(16,965,280)	0	2,070,149,462

Nuclear Production

<u>Susquehanna SES Unit #1</u>						
321.0	Structures and Improvements	239,277,920	0	0	0	239,277,920
322.0	Reactor Plant Equipment	821,180,841	26,742,380	(1,270,220)	0	846,653,001
323.0	Turbo-Generator Units	240,564,768	9,259,800	(2,389,200)	0	247,435,368
324.0	Accessory Electric Equipment	153,286,505	1,531,820	(21,580)	0	154,796,745
325.0	Misc Power Plant Equipment	<u>9,106,418</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,106,418</u>
	Subtotal -- Susquehanna SES Unit #1	1,463,416,452	37,534,000	(3,681,000)	0	1,497,269,452
<u>Susquehanna SES Unit #2</u>						
321.0	Structures and Improvements	225,302,507	0	0	0	225,302,507
322.0	Reactor Plant Equipment	849,188,839	510,000	0	0	849,698,839
323.0	Turbo-Generator Units	276,365,298	0	0	0	276,365,298
324.0	Accessory Electric Equipment	142,137,123	0	0	0	142,137,123
325.0	Misc Power Plant Equipment	<u>10,870,980</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,870,980</u>
	Subtotal -- Susquehanna SES Unit #2	1,503,864,747	510,000	0	0	1,504,374,747

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
	<u>Susquehanna SES Common</u>					
320.2	Land	5,503,445	0	0	0	5,503,445
320.4	Land Rights	10,472,569	0	0	0	10,472,569
321.0	Structures and Improvements	443,581,577	2,342,380	(327,840)	0	445,596,117
322.0	Reactor Plant Equipment	172,122,251	4,365,310	(393,630)	0	176,093,931
323.0	Turbo-Generator Units	38,458,778	529,440	(160,200)	0	38,828,018
324.0	Accessory Electric Equipment	250,778,994	860,550	(384,330)	0	251,255,214
325.0	Misc Power Plant Equipment	<u>107,232,635</u>	<u>2,920,320</u>	<u>(217,000)</u>	<u>0</u>	<u>109,935,955</u>
	Subtotal -- Susquehanna SES Common	1,028,150,249	11,018,000	(1,483,000)	0	1,037,685,249
	Subtotal -- Nuclear Production	3,995,431,448	49,062,000	(5,164,000)	0	4,039,329,448

Hydro Production

	<u>Wallenpaupack HES</u>					
330.2	Land and Land Rights - Other	2,493,884	0	0	0	2,493,884
330.4	Land and Land Rights - Rec Fac	35,278	0	0	0	35,278
331.2	Structures and Improvements - Other	1,725,898	0	0	0	1,725,898
331.4	Structures and Improvements - Rec Fac	1,707,692	0	0	0	1,707,692
332.2	Resv, Dam, Waterway - Flow Line	6,189,211	0	0	0	6,189,211
332.4	Resv, Dam, Waterway - Other	5,427,986	0	0	0	5,427,986
333.0	Water Wheels, Turbines and Generators	785,694	0	0	0	785,694
334.0	Accessory Electric Equipment	1,235,738	0	0	0	1,235,738
335.2	Misc Power Plant Equipment - Other	109,493	0	0	0	109,493
335.4	Misc Power Plant Equipment - Rec Fac	367,665	0	0	0	367,665
336.0	Roads, Railroads and Bridges	<u>167,902</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>167,902</u>
	Subtotal -- Wallenpaupack HES	20,246,441	0	0	0	20,246,441
	<u>Holtwood HES</u>					
330.2	Land and Land Rights - Other	2,052,792	0	0	0	2,052,792
330.4	Land and Land Rights - Rec Fac	205,046	0	0	0	205,046
331.2	Structures and Improvements - Other	2,925,067	0	0	0	2,925,067
331.4	Structures and Improvements - Rec Fac	1,246,025	0	0	0	1,246,025
332.4	Resv, Dam, Waterway - Other	14,281,423	0	0	0	14,281,423
333.0	Water Wheels, Turbines and Generators	34,393,967	4,306,320	(440,720)	0	38,259,567

Pennsylvania Power & Light Company

	Original Cost 9/30/94	----- Projected Through 09/30/95 -----			Original Cost 9/30/95
		Additions	Retirements	Transfers	
334.0 Accessory Electric Equipment	15,951,841	9,353,000	(511,000)	0	24,793,841
335.2 Misc Power Plant Equipment - Other	2,495,811	86,000	0	0	2,581,811
335.4 Misc Power Plant Equipment - Rec Fac	105,994	0	0	0	105,994
336.0 Roads, Railroads and Bridges	<u>92,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>92,106</u>
Subtotal -- Holtwood HES	73,750,072	13,745,320	(951,720)	0	86,543,672
Subtotal -- Hydro Production	93,996,513	13,745,320	(951,720)	0	106,790,113

Other Production

<u>Allentown C/T</u>					
341.0 Structures and Improvements	603	0	0	0	603
342.0 Fuel Holders, Producers and Accessories	345,833	0	0	0	345,833
343.0 Prime Movers	3,201,444	0	0	0	3,201,444
344.0 Generators	1,396,479	0	0	0	1,396,479
345.0 Accessory Electric Equipment	520,125	0	0	0	520,125
346.0 Misc Power Plant Equipment	<u>31,068</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,068</u>
Subtotal -- Allentown C/T	5,495,552	0	0	0	5,495,552
<u>Harwood C/T</u>					
341.0 Structures and Improvements	8,531	0	0	0	8,531
342.0 Fuel Holders, Producers and Accessories	169,485	0	0	0	169,485
343.0 Prime Movers	1,712,645	0	0	0	1,712,645
344.0 Generators	769,977	0	0	0	769,977
345.0 Accessory Electric Equipment	319,723	0	0	0	319,723
346.0 Misc Power Plant Equipment	<u>8,995</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,995</u>
Subtotal -- Harwood C/T	2,989,356	0	0	0	2,989,356

Pennsylvania Power & Light Company

		Original Cost 9/30/94	----- Projected Through 09/30/95 -----			Original Cost 9/30/95
			Additions	Retirements	Transfers	
<u>Williamsport C/T</u>						
341.0	Structures and Improvements	22,716	0	0	0	22,716
342.0	Fuel Holders, Producers and Accessories	140,047	0	0	0	140,047
343.0	Prime Movers	2,014,312	0	0	0	2,014,312
344.0	Generators	897,032	0	0	0	897,032
345.0	Accessory Electric Equipment	300,197	151,000	0	0	451,197
346.0	Misc Power Plant Equipment	<u>8,445</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,445</u>
	Subtotal -- Williamsport C/T	3,382,749	151,000	0	0	3,533,749
<u>Harrisburg C/T</u>						
341.0	Structures and Improvements	28,601	0	0	0	28,601
342.0	Fuel Holders, Producers and Accessories	193,317	0	0	0	193,317
343.0	Prime Movers	3,166,634	337,000	(53,000)	0	3,450,634
344.0	Generators	1,275,773	189,000	(8,000)	0	1,456,773
345.0	Accessory Electric Equipment	552,784	0	0	0	552,784
346.0	Misc Power Plant Equipment	<u>11,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,962</u>
	Subtotal -- Harrisburg C/T	5,229,071	526,000	(61,000)	0	5,694,071
<u>Jenkins C/T</u>						
341.0	Structures and Improvements	79,010	0	0	0	79,010
342.0	Fuel Holders, Producers and Accessories	257,654	0	0	0	257,654
343.0	Prime Movers	1,904,525	0	0	0	1,904,525
344.0	Generators	853,716	0	0	0	853,716
345.0	Accessory Electric Equipment	326,559	0	0	0	326,559
346.0	Misc Power Plant Equipment	<u>9,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,353</u>
	Subtotal -- Jenkins C/T	3,430,817	0	0	0	3,430,817
<u>Sunbury (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	1,292	0	0	0	1,292
343.0	Prime Movers	339,984	0	0	0	339,984
344.0	Generators	58,723	0	0	0	58,723
345.0	Accessory Electric Equipment	128,447	0	0	0	128,447
346.0	Misc Power Plant Equipment	<u>1,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,325</u>
	Subtotal -- Sunbury (D) C/T	529,771	0	0	0	529,771

Pennsylvania Power & Light Company

		Original Cost	----- Projected Through 09/30/95 -----			Original Cost
		<u>9/30/94</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>9/30/95</u>
<u>Sunbury C/T</u>						
341.0	Structures and Improvements	116,907	0	0	0	116,907
342.0	Fuel Holders, Producers and Accessories	257,696	0	0	0	257,696
343.0	Prime Movers	49,032	0	0	0	49,032
345.0	Accessory Electric Equipment	76,722	0	0	0	76,722
346.0	Misc Power Plant Equipment	<u>8,352</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,352</u>
	Subtotal -- Sunbury C/T	508,709	0	0	0	508,709
 <u>Martins Creek (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	2,335	0	0	0	2,335
343.0	Prime Movers	277,309	0	0	0	277,309
344.0	Generators	58,499	0	0	0	58,499
345.0	Accessory Electric Equipment	130,196	0	0	0	130,196
346.0	Misc Power Plant Equipment	<u>4,433</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,433</u>
	Subtotal -- Martins Creek (D) C/T	472,772	0	0	0	472,772
 <u>Martins Creek C/T</u>						
341.0	Structures and Improvements	238,075	0	0	0	238,075
342.0	Fuel Holders, Producers and Accessories	106,115	0	0	0	106,115
343.0	Prime Movers	82,127	0	0	0	82,127
345.0	Accessory Electric Equipment	134,002	0	0	0	134,002
346.0	Misc Power Plant Equipment	<u>20,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,899</u>
	Subtotal -- Martins Creek C/T	581,218	0	0	0	581,218
 <u>Brunner Island (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	1,589	0	0	0	1,589
343.0	Prime Movers	411,592	0	0	0	411,592
344.0	Generators	87,256	0	0	0	87,256
345.0	Accessory Electric Equipment	160,997	0	0	0	160,997
346.0	Misc Power Plant Equipment	<u>1,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,325</u>
	Subtotal -- Brunner Island (D) C/T	662,759	0	0	0	662,759
 <u>Conemaugh (D) C/T</u>						
344.0	Generators	107,642	0	0	0	107,642
345.0	Accessory Electric Equipment	<u>2,910</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,910</u>
	Subtotal -- Conemaugh (D) C/T	110,552	0	0	0	110,552

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>Keystone (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	5,319	0	0	0	5,319
344.0	Generators	113,606	0	0	0	113,606
345.0	Accessory Electric Equipment	<u>10,845</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,845</u>
	Subtotal -- Keystone (D) C/T	129,770	0	0	0	129,770
 <u>Fishbach C/T</u>						
340.0	Land and Land Rights	49,917	0	0	0	49,917
341.0	Structures and Improvements	84,431	0	0	0	84,431
342.0	Fuel Holders, Producers and Accessories	136,653	0	0	0	136,653
343.0	Prime Movers	2,236,671	0	0	0	2,236,671
344.0	Generators	520,407	0	0	0	520,407
345.0	Accessory Electric Equipment	488,867	0	0	0	488,867
346.0	Misc Power Plant Equipment	<u>13,037</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,037</u>
	Subtotal -- Fishbach C/T	3,529,983	0	0	0	3,529,983
 <u>West Shore C/T</u>						
341.0	Structures and Improvements	51,652	0	0	0	51,652
342.0	Fuel Holders, Producers and Accessories	216,298	0	0	0	216,298
343.0	Prime Movers	2,071,043	0	0	0	2,071,043
344.0	Generators	519,936	0	0	0	519,936
345.0	Accessory Electric Equipment	486,272	0	0	0	486,272
346.0	Misc Power Plant Equipment	<u>10,868</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,868</u>
	Subtotal -- West Shore C/T	3,356,069	0	0	0	3,356,069
 <u>Lock Haven C/T</u>						
340.0	Land and Land Rights	17,777	0	0	0	17,777
341.0	Structures and Improvements	168,659	0	0	0	168,659
342.0	Fuel Holders, Producers and Accessories	118,486	0	0	0	118,486
343.0	Prime Movers	1,048,575	0	0	0	1,048,575
344.0	Generators	265,856	458,000	(35,000)	0	688,856
345.0	Accessory Electric Equipment	258,085	0	0	0	258,085
346.0	Misc Power Plant Equipment	<u>7,229</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,229</u>
	Subtotal -- Lock Haven C/T	1,884,667	458,000	(35,000)	0	2,307,667
	Subtotal -- Other Production	32,293,815	1,135,000	(96,000)	0	33,332,815

Pennsylvania Power & Light Company

		Original Cost	----- Projected Through 09/30/95 -----			Original Cost
		<u>9/30/94</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>9/30/95</u>
<u>Transmission</u>						
350.2	Land	2,568,712	0	0	0	2,568,712
350.4	Land Rights	20,449,972	0	0	0	20,449,972
352.0	Structures and Improvements	13,688,727	756,140	0	0	14,444,867
353.0	Station Equipment	204,548,410	11,823,890	(11,440)	0	216,360,860
354.0	Towers and Fixtures	106,602,959	1,266,860	0	0	107,869,819
354.2	Clearing Land and R/W - Towers	5,992,920	0	0	0	5,992,920
355.0	Poles and Fixtures	1,836,403	0	0	0	1,836,403
355.2	Clearing Land and R/W - Poles	211,587	0	0	0	211,587
356.0	Overhead Conductors and Devices	70,130,619	1,628,140	0	0	71,758,759
359.0	Roads and Trails	<u>5,486,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,486,770</u>
	Subtotal -- Transmission	431,517,079	15,475,030	(11,440)	0	446,980,669
 <u>Distribution</u>						
360.2	Land	11,857,014	869,520	0	0	12,726,534
360.4	Land Rights	81,516,049	13,509,920	(315,450)	0	94,710,519
361.0	Structures and Improvements	31,635,031	1,020,230	(12,280)	0	32,642,981
362.0	Station Equipment	288,565,803	14,927,900	(184,160)	0	303,309,543
364.2	Towers and Fixtures	87,451,061	10,196,210	(175,200)	0	97,472,071
364.4	Poles and Fixtures	497,609,640	20,992,830	(2,090,700)	0	516,511,770
364.6	Clearing Land and R/W - Towers	4,022,518	239,330	(2,020)	0	4,259,828
364.8	Clearing Land and R/W - Poles	33,146,024	256,580	(10,170)	0	33,392,434
365.0	Overhead Conductors and Devices	439,163,941	34,092,620	(2,904,170)	0	470,352,391
366.0	Underground Conduit	74,941,145	8,319,420	(648,300)	0	82,612,265
367.0	Underground Conductors and Devices	161,701,545	22,556,280	(2,315,440)	0	181,942,385
368.2	Transformers - Overhead Type	191,082,276	12,458,830	(1,591,190)	0	201,949,916
368.4	Transformers - Submersible or Pad Mounted	89,689,263	1,946,920	(289,220)	0	91,346,963
368.6	Transformers - Non-Network Housing	1,697,337	0	0	0	1,697,337
369.0	Services	280,724,433	16,380,450	(1,947,490)	0	295,157,393
370.0	Meters	79,606,577	4,071,000	(531,000)	0	83,146,577
371.2	Installations on Customers Premises	701,378	0	0	0	701,378
371.4	Area Lighting Fixtures	3,195,387	0	0	0	3,195,387
373.2	Street Lighting and Signal Systems	<u>46,309,364</u>	<u>2,948,920</u>	<u>(372,430)</u>	<u>0</u>	<u>48,885,854</u>
	Subtotal -- Distribution	2,404,615,786	164,786,960	(13,389,220)	0	2,556,013,526

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>General Plant</u>						
389.0	Land and Land Rights	8,916,634	0	0	0	8,916,634
390.2	Structures and Improvements - Buildings	153,059,934	18,992,580	0	0	172,052,514
390.4	Structures and Improvements - Air Cond. Equip.	12,201,692	504,700	0	0	12,706,392
390.6	Structures and Improvements - Holtwood Op. VII	0	0	0	0	0
391.2	Office Furniture and Equipment - Furniture	15,429,259	661,630	(46,690)	0	16,044,199
391.4	Office Furniture and Equipment - Mech Equip	2,205,203	0	0	0	2,205,203
391.6	Computer Equipment - General	2,190,827	49,210	(3,430)	0	2,236,607
391.8	Computer Equipment - Power Mgmt System	34,719,645	3,734,000	0	0	38,453,645
392.4	Transportation Equipment - Trailers	106,502	0	0	0	106,502
393.0	Stores Equipment	2,148,641	0	0	0	2,148,641
394.0	Tools & Work Equipment - L&S Line Crews	2,296,802	0	0	0	2,296,802
394.2	Shop Equipment -- Haz Serv Depot	0	0	0	0	0
394.4	Tools & Work Equipment - Const Dept	10,878,544	0	0	0	10,878,544
394.6	Tools & Work Equipment - Other	3,323,941	0	0	0	3,323,941
394.8	Transportation Equipment - Garage Equipment	7,469,712	206,170	(2,220)	0	7,673,662
395.0	Laboratory Equipment	4,525,554	0	0	0	4,525,554
397.0	Communication Equipment	6,948,406	849,720	0	0	7,798,126
398.0	Miscellaneous Equipment	<u>3,373,747</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,373,747</u>
	Subtotal -- General Plant	269,795,043	24,998,010	(52,340)	0	294,740,713
	Total -- Electric Plant in Service	<u>9,131,808,161</u>	<u>474,062,000</u>	<u>(36,630,000)</u>	<u>0</u>	<u>9,569,240,161</u>

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>Steam Production -- Leasehold Improvements</u>						
<u>Sunbury SES</u>						
311.0	Structures and Improvements	<u>49,346</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,346</u>
	Subtotal -- Sunbury SES	<u>49,346</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,346</u>
<u>Martins Creek #1 & #2 SES</u>						
312.0	Boiler Plant Equipment	79,141	0	0	0	79,141
316.0	Misc Power Plant Equipment	<u>6,427</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,427</u>
	Subtotal -- Martins Creek #1 & #2 SES	<u>85,568</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>85,568</u>
<u>Martins Creek #3 & #4 SES</u>						
311.0	Structures and Improvements	277,620	0	0	0	277,620
312.0	Boiler Plant Equipment	695,260	778,000	0	0	1,473,260
315.0	Accessory Electric Equipment	24,991	0	0	0	24,991
316.0	Misc Power Plant Equipment	<u>5,039</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,039</u>
	Subtotal -- Martins Creek #3 & #4 SES	<u>1,002,910</u>	<u>778,000</u>	<u>0</u>	<u>0</u>	<u>1,780,910</u>
<u>Montour SES</u>						
316.0	Misc Power Plant Equipment	<u>24,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,385</u>
	Subtotal -- Montour SES	<u>24,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,385</u>
	Subtotal -- Steam Production	<u>1,162,209</u>	<u>778,000</u>	<u>0</u>	<u>0</u>	<u>1,940,209</u>
<u>Nuclear Production -- Leasehold Improvements</u>						
<u>Susquehanna SES Common</u>						
325.0	Misc Power Plant Equipment	<u>451,364</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>451,364</u>
	Subtotal -- Susquehanna SES Common	<u>451,364</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>451,364</u>
	Subtotal -- Nuclear Production	<u>451,364</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>451,364</u>

Pennsylvania Power & Light Company

		Original Cost 9/30/94	----- Projected Through 09/30/95 -----			Original Cost 9/30/95
			Additions	Retirements	Transfers	
<u>Other Production -- Leasehold Improvements</u>						
<u>Sunbury C/T</u>						
343.0	Prime Movers	748,918	0	0	0	748,918
344.0	Generators	381,764	0	0	0	381,764
345.0	Accessory Electric Equipment	<u>80,158</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>80,158</u>
	Subtotal -- Sunbury C/T	1,210,840	0	0	0	1,210,840
 <u>Martins Creek (D) C/T</u>						
341.0	Structures and Improvements	0	0	0	0	0
342.0	Fuel Holders, Producers and Accessories	130,344	0	0	0	130,344
343.0	Prime Movers	1,475,033	0	0	0	1,475,033
344.0	Generators	134,356	0	0	0	134,356
345.0	Accessory Electric Equipment	<u>112,010</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>112,010</u>
	Subtotal -- Martins Creek (D) C/T	1,851,743	0	0	0	1,851,743
	Subtotal -- Other Production	3,062,583	0	0	0	3,062,583
 <u>General Plant -- Leasehold Improvements</u>						
390.2	Structures and Improvements - Buildings	1,029,594	0	0	0	1,029,594
390.4	Structures and Improvements - Air Cond. Equip.	697,114	0	0	0	697,114
391.6	Computer Equipment - General	24,256	0	0	0	24,256
392.2	Transportation Equipment - Vehicles	1,129,459	0	0	0	1,129,459
392.4	Transportation Equipment - Trailers	82,705	0	0	0	82,705
394.4	Tools & Work Equipment - Const Dept	68,067	0	0	0	68,067
397.0	Communication Equipment	322,463	0	0	0	322,463
398.0	Miscellaneous Equipment	<u>22,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,263</u>
	Subtotal -- General Plant	3,375,921	0	0	0	3,375,921
	Total -- Electric Plant in Service -- Leasehold Improvements	<u>8,052,077</u>	<u>778,000</u>	<u>0</u>	<u>0</u>	<u>8,830,077</u>

Pennsylvania Power & Light Company

		Original Cost <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Original Cost <u>9/30/95</u>
			<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	
<u>Common Plant</u>						
<u>Steam Production -- Common Plant</u>						
	<u>Martins Creek #3 & #4 SES</u>					
311.0	Structures and Improvements	103,255	0	0	0	103,255
312.0	Boiler Plant Equipment	451,354	0	0	0	451,354
314.0	Turbo-Generator Units	246,320	0	0	0	246,320
315.0	Accessory Electric Equipment	79,951	0	0	0	79,951
316.0	Misc Power Plant Equipment	<u>5,789</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,789</u>
	Subtotal -- Martins Creek #3 & #4 SES	886,669	0	0	0	886,669
<u>Nuclear Production -- Common Plant</u>						
	<u>Susquehanna SES Common</u>					
321.0	Structures and Improvements	13,186,330	0	0	0	13,186,330
322.0	Reactor Plant Equipment	5,292,850	0	0	0	5,292,850
323.0	Turbo-Generator Units	1,280,402	0	0	0	1,280,402
324.0	Accessory Electric Equipment	5,952,606	0	0	0	5,952,606
325.0	Misc Power Plant Equipment	<u>2,790,134</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,790,134</u>
	Subtotal -- Susquehanna SES Common	28,502,322	0	0	0	28,502,322
<u>Transmission -- Common Plant</u>						
353.0	Station Equipment	<u>12,296</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,296</u>
	Subtotal -- Transmission	12,296	0	0	0	12,296
	Total -- Common Plant	<u>29,401,287</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,401,287</u>
	Total -- Electric Plant in Service	<u>9,169,261,525</u>	<u>474,840,000</u>	<u>(36,630,000)</u>	<u>0</u>	<u>9,607,471,525</u>

Pennsylvania Power & Light Company

	Original Cost	----- Projected Through 09/30/95 -----			Original Cost
	<u>9/30/94</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>9/30/95</u>
<u>RECAP -- Electric Plant in Service</u>					
Intangible	21,423,415	480,000	0	0	21,903,415
Steam Production	1,884,783,940	205,157,680	(16,965,280)	0	2,072,976,340
Nuclear Production	4,024,385,134	49,062,000	(5,164,000)	0	4,068,283,134
Hydro Production	93,996,513	13,745,320	(951,720)	0	106,790,113
Other Production	35,356,398	1,135,000	(96,000)	0	36,395,398
Transmission	431,529,375	15,475,030	(11,440)	0	446,992,965
Distribution	2,404,615,786	164,786,960	(13,389,220)	0	2,556,013,526
General Plant	<u>273,170,964</u>	<u>24,998,010</u>	<u>(52,340)</u>	<u>0</u>	<u>298,116,634</u>
Total -- Electric Plant in Service	<u>9,169,261,525</u>	<u>474,840,000</u>	<u>(36,630,000)</u>	<u>0</u>	<u>9,607,471,525</u>

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Book Reserve <u>9/30/95</u>
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
<u>Intangible</u>					
301.0 Organization	Non-Depreciable	0	0		0 Non-Depreciable
302.0 Franchises and Consents	Non-Depreciable	0	0		0 Non-Depreciable
303.0 Misc Intang Pit - Other	Non-Depreciable	0	0		0 Non-Depreciable
303.2 Misc Intang Pit - Computer Software	<u>5,844,839</u>	<u>3,004,700</u>	<u>0</u>	<u>0</u>	<u>8,849,539</u>
Subtotal -- Intangible	5,844,839	3,004,700	0	0	8,849,539
<u>Steam Production</u>					
<u>Sunbury SES</u>					
310.0 Land and Land Rights	Non-Depreciable	0	0		0 Non-Depreciable
311.0 Structures and Improvements	28,755,061	448,409	(16,180)		0 29,187,290
312.0 Boiler Plant Equipment	61,252,518	4,901,930	(789,300)		0 65,365,148
314.0 Turbo-Generator Units	18,623,907	2,241,848	(815,000)		0 20,050,755
315.0 Accessory Electric Equipment	9,886,543	746,857	(80,740)		0 10,552,660
316.0 Misc Power Plant Equipment	<u>1,700,583</u>	<u>152,543</u>	<u>(60)</u>	<u>0</u>	<u>1,853,066</u>
Subtotal -- Sunbury SES	120,218,612	8,491,586	(1,701,280)	0	127,008,918
<u>Martins Creek #1 & #2 SES</u>					
310.0 Land and Land Rights	Non-Depreciable	0	0		0 Non-Depreciable
311.0 Structures and Improvements	8,621,357	281,242	0		0 8,902,599
312.0 Boiler Plant Equipment	29,525,055	3,376,529	(89,000)		0 32,812,584
314.0 Turbo-Generator Units	10,697,855	1,969,086	(57,000)		0 12,609,941
315.0 Accessory Electric Equipment	5,233,435	351,831	(140,000)		0 5,445,266
316.0 Misc Power Plant Equipment	<u>780,334</u>	<u>69,362</u>	<u>0</u>	<u>0</u>	<u>849,696</u>
Subtotal -- Martins Creek #1 & #2 SES	54,858,036	6,048,050	(286,000)	0	60,620,086
<u>Martins Creek #3 & #4 SES</u>					
310.0 Land and Land Rights	Non-Depreciable	0	0		0 Non-Depreciable
311.0 Structures and Improvements	30,074,960	1,785,199	0		0 31,860,159
312.0 Boiler Plant Equipment	89,244,080	7,392,974	(757,000)		0 95,880,054
314.0 Turbo-Generator Units	53,049,151	4,975,138	(4,413,000)		0 53,611,289
315.0 Accessory Electric Equipment	18,826,466	1,094,347	0		0 19,920,813
316.0 Misc Power Plant Equipment	<u>2,561,919</u>	<u>201,479</u>	<u>0</u>	<u>0</u>	<u>2,763,398</u>
Subtotal -- Martins Creek #3 & #4 SES	193,756,576	15,449,137	(5,170,000)	0	204,035,713

Pennsylvania Power & Light Company

		Book Reserve 9/30/94	----- Projected Through 09/30/95 -----			Book Reserve 9/30/95
			Provisions	Retirements	Adjustments	
<u>Brunner Island SES</u>						0 Non-Depreciable
310.0	Land and Land Rights	Non-Depreciable	0	0		0 24,149,619
311.0	Structures and Improvements	22,628,122	1,521,497	0		0 120,054,474
312.0	Boiler Plant Equipment	111,764,730	10,769,744	(2,480,000)		0 41,262,546
314.0	Turbo-Generator Units	39,715,191	3,691,355	(2,144,000)		0 13,175,346
315.0	Accessory Electric Equipment	12,540,676	635,670	(1,000)		0 <u>1,806,945</u>
316.0	Misc Power Plant Equipment	<u>1,701,323</u>	<u>105,622</u>	<u>0</u>		0 200,448,928
	Subtotal -- Brunner Island SES	188,350,042	16,723,886	(4,625,000)		
<u>Conemaugh SES</u>						0 Non-Depreciable
310.0	Land and Land Rights	Non-Depreciable	0	0		0 4,816,481
311.0	Structures and Improvements	4,093,318	523,163	0		0 18,544,697
312.0	Boiler Plant Equipment	13,833,570	4,711,127	0		0 7,358,451
314.0	Turbo-Generator Units	6,827,683	530,768	0		0 1,620,761
315.0	Accessory Electric Equipment	1,536,971	83,790	0		0 <u>338,187</u>
316.0	Misc Power Plant Equipment	<u>267,161</u>	<u>71,026</u>	<u>0</u>		0 32,478,577
	Subtotal -- Conemaugh SES	26,558,703	5,919,874	0		
<u>Keystone SES</u>						0 Non-Depreciable
310.0	Land and Land Rights	Non-Depreciable	0	0		0 5,650,689
311.0	Structures and Improvements	5,046,900	603,789	0		0 17,529,959
312.0	Boiler Plant Equipment	15,167,037	2,362,922	0		0 6,986,987
314.0	Turbo-Generator Units	6,005,618	981,369	0		0 1,953,718
315.0	Accessory Electric Equipment	1,854,566	99,152	0		0 <u>361,771</u>
316.0	Misc Power Plant Equipment	<u>265,088</u>	<u>96,683</u>	<u>0</u>		0 32,483,124
	Subtotal -- Keystone SES	28,339,209	4,143,915	0		
<u>Montour SES</u>						0 Non-Depreciable
310.0	Land and Land Rights	Non-Depreciable	0	0		0 21,157,995
311.0	Structures and Improvements	20,191,178	994,817	(28,000)		0 93,542,509
312.0	Boiler Plant Equipment	91,172,634	6,969,875	(4,600,000)		0 45,357,637
314.0	Turbo-Generator Units	42,267,657	3,644,980	(555,000)		0 14,115,211
315.0	Accessory Electric Equipment	13,511,565	603,646	0		0 <u>1,689,324</u>
316.0	Misc Power Plant Equipment	<u>1,568,066</u>	<u>121,258</u>	<u>0</u>		0 175,862,674
	Subtotal -- Montour SES	168,711,100	12,334,574	(5,183,000)		

Pennsylvania Power & Light Company

		Book Reserve	----- Projected Through 09/30/95 -----			Book Reserve
		9/30/94	Provisions	Retirements	Adjustments	9/30/95
<u>Holtwood SES</u>						
310.0	Land and Land Rights	Non-Depreciable	0	Retirements	0	Non-Depreciable
311.0	Structures and Improvements	8,130,698	254,909	0	0	8,385,607
312.0	Boiler Plant Equipment	24,315,994	1,123,769	0	0	25,439,763
314.0	Turbo-Generator Units	4,107,419	216,175	0	0	4,323,594
315.0	Accessory Electric Equipment	2,774,381	47,000	0	0	2,821,381
316.0	Misc Power Plant Equipment	<u>555,715</u>	<u>63,275</u>	<u>0</u>	<u>0</u>	<u>618,990</u>
	Subtotal -- Holtwood SES	39,884,207	1,705,127	0	0	41,589,334
	Subtotal -- Steam Production	820,676,485	70,816,149	(16,965,280)	0	874,527,354

Nuclear Production

<u>Susquehanna SES Unit #1</u>						
321.0	Structures and Improvements	71,999,733	12,243,469	0	0	84,243,202
322.0	Reactor Plant Equipment	114,472,890	26,415,966	(1,270,220)	0	139,618,636
323.0	Turbo-Generator Units	33,036,975	7,808,441	(2,389,200)	0	38,456,216
324.0	Accessory Electric Equipment	39,481,466	6,823,709	(21,580)	0	46,283,595
325.0	Misc Power Plant Equipment	<u>8,116,270</u>	<u>1,391,473</u>	<u>0</u>	<u>0</u>	<u>9,507,743</u>
	Subtotal -- Susquehanna SES Unit #1	267,107,334	54,683,057	(3,681,000)	0	318,109,391
 <u>Susquehanna SES Unit #2</u>						
321.0	Structures and Improvements	64,698,878	12,006,086	0	0	76,704,964
322.0	Reactor Plant Equipment	98,269,171	26,458,183	0	0	124,727,354
323.0	Turbo-Generator Units	40,268,918	8,204,668	0	0	48,473,586
324.0	Accessory Electric Equipment	35,740,011	6,686,828	0	0	42,426,839
325.0	Misc Power Plant Equipment	<u>7,464,101</u>	<u>1,353,236</u>	<u>0</u>	<u>0</u>	<u>8,817,337</u>
	Subtotal -- Susquehanna SES Unit #2	246,441,079	54,709,001	0	0	301,150,080

Pennsylvania Power & Light Company

		Book Reserve	----- Projected Through 09/30/95 -----			Book Reserve
		<u>9/30/94</u>	<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>9/30/95</u>
<u>Susquehanna SES Common</u>						
320.2	Land	Non-Depreciable		0	0	Non-Depreciable
320.4	Land Rights	1,593,177	318,972	0	0	1,912,149
321.0	Structures and Improvements	49,079,175	9,122,852	(327,840)	0	57,874,187
322.0	Reactor Plant Equipment	79,877,577	15,461,576	(393,630)	0	94,945,523
323.0	Turbo-Generator Units	25,947,204	4,827,286	(160,200)	0	30,614,290
324.0	Accessory Electric Equipment	26,115,170	5,087,336	(384,330)	0	30,818,176
325.0	Misc Power Plant Equipment	<u>(7,796,432)</u>	<u>2,438,495</u>	<u>(217,000)</u>	<u>0</u>	<u>(5,574,938)</u>
	Subtotal -- Susquehanna SES Common	174,815,871	37,256,517	(1,483,000)	0	210,589,388
	Subtotal -- Nuclear Production	688,364,284	146,648,575	(5,164,000)	0	829,848,859

Hydro Production

<u>Wallenpaupack HES</u>						
330.2	Land and Land Rights - Other	Non-Depreciable	0	0	0	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	0	0	0	Non-Depreciable
331.2	Structures and Improvements - Other	705,721	25,412	0	0	731,133
331.4	Structures and Improvements - Rec Fac	1,030,731	73,971	0	0	1,104,702
332.2	Resv, Dam, Waterway - Flow Line	3,516,446	75,499	0	0	3,591,945
332.4	Resv, Dam, Waterway - Other	2,014,471	47,760	0	0	2,062,231
333.0	Water Wheels, Turbines and Generators	633,189	5,835	0	0	639,024
334.0	Accessory Electric Equipment	463,369	18,340	0	0	481,709
335.2	Misc Power Plant Equipment - Other	76,324	1,029	0	0	77,353
335.4	Misc Power Plant Equipment - Rec Fac	93,414	23,171	0	0	116,585
336.0	Roads, Railroads and Bridges	<u>46,074</u>	<u>2,710</u>	<u>0</u>	<u>0</u>	<u>48,784</u>
	Subtotal -- Wallenpaupack HES	8,579,739	273,727	0	0	8,853,466

<u>Holtwood HES</u>						
330.2	Land and Land Rights - Other	Non-Depreciable	0	0	0	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	0	0	0	Non-Depreciable
331.2	Structures and Improvements - Other	1,173,572	38,645	0	0	1,212,217
331.4	Structures and Improvements - Rec Fac	989,768	37,208	0	0	1,026,976
332.4	Resv, Dam, Waterway - Other	5,349,661	135,969	0	0	5,485,630
333.0	Water Wheels, Turbines and Generators	5,517,063	595,373	(440,720)	0	5,671,716

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Book Reserve <u>9/30/95</u>
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
334.0 Accessory Electric Equipment	1,235,723	342,428	(511,000)	0	1,067,151
335.2 Misc Power Plant Equipment - Other	373,360	36,215	0	0	409,575
335.4 Misc Power Plant Equipment - Rec Fac	72,024	5,155	0	0	77,179
336.0 Roads, Railroads and Bridges	<u>81,071</u>	<u>142</u>	<u>0</u>	<u>0</u>	<u>81,213</u>
Subtotal -- Holtwood HES	14,792,242	1,191,134	(951,720)	0	15,031,656
Subtotal -- Hydro Production	23,371,981	1,464,861	(951,720)	0	23,885,122

Other Production

<u>Allentown C/T</u>					
341.0 Structures and Improvements	(617)	(199)	0	0	(816)
342.0 Fuel Holders, Producers and Accessories	177,983	14,312	0	0	192,295
343.0 Prime Movers	2,632,926	73,907	0	0	2,706,833
344.0 Generators	1,062,844	38,832	0	0	1,101,676
345.0 Accessory Electric Equipment	462,144	7,585	0	0	469,729
346.0 Misc Power Plant Equipment	<u>17,734</u>	<u>1,707</u>	<u>0</u>	<u>0</u>	<u>19,441</u>
Subtotal -- Allentown C/T	4,353,014	136,144	0	0	4,489,158
<u>Harwood C/T</u>					
341.0 Structures and Improvements	7,685	109	0	0	7,794
342.0 Fuel Holders, Producers and Accessories	142,238	3,556	0	0	145,794
343.0 Prime Movers	1,516,339	21,853	0	0	1,538,192
344.0 Generators	490,803	35,525	0	0	526,328
345.0 Accessory Electric Equipment	280,507	5,166	0	0	285,673
346.0 Misc Power Plant Equipment	<u>8,759</u>	<u>(902)</u>	<u>0</u>	<u>0</u>	<u>7,857</u>
Subtotal -- Harwood C/T	2,446,331	65,306	0	0	2,511,637

Pennsylvania Power & Light Company

		Book Reserve 9/30/94	----- Projected Through 09/30/95 -----			Book Reserve 9/30/95
			Provisions	Retirements	Adjustments	
<u>Williamsport C/T</u>						
341.0	Structures and Improvements	23,635	(497)	0	0	23,139
342.0	Fuel Holders, Producers and Accessories	121,165	2,178	0	0	123,343
343.0	Prime Movers	1,540,215	70,713	0	0	1,610,928
344.0	Generators	543,313	45,999	0	0	589,312
345.0	Accessory Electric Equipment	254,684	6,014	0	0	260,698
346.0	Misc Power Plant Equipment	<u>(8,771)</u>	<u>2,291</u>	<u>0</u>	<u>0</u>	<u>(6,481)</u>
	Subtotal -- Williamsport C/T	2,474,241	126,698	0	0	2,600,939
<u>Harrisburg C/T</u>						
341.0	Structures and Improvements	23,656	638	0	0	24,294
342.0	Fuel Holders, Producers and Accessories	170,496	2,683	0	0	173,179
343.0	Prime Movers	2,692,309	75,444	(53,000)	0	2,714,753
344.0	Generators	1,018,875	49,740	(8,000)	0	1,060,615
345.0	Accessory Electric Equipment	489,389	8,155	0	0	497,544
346.0	Misc Power Plant Equipment	<u>(6,062)</u>	<u>471</u>	<u>0</u>	<u>0</u>	<u>(5,591)</u>
	Subtotal -- Harrisburg C/T	4,388,663	137,130	(61,000)	0	4,464,793
<u>Jenkins C/T</u>						
341.0	Structures and Improvements	75,086	1,192	0	0	76,278
342.0	Fuel Holders, Producers and Accessories	127,161	13,736	0	0	140,897
343.0	Prime Movers	1,563,440	46,259	0	0	1,609,699
344.0	Generators	559,445	37,392	0	0	596,837
345.0	Accessory Electric Equipment	268,580	7,580	0	0	276,160
346.0	Misc Power Plant Equipment	<u>6,912</u>	<u>320</u>	<u>0</u>	<u>0</u>	<u>7,232</u>
	Subtotal -- Jenkins C/T	2,600,624	106,478	0	0	2,707,102
<u>Sunbury (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	1,287	4,617	0	0	5,904
343.0	Prime Movers	268,306	117	0	0	268,423
344.0	Generators	56,927	911	0	0	57,838
345.0	Accessory Electric Equipment	114,611	39	0	0	114,650
346.0	Misc Power Plant Equipment	<u>769</u>	<u>5,684</u>	<u>0</u>	<u>0</u>	<u>6,453</u>
	Subtotal -- Sunbury (D) C/T	441,900	11,368	0	0	453,268

Pennsylvania Power & Light Company

		Book Reserve 9/30/94	----- Projected Through 09/30/95 -----			Book Reserve 9/30/95
			Provisions	Retirements	Adjustments	
<u>Sunbury C/T</u>						
341.0	Structures and Improvements	102,201	707	0	0	102,908
342.0	Fuel Holders, Producers and Accessories	139,022	5,987	0	0	145,009
343.0	Prime Movers	44,777	257	0	0	45,034
345.0	Accessory Electric Equipment	65,521	722	0	0	66,243
346.0	Misc Power Plant Equipment	<u>6,280</u>	<u>124</u>	<u>0</u>	<u>0</u>	<u>6,404</u>
	Subtotal -- Sunbury C/T	357,801	7,795	0	0	365,596
<u>Martins Creek (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	2,158	526	0	0	2,684
343.0	Prime Movers	257,101	1,188	0	0	258,289
344.0	Generators	54,292	315	0	0	54,607
345.0	Accessory Electric Equipment	116,551	779	0	0	117,330
346.0	Misc Power Plant Equipment	<u>3,063</u>	<u>136</u>	<u>0</u>	<u>0</u>	<u>3,199</u>
	Subtotal -- Martins Creek (D) C/T	433,165	2,944	0	0	436,109
<u>Martins Creek C/T</u>						
341.0	Structures and Improvements	195,360	2,078	0	0	197,438
342.0	Fuel Holders, Producers and Accessories	70,966	1,750	0	0	72,716
343.0	Prime Movers	69,247	633	0	0	69,880
345.0	Accessory Electric Equipment	113,612	1,028	0	0	114,640
346.0	Misc Power Plant Equipment	<u>14,822</u>	<u>323</u>	<u>0</u>	<u>0</u>	<u>15,145</u>
	Subtotal -- Martins Creek C/T	464,007	5,811	0	0	469,818
<u>Brunner Island (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	1,252	16	0	0	1,268
343.0	Prime Movers	344,378	3,488	0	0	347,866
344.0	Generators	73,117	733	0	0	73,850
345.0	Accessory Electric Equipment	136,428	1,314	0	0	137,742
346.0	Misc Power Plant Equipment	<u>699</u>	<u>37</u>	<u>0</u>	<u>0</u>	<u>736</u>
	Subtotal -- Brunner Island (D) C/T	555,874	5,587	0	0	561,461
<u>Conemaugh (D) C/T</u>						
344.0	Generators	79,628	2,624	0	0	82,252
345.0	Accessory Electric Equipment	<u>2,181</u>	<u>70</u>	<u>0</u>	<u>0</u>	<u>2,251</u>
	Subtotal -- Conemaugh (D) C/T	81,809	2,693	0	0	84,502

Pennsylvania Power & Light Company

		Book Reserve	----- Projected Through 09/30/95 -----			Book Reserve
		<u>9/30/94</u>	<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>9/30/95</u>
<u>Keystone (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	4,372	124	0	0	4,496
344.0	Generators	92,608	2,722	0	0	95,330
345.0	Accessory Electric Equipment	<u>8,629</u>	<u>290</u>	<u>0</u>	<u>0</u>	<u>8,919</u>
	Subtotal -- Keystone (D) C/T	105,609	3,135	0	0	108,744
 <u>Fishbach C/T</u>						
340.0	Land and Land Rights	Non-Depreciable	0	0	0	Non-Depreciable
341.0	Structures and Improvements	72,711	1,208	0	0	73,919
342.0	Fuel Holders, Producers and Accessories	109,486	2,825	0	0	112,311
343.0	Prime Movers	1,807,960	43,945	0	0	1,851,905
344.0	Generators	455,331	6,717	0	0	462,048
345.0	Accessory Electric Equipment	394,206	9,883	0	0	404,089
346.0	Misc Power Plant Equipment	<u>10,015</u>	<u>323</u>	<u>0</u>	<u>0</u>	<u>10,338</u>
	Subtotal -- Fishbach C/T	2,849,709	64,901	0	0	2,914,610
 <u>West Shore C/T</u>						
341.0	Structures and Improvements	39,226	1,280	0	0	40,506
342.0	Fuel Holders, Producers and Accessories	121,890	8,044	0	0	129,934
343.0	Prime Movers	1,774,385	32,265	0	0	1,806,650
344.0	Generators	453,853	6,823	0	0	460,676
345.0	Accessory Electric Equipment	414,307	7,518	0	0	421,825
346.0	Misc Power Plant Equipment	<u>7,618</u>	<u>348</u>	<u>0</u>	<u>0</u>	<u>7,966</u>
	Subtotal -- West Shore C/T	2,811,279	56,278	0	0	2,867,557
 <u>Lock Haven C/T</u>						
340.0	Land and Land Rights	Non-Depreciable	0	0	0	Non-Depreciable
341.0	Structures and Improvements	146,910	2,240	0	0	149,150
342.0	Fuel Holders, Producers and Accessories	95,976	7,031	0	0	103,007
343.0	Prime Movers	898,423	15,500	0	0	913,923
344.0	Generators	236,561	44,636	(35,000)	0	246,197
345.0	Accessory Electric Equipment	217,351	4,259	0	0	221,610
346.0	Misc Power Plant Equipment	<u>5,176</u>	<u>222</u>	<u>0</u>	<u>0</u>	<u>5,398</u>
	Subtotal -- Lock Haven C/T	1,600,397	73,887	(35,000)	0	1,639,284
	Subtotal -- Other Production	25,964,423	806,154	(96,000)	0	26,674,577

Pennsylvania Power & Light Company

		Book Reserve	----- Projected Through 09/30/95 -----			Book Reserve
		<u>9/30/94</u>	<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>9/30/95</u>
<u>Transmission</u>						
350.2	Land	Non-Depreciable	0	0	0	Non-Depreciable
350.4	Land Rights	5,630,267	264,552	0	0	5,894,819
352.0	Structures and Improvements	3,525,588	220,619	0	0	3,746,207
353.0	Station Equipment	40,999,998	4,390,076	(11,440)	0	45,378,634
354.0	Towers and Fixtures	48,034,437	2,284,452	0	0	50,318,889
354.2	Clearing Land and R/W - Towers	2,816,255	110,233	0	0	2,926,488
355.0	Poles and Fixtures	653,984	46,100	0	0	700,084
355.2	Clearing Land and R/W - Poles	72,971	5,185	0	0	78,156
356.0	Overhead Conductors and Devices	30,557,133	1,653,311	0	0	32,210,444
359.0	Roads and Trails	<u>1,285,527</u>	<u>95,228</u>	<u>0</u>	<u>0</u>	<u>1,380,755</u>
	Subtotal -- Transmission	133,576,160	9,069,756	(11,440)	0	142,634,476
 <u>Distribution</u>						
360.2	Land	Non-Depreciable	0	0	0	Non-Depreciable
360.4	Land Rights	28,735,276	2,255,602	(315,450)	0	30,675,428
361.0	Structures and Improvements	12,895,228	903,845	(12,280)	0	13,786,793
362.0	Station Equipment	92,656,003	7,915,328	(184,160)	0	100,387,171
364.2	Towers and Fixtures	23,577,218	2,489,852	(175,200)	0	25,891,870
364.4	Poles and Fixtures	163,017,792	14,033,038	(2,090,700)	0	174,960,130
364.6	Clearing Land and R/W - Towers	1,266,609	120,694	(2,020)	0	1,385,283
364.8	Clearing Land and R/W - Poles	12,677,691	919,573	(10,170)	0	13,587,094
365.0	Overhead Conductors and Devices	164,740,561	15,961,398	(2,904,170)	0	177,797,789
366.0	Underground Conduit	11,979,434	1,385,519	(648,300)	0	12,716,653
367.0	Underground Conductors and Devices	32,826,386	4,826,822	(2,315,440)	0	35,337,768
368.2	Transformers - Overhead Type	74,733,037	6,397,107	(1,591,190)	0	79,538,954
368.4	Transformers - Submersible or Pad Mounted	29,129,359	3,526,584	(289,220)	0	32,366,723
368.6	Transformers - Non-Network Housing	858,417	48,008	0	0	906,425
369.0	Services	133,486,845	13,775,129	(1,947,490)	0	145,314,484
370.0	Meters	23,399,165	2,844,931	(531,000)	0	25,713,096
371.2	Installations on Customers Premises	90,054	20,212	0	0	110,266
371.4	Area Lighting Fixtures	2,133,289	197,490	0	0	2,330,779
373.2	Street Lighting and Signal Systems	<u>17,954,233</u>	<u>2,502,549</u>	<u>(372,430)</u>	<u>0</u>	<u>20,084,352</u>
	Subtotal -- Distribution	826,156,597	80,123,680	(13,389,220)	0	892,891,057

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	-----	Projected Through 09/30/95 -----	-----	Book Reserve <u>9/30/95</u>
<u>General Plant</u>		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
389.0 Land and Land Rights	Non-Depreciable	0	0	0	Non-Depreciable
390.2 Structures and Improvements - Buildings	43,369,902	4,031,733	0	0	47,401,635
390.4 Structures and Improvements - Air Cond. Equip.	8,002,674	510,969	0	0	8,513,643
390.6 Structures and Improvements - Holtwood Op. Vill.	0	0	0	0	0
391.2 Office Furniture and Equipment - Furniture	4,910,233	455,288	(46,690)	0	5,318,831
391.4 Office Furniture and Equipment - Mech Equip	929,766	100,795	0	0	1,030,561
391.6 Computer Equipment - General	749,457	502,768	(3,430)	0	1,248,795
391.8 Computer Equipment - Power Mgmt System	22,537,538	4,320,120	0	0	26,857,658
392.4 Transportation Equipment - Trailers	86,564	901	0	0	87,465
393.0 Stores Equipment	1,031,523	64,501	0	0	1,096,024
394.0 Tools & Work Equipment - L&S Line Crews	401,278	54,917	0	0	456,195
394.2 Shop Equipment -- Haz Serv Depot	0	0	0	0	0
394.4 Tools & Work Equipment - Const Dept	1,731,043	339,107	0	0	2,070,150
394.6 Tools & Work Equipment - Other	788,225	91,521	0	0	879,746
394.8 Transportation Equipment - Garage Equipment	331,900	324,078	(2,220)	0	653,758
395.0 Laboratory Equipment	967,181	107,629	0	0	1,074,810
397.0 Communication Equipment	3,040,067	321,468	0	0	3,361,535
398.0 Miscellaneous Equipment	<u>968,560</u>	<u>93,521</u>	<u>0</u>	<u>0</u>	<u>1,062,081</u>
Subtotal -- General Plant	89,845,911	11,319,314	(52,340)	0	101,112,885
 Total -- Accumulated Depreciation -- Electric Plant in Service	 <u>2,613,800,680</u>	 <u>323,253,188</u>	 <u>(36,630,000)</u>	 <u>0</u>	 <u>2,900,423,868</u>

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Book Reserve <u>9/30/95</u>
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
<u>Net Salvage</u>					
Steam Production	(18,926,944)	7,364,976	(5,385,806)	0	(16,947,774)
Nuclear Production	(17,784,287)	4,188,673	(3,063,065)	0	(16,658,679)
Hydro Production	(825,727)	60,376	(44,151)	0	(809,502)
Other Production	(94,258)	5,707	(4,172)	0	(92,723)
Transmission	(633,397)	8,271	(6,049)	0	(631,175)
Distribution	(20,106,170)	7,545,478	(5,517,804)	0	(18,078,496)
General Plant	<u>(589,137)</u>	<u>148,988</u>	<u>(108,953)</u>	<u>0</u>	<u>(549,102)</u>
Total -- Net Salvage	(58,959,920)	19,322,469	(14,130,000)	0	(53,767,451)

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>					
311.0	Structures and Improvements	49,346	0	0	49,346
	Subtotal -- Sunbury SES	49,346	0	0	49,346
 <u>Martins Creek #1 & #2 SES</u>					
312.0	Boiler Plant Equipment	73,961	7,770	0	81,731
316.0	Misc Power Plant Equipment	<u>5,197</u>	<u>1,640</u>	<u>0</u>	<u>6,837</u>
	Subtotal -- Martins Creek #1 & #2 SES	79,158	9,410	0	88,568
 <u>Martins Creek #3 & #4 SES</u>					
311.0	Structures and Improvements	135,453	37,078	0	172,531
312.0	Boiler Plant Equipment	560,897	309,173	0	870,070
315.0	Accessory Electric Equipment	8,127	5,325	0	13,452
316.0	Misc Power Plant Equipment	<u>3,398</u>	<u>518</u>	<u>0</u>	<u>3,916</u>
	Subtotal -- Martins Creek #3 & #4 SES	707,875	352,095	0	1,059,970
 <u>Montour SES</u>					
316.0	Misc Power Plant Equipment	<u>9,385</u>	<u>3,600</u>	<u>0</u>	<u>12,985</u>
	Subtotal -- Montour SES	9,385	3,600	0	12,985
	Subtotal -- Steam Production	845,764	365,105	0	1,210,869

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Book Reserve <u>9/30/95</u>
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
<u>Nuclear Production -- Leasehold Improvements</u>					
<u>Susquehanna SES Common</u>					
325.0 Misc Power Plant Equipment	311,302	61,640	0	0	372,942
Subtotal -- Susquehanna SES Common	311,302	61,640	0	0	372,942
Subtotal -- Nuclear Production	311,302	61,640	0	0	372,942
<u>Other Production -- Leasehold Improvements</u>					
<u>Sunbury C/T</u>					
343.0 Prime Movers	422,991	191,096	0	0	614,087
344.0 Generators	220,977	96,472	0	0	317,449
345.0 Accessory Electric Equipment	14,978	15,280	0	0	30,258
Subtotal -- Sunbury C/T	658,946	302,848	0	0	961,794
<u>Martins Creek (D) C/T</u>					
341.0 Structures and Improvements	0	0	0	0	0
342.0 Fuel Holders, Producers and Accessories	69,030	37,204	0	0	106,234
343.0 Prime Movers	962,156	312,186	0	0	1,274,342
344.0 Generators	87,841	27,909	0	0	115,750
345.0 Accessory Electric Equipment	103,800	28,339	0	0	132,139
Subtotal -- Martins Creek (D) C/T	1,222,827	405,638	0	0	1,628,465
Subtotal -- Other Production	1,881,773	708,486	0	0	2,590,259
<u>General Plant -- Leasehold Improvements</u>					
390.2 Structures and Improvements - Buildings	682,692	183,436	0	0	866,128
390.4 Structures and Improvements - Air Cond. Equip.	475,811	89,565	0	0	565,376
391.6 Computer Equipment - General	6,154	6,788	0	0	12,942
392.2 Transportation Equipment - Vehicles	743,416	105,669	0	0	849,085
392.4 Transportation Equipment - Trailers	56,958	8,672	0	0	65,630
394.4 Tools & Work Equipment - Const Dept	23,595	7,022	0	0	30,617

Pennsylvania Power & Light Company

	Book Reserve <u>9/30/94</u>	----- Projected Through 09/30/95 -----			Book Reserve <u>9/30/95</u>
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
397.0 Communication Equipment	256,483	23,225	0	0	279,708
398.0 Miscellaneous Equipment	<u>22,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,263</u>
Subtotal -- General Plant	2,267,372	424,378	0	0	2,691,750
 Total -- Accumulated Amortization -- Leasehold Improvement	 <u>5,306,211</u>	 <u>1,559,610</u>	 <u>0</u>	 <u>0</u>	 <u>6,865,821</u>

Common Plant

Steam Production -- Common Plant

<u>Martins Creek #3 & #4 SES</u>					
311.0 Structures and Improvements	53,039	3,074	0	0	56,113
312.0 Boiler Plant Equipment	231,866	13,440	0	0	245,306
314.0 Turbo-Generator Units	126,512	7,334	0	0	133,846
315.0 Accessory Electric Equipment	41,041	2,380	0	0	43,421
316.0 Misc Power Plant Equipment	<u>2,945</u>	<u>171</u>	<u>0</u>	<u>0</u>	<u>3,116</u>
Subtotal -- Martins Creek #3 & #4 SES	455,403	26,399	0	0	481,802

Nuclear Production -- Common Plant

<u>Susquehanna SES Common</u>					
321.0 Structures and Improvements	2,571,450	463,080	0	0	3,034,530
322.0 Reactor Plant Equipment	1,032,195	185,876	0	0	1,218,071
323.0 Turbo-Generator Units	249,650	44,964	0	0	294,614
324.0 Accessory Electric Equipment	1,160,778	209,048	0	0	1,369,826
325.0 Misc Power Plant Equipment	<u>544,291</u>	<u>97,980</u>	<u>0</u>	<u>0</u>	<u>642,271</u>
Subtotal -- Susquehanna SES Common	5,558,364	1,000,948	0	0	6,559,312

Pennsylvania Power & Light Company

	Book Reserve 9/30/94	----- Projected Through 09/30/95 -----			Book Reserve 9/30/95
		<u>Provisions</u>	<u>Retirements</u>	<u>Adjustments</u>	
<u>Transmission -- Common Plant</u>					
353.0 Station Equipment	6,348	370	0	0	6,718
Subtotal -- Transmission	6,348	370	0	0	6,718
Total -- Accumulated Amortization -- Common Plant	<u>6,020,115</u>	<u>1,027,717</u>	<u>0</u>	<u>0</u>	<u>7,047,832</u>
Total -- Accumulated Depreciation and Amortization	<u>2,566,167,086</u>	<u>345,162,984</u>	<u>(50,760,000)</u>	<u>0</u>	<u>2,860,570,070</u>
<u>RECAP -- Accumulated Depreciation and Amortization</u>					
Intangible	5,844,839	3,004,700	0	0	8,849,539
Steam Production	803,050,708	78,572,629	(22,351,086)	0	859,272,251
Nuclear Production	676,449,663	151,899,836	(8,227,065)	0	820,122,434
Hydro Production	22,546,254	1,525,237	(995,871)	0	23,075,620
Other Production	27,751,938	1,520,347	(100,172)	0	29,172,113
Transmission	132,949,111	9,078,397	(17,489)	0	142,010,018
Distribution	806,050,427	87,669,158	(18,907,024)	0	874,812,560
General Plant	<u>91,524,146</u>	<u>11,892,681</u>	<u>(161,293)</u>	<u>0</u>	<u>103,255,534</u>
Total -- Accumulated Depreciation and Amortization	<u>2,566,167,086</u>	<u>345,162,984</u>	<u>(50,760,000)</u>	<u>0</u>	<u>2,860,570,070</u>

- Q.4 Provide a schedule showing details of rate case adjustments.
- A.4. No adjustments have been made to the Company's Original Cost Electric Plant in Service, Accumulated Book Depreciation Reserve or its Calculated Annual Depreciation Expense as a result of this rate case filing.

- Q.1. Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.
- A.1. Attachment V-B-1 provides Pennsylvania Power and Light Company's calculated and book accruals by function and by account for the future test year.

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

	<u>Book</u>	<u>Calculated</u>
	<u>at 09/30/95</u>	<u>at 09/30/95</u>
<u>Intangible</u>		
301.0	Organization	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable
303.0	Misc Intang Plt - Other	Non-Depreciable
303.2	Misc Intang Plt - Computer Software	<u>Amortized to O & M accounts</u>
	Subtotal -- Intangible	0
 <u>Steam Production</u>		
<u>Sunbury SES</u>		
310.0	Land and Land Rights	Non-Depreciable
311.0	Structures and Improvements	448,409
312.0	Boiler Plant Equipment	4,901,930
314.0	Turbo-Generator Units	2,241,848
315.0	Accessory Electric Equipment	746,857
316.0	Misc Power Plant Equipment	<u>152,543</u>
	Subtotal -- Sunbury SES	8,491,586
 <u>Martins Creek #1 & #2 SES</u>		
310.0	Land and Land Rights	Non-Depreciable
311.0	Structures and Improvements	281,242
312.0	Boiler Plant Equipment	3,376,529
314.0	Turbo-Generator Units	1,969,086
315.0	Accessory Electric Equipment	351,831
316.0	Misc Power Plant Equipment	<u>69,362</u>
	Subtotal -- Martins Creek #1 & #2 SES	6,048,050
 <u>Martins Creek #3 & #4 SES</u>		
310.0	Land and Land Rights	Non-Depreciable
311.0	Structures and Improvements	1,785,199
312.0	Boiler Plant Equipment	7,392,974
314.0	Turbo-Generator Units	4,975,138
315.0	Accessory Electric Equipment	1,094,347
316.0	Misc Power Plant Equipment	<u>201,479</u>
	Subtotal -- Martins Creek #3 & #4 SES	15,449,137
 <u>Brunner Island SES</u>		
310.0	Land and Land Rights	Non-Depreciable
311.0	Structures and Improvements	1,521,497
312.0	Boiler Plant Equipment	10,769,744
314.0	Turbo-Generator Units	3,691,355
315.0	Accessory Electric Equipment	635,670
316.0	Misc Power Plant Equipment	<u>105,622</u>
	Subtotal -- Brunner Island SES	16,723,886

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
	<u>Conemaugh SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	523,163	356,444
312.0	Boiler Plant Equipment	4,711,127	3,425,304
314.0	Turbo-Generator Units	530,768	343,531
315.0	Accessory Electric Equipment	83,790	56,485
316.0	Misc Power Plant Equipment	<u>71,026</u>	<u>51,437</u>
	Subtotal -- Conemaugh SES	5,919,874	4,233,201
	<u>Keystone SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	603,789	358,764
312.0	Boiler Plant Equipment	2,362,922	1,602,444
314.0	Turbo-Generator Units	981,369	554,493
315.0	Accessory Electric Equipment	99,152	56,515
316.0	Misc Power Plant Equipment	<u>96,683</u>	<u>59,057</u>
	Subtotal -- Keystone SES	4,143,915	2,631,273
	<u>Montour SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	994,817	1,018,783
312.0	Boiler Plant Equipment	6,969,875	8,428,980
314.0	Turbo-Generator Units	3,644,980	3,669,008
315.0	Accessory Electric Equipment	603,646	592,693
316.0	Misc Power Plant Equipment	<u>121,258</u>	<u>128,258</u>
	Subtotal -- Montour SES	12,334,574	13,837,722
	<u>Holtwood SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	254,909	443,691
312.0	Boiler Plant Equipment	1,123,769	1,921,906
314.0	Turbo-Generator Units	216,175	368,165
315.0	Accessory Electric Equipment	47,000	79,232
316.0	Misc Power Plant Equipment	<u>63,275</u>	<u>112,947</u>
	Subtotal -- Holtwood SES	1,705,127	2,925,941
	Subtotal -- Steam Production	70,816,149	91,953,605

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
<u>Nuclear Production</u>			
	<u>Susquehanna SES Unit #1</u>		
321.0	Structures and Improvements	12,243,469	15,979,473
322.0	Reactor Plant Equipment	26,415,966	33,997,040
323.0	Turbo-Generator Units	7,808,441	10,014,910
324.0	Accessory Electric Equipment	6,823,709	8,884,267
325.0	Misc Power Plant Equipment	<u>1,391,473</u>	<u>1,862,571</u>
	Subtotal -- Susquehanna SES Unit #1	54,683,057	70,738,261
	 <u>Susquehanna SES Unit #2</u>		
321.0	Structures and Improvements	12,006,086	14,952,609
322.0	Reactor Plant Equipment	26,458,183	31,450,274
323.0	Turbo-Generator Units	8,204,668	9,607,835
324.0	Accessory Electric Equipment	6,686,828	8,262,337
325.0	Misc Power Plant Equipment	<u>1,353,236</u>	<u>1,727,339</u>
	Subtotal -- Susquehanna SES Unit #2	54,709,001	66,000,394
	 <u>Susquehanna SES Common</u>		
320.2	Land	Non-Depreciable	Non-Depreciable
320.4	Land Rights	318,972	311,558
321.0	Structures and Improvements	9,122,852	10,452,569
322.0	Reactor Plant Equipment	15,461,576	19,840,016
323.0	Turbo-Generator Units	4,827,286	6,207,154
324.0	Accessory Electric Equipment	5,087,336	5,774,372
325.0	Misc Power Plant Equipment	<u>2,438,495</u>	<u>2,595,945</u>
	Subtotal -- Susquehanna SES Common	37,256,517	45,181,614
	Subtotal -- Nuclear Production	146,648,575	181,920,269

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
<u>Hydro Production</u>			
	<u>Wallenpaupack HES</u>		
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	25,412	29,763
331.4	Structures and Improvements - Rec Fac	73,971	18,060
332.2	Resv, Dam, Waterway - Flow Line	75,499	72,152
332.4	Resv, Dam, Waterway - Other	47,760	94,409
333.0	Water Wheels, Turbines and Generators	5,835	4,685
334.0	Accessory Electric Equipment	18,340	21,897
335.2	Misc Power Plant Equipment - Other	1,029	991
335.4	Misc Power Plant Equipment - Rec Fac	23,171	9,313
336.0	Roads, Railroads and Bridges	<u>2,710</u>	<u>3,743</u>
	Subtotal -- Wallenpaupack HES	273,727	255,013
	<u>Holtwood HES</u>		
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	38,645	40,971
331.4	Structures and Improvements - Rec Fac	37,208	5,695
332.4	Resv, Dam, Waterway - Other	135,969	225,436
333.0	Water Wheels, Turbines and Generators	595,373	760,275
334.0	Accessory Electric Equipment	342,428	545,002
335.2	Misc Power Plant Equipment - Other	36,215	50,222
335.4	Misc Power Plant Equipment - Rec Fac	5,155	1,051
336.0	Roads, Railroads and Bridges	<u>142</u>	<u>231</u>
	Subtotal -- Holtwood HES	1,191,134	1,628,883
	Subtotal -- Hydro Production	1,464,861	1,883,896
<u>Other Production</u>			
	<u>Allentown C/T</u>		
341.0	Structures and Improvements	(199)	210
342.0	Fuel Holders, Producers and Accessories	14,312	22,914
343.0	Prime Movers	73,907	73,583
344.0	Generators	38,832	43,849
345.0	Accessory Electric Equipment	7,585	7,564
346.0	Misc Power Plant Equipment	<u>1,707</u>	<u>1,752</u>
	Subtotal -- Allentown C/T	136,144	149,872
	<u>Harwood C/T</u>		
341.0	Structures and Improvements	109	109
342.0	Fuel Holders, Producers and Accessories	3,556	3,541
343.0	Prime Movers	21,853	25,966
344.0	Generators	35,525	36,211
345.0	Accessory Electric Equipment	5,166	5,109
346.0	Misc Power Plant Equipment	<u>(902)</u>	<u>174</u>
	Subtotal -- Harwood C/T	65,306	71,110

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		Book at 09/30/95--	Calculated at 09/30/95
	<u>Williamsport C/T</u>		
341.0	Structures and Improvements	(497)	0
342.0	Fuel Holders, Producers and Accessories	2,178	2,502
343.0	Prime Movers	70,713	60,003
344.0	Generators	45,999	45,727
345.0	Accessory Electric Equipment	6,014	28,466
346.0	Misc Power Plant Equipment	<u>2,291</u>	<u>2,267</u>
	Subtotal -- Williamsport C/T	126,698	138,965
	<u>Harrisburg C/T</u>		
341.0	Structures and Improvements	638	638
342.0	Fuel Holders, Producers and Accessories	2,683	3,021
343.0	Prime Movers	75,444	109,448
344.0	Generators	49,740	58,913
345.0	Accessory Electric Equipment	8,155	8,291
346.0	Misc Power Plant Equipment	<u>471</u>	<u>2,641</u>
	Subtotal -- Harrisburg C/T	137,130	182,952
	<u>Jenkins C/T</u>		
341.0	Structures and Improvements	1,192	406
342.0	Fuel Holders, Producers and Accessories	13,736	17,275
343.0	Prime Movers	46,259	43,867
344.0	Generators	37,392	38,180
345.0	Accessory Electric Equipment	7,580	7,556
346.0	Misc Power Plant Equipment	<u>320</u>	<u>324</u>
	Subtotal -- Jenkins C/T	106,478	107,608
	<u>Sunbury (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	4,617	0
343.0	Prime Movers	117	9,277
344.0	Generators	911	115
345.0	Accessory Electric Equipment	39	1,808
346.0	Misc Power Plant Equipment	<u>5,684</u>	<u>0</u>
	Subtotal -- Sunbury (D) C/T	11,368	11,200
	<u>Sunbury C/T</u>		
341.0	Structures and Improvements	4,617	1,780
342.0	Fuel Holders, Producers and Accessories	117	14,401
343.0	Prime Movers	911	515
345.0	Accessory Electric Equipment	39	1,366
346.0	Misc Power Plant Equipment	<u>5,684</u>	<u>257</u>
	Subtotal -- Sunbury C/T	11,368	18,319

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95..</u>	<u>Calculated</u> <u>at 09/30/95</u>
	<u>Martins Creek (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	526	12
343.0	Prime Movers	1,188	1,323
344.0	Generators	315	276
345.0	Accessory Electric Equipment	779	910
346.0	Misc Power Plant Equipment	136	<u>94</u>
	Subtotal -- Martins Creek (D) C/T	2,944	2,615
	<u>Martins Creek C/T</u>		
341.0	Structures and Improvements	2,078	2,769
342.0	Fuel Holders, Producers and Accessories	1,750	2,310
343.0	Prime Movers	633	839
345.0	Accessory Electric Equipment	1,028	1,351
346.0	Misc Power Plant Equipment	323	<u>416</u>
	Subtotal -- Martins Creek C/T	5,811	7,685
	<u>Brunner Island (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	16	18
343.0	Prime Movers	3,488	3,481
344.0	Generators	733	732
345.0	Accessory Electric Equipment	1,314	1,309
346.0	Misc Power Plant Equipment	37	<u>36</u>
	Subtotal -- Brunner Island (D) C/T	5,587	5,576
	<u>Conemaugh (D) C/T</u>		
344.0	Generators	2,624	1,741
345.0	Accessory Electric Equipment	70	46
346.0	Misc Power Plant Equipment	<u>0</u>	<u>0</u>
	Subtotal -- Conemaugh (D) C/T	2,693	1,787
	<u>Keystone (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	124	73
344.0	Generators	2,722	1,571
345.0	Accessory Electric Equipment	<u>290</u>	<u>168</u>
	Subtotal -- Keystone (D) C/T	3,135	1,812 -
	<u>Fishbach C/T</u>		
340.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	1,208	1,205
342.0	Fuel Holders, Producers and Accessories	2,825	2,780
343.0	Prime Movers	43,945	44,194
344.0	Generators	6,717	6,708
345.0	Accessory Electric Equipment	9,883	9,846
346.0	Misc Power Plant Equipment	<u>323</u>	<u>320</u>
	Subtotal -- Fishbach C/T	64,901	65,053

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
	<u>West Shore C/T</u>		
341.0	Structures and Improvements	1,280	1,277
342.0	Fuel Holders, Producers and Accessories	8,044	9,967
343.0	Prime Movers	32,265	30,379
344.0	Generators	6,823	6,811
345.0	Accessory Electric Equipment	7,518	7,484
346.0	Misc Power Plant Equipment	<u>348</u>	<u>345</u>
	Subtotal -- West Shore C/T	56,278	56,263
	<u>Lock Haven C/T</u>		
340.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	2,240	2,237
342.0	Fuel Holders, Producers and Accessories	7,031	1,794
343.0	Prime Movers	15,500	15,472
344.0	Generators	44,636	50,689
345.0	Accessory Electric Equipment	4,259	4,234
346.0	Misc Power Plant Equipment	<u>222</u>	<u>218</u>
	Subtotal -- Lock Haven C/T	73,887	74,644
	<u>Suburban C/T</u>		
341.0	Structures and Improvements	0	0
342.0	Fuel Holders, Producers and Accessories	0	0
343.0	Prime Movers	0	0
344.0	Generators	0	0
345.0	Accessory Electric Equipment	0	0
346.0	Misc Power Plant Equipment	<u>0</u>	<u>0</u>
	Subtotal -- Suburban C/T	0	0
	Subtotal -- Other Production	809,727	895,461
	<u>Transmission</u>		
350.2	Land	Non-Depreciable	Non-Depreciable
350.4	Land Rights	264,552	348,741
352.0	Structures and Improvements	220,619	264,043
353.0	Station Equipment	4,390,076	5,488,529
354.0	Towers and Fixtures	2,284,452	1,660,920
354.2	Clearing Land and R/W - Towers	110,233	72,552
355.0	Poles and Fixtures	46,100	31,033
355.2	Clearing Land and R/W - Poles	5,185	2,643
356.0	Overhead Conductors and Devices	1,653,311	1,528,938
359.0	Roads and Trails	<u>95,228</u>	<u>84,707</u>
	Subtotal -- Transmission	9,069,756	9,482,106

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		Book at 09/30/95 -	Calculated at 09/30/95
<u>Distribution</u>			
360.2	Land	Non-Depreciable	Non-Depreciable
360.4	Land Rights	2,255,602	1,746,877
361.0	Structures and Improvements	903,845	454,811
362.0	Station Equipment	7,915,328	5,322,654
364.2	Towers and Fixtures	2,489,852	1,594,091
364.4	Poles and Fixtures	14,033,038	10,321,691
364.6	Clearing Land and R/W - Towers	120,694	76,578
364.8	Clearing Land and R/W - Poles	919,573	581,881
365.0	Overhead Conductors and Devices	15,961,398	12,410,166
366.0	Underground Conduit	1,385,519	1,480,389
367.0	Underground Conductors and Devices	4,826,822	7,478,302
368.2	Transformers - Overhead Type	6,397,107	5,550,113
368.4	Transformers - Submersible or Pad Mounted	3,526,584	1,488,661
368.6	Transformers - Non-Network Housing	48,008	60,378
369.0	Services	13,775,129	8,845,227
370.0	Meters	2,844,931	3,052,590
371.2	Installations on Customers Premises	20,212	13,696
371.4	Area Lighting Fixtures	197,490	95,850
373.2	Street Lighting and Signal Systems	<u>2,502,549</u>	<u>2,190,354</u>
	Subtotal -- Distribution	80,123,680	62,764,309
 <u>General Plant</u>			
389.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
390.2	Structures and Improvements - Buildings	4,031,733	2,627,641
390.4	Structures and Improvements - Air Cond. Equip.	510,969	154,209
390.6	Structures and Improvements - Holtwood Op. Vil	0	0
391.2	Office Furniture and Equipment - Furniture	455,288	2,068,390
391.4	Office Furniture and Equipment - Mech Equip	100,795	352,409
391.6	Computer Equipment - General	502,768	189,794
391.8	Computer Equipment - Power Mgmt System	4,320,120	5,558,304
392.4	Transportation Equipment - Trailers	to Clearing	to Clearing
393.0	Stores Equipment	64,501	81,484
394.0	Tools & Work Equipment - L&S Line Crews	to Clearing	to Clearing
394.2	Shop Equipment - Haz Serv Depot	0	0
394.4	Tools & Work Equipment - Const Dept	to Clearing	to Clearing
394.6	Tools & Work Equipment - Other	91,521	424,165
394.8	Transportation Equipment - Garage Equipment	to Clearing	to Clearing
395.0	Laboratory Equipment	107,629	850,080
397.0	Communication Equipment	321,468	321,209
398.0	Miscellaneous Equipment	<u>93,521</u>	<u>419,796</u>
	Subtotal -- General Plant	10,600,312	13,047,481
Total -- Accumulated Depreciation -- Electric Plant in Service		<u>319,533,059</u>	<u>361,947,127</u>

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

<u>Net Salvage</u>	<u>Book at 09/30/95</u>	<u>Calculated at 09/30/95</u>
Steam Production	7,364,976	7,739,310
Nuclear Production	4,188,673	4,413,319
Hydro Production	60,376	63,443
Other Production	5,707	5,998
Transmission	8,271	(3,058)
Distribution	7,545,478	7,928,984
General Plant	<u>148,988</u>	<u>20,761</u>
Total -- Net Salvage	19,322,469	20,168,757

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>		
311.0 Structures and Improvements	<u>Amortized to O & M accounts</u>	
Subtotal -- Sunbury SES	0	0
<u>Martins Creek #1 & #2 SES</u>		
311.0 Structures and Improvements	Amortized to O & M accounts	
312.0 Boiler Plant Equipment	Amortized to O & M accounts	
316.0 Misc Power Plant Equipment	<u>Amortized to O & M accounts</u>	
Subtotal -- Martins Creek #1 & #2 SES	0	0
<u>Martins Creek #3 & #4 SES</u>		
311.0 Structures and Improvements	Amortized to O & M accounts	
312.0 Boiler Plant Equipment	Amortized to O & M accounts	
315.0 Accessory Electric Equipment	Amortized to O & M accounts	
316.0 Misc Power Plant Equipment	<u>Amortized to O & M accounts</u>	
Subtotal -- Martins Creek #3 & #4 SES	0	0
<u>Montour SES</u>		
316.0 Misc Power Plant Equipment	<u>Amortized to O & M accounts</u>	
Subtotal -- Montour SES	0	0
Subtotal -- Steam Production	0	0

Nuclear Production -- Leasehold Improvements

<u>Susquehanna SES Common</u>		
325.0 Misc Power Plant Equipment	<u>Amortized to O & M accounts</u>	
Subtotal -- Susquehanna SES Common	0	0
Subtotal -- Nuclear Production	0	0

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

	<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
<u>Other Production -- Leasehold Improvements</u>		
<u>Sunbury C/T</u>		
343.0	Prime Movers	Amortized to O & M accounts
344.0	Generators	Amortized to O & M accounts
345.0	Accessory Electric Equipment	<u>Amortized to O & M accounts</u>
	Subtotal -- Sunbury C/T	0 0
<u>Martins Creek (D) C/T</u>		
341.0	Structures and Improvements	Amortized to O & M accounts
342.0	Fuel Holders, Producers and Accessories	Amortized to O & M accounts
343.0	Prime Movers	Amortized to O & M accounts
344.0	Generators	Amortized to O & M accounts
345.0	Accessory Electric Equipment	<u>Amortized to O & M accounts</u>
	Subtotal -- Martins Creek (D) C/T	0 0
	Subtotal -- Other Production	0 0
<u>General Plant -- Leasehold Improvements</u>		
390.2	Structures and Improvements - Buildings	Amortized to O & M accounts
390.4	Structures and Improvements - Air Cond. Equip.	Amortized to O & M accounts
391.6	Computer Equipment - General	Amortized to O & M accounts
392.2	Transportation Equipment - Vehicles	Amortized to O & M accounts
392.4	Transportation Equipment - Trailers	Amortized to O & M accounts
394.4	Tools & Work Equipment - Const Dept	Amortized to O & M accounts
397.0	Communication Equipment	Amortized to O & M accounts
398.0	Miscellaneous Equipment	<u>Amortized to O & M accounts</u>
	Subtotal -- General Plant	0 0
	Total -- Accumulated Amortization -- Leasehold Improvements	0 0

Pennsylvania Power & Light Company

Calculated Depreciation Accruals versus Book Accruals

		<u>Book</u> <u>at 09/30/95</u>	<u>Calculated</u> <u>at 09/30/95</u>
<u>Common Plant</u>			
<u>Steam Production -- Common Plant</u>			
	<u>Martins Creek #3 & #4 SES</u>		
311.0	Structures and Improvements	3,074	3,074
312.0	Boiler Plant Equipment	13,440	13,440
314.0	Turbo-Generator Units	7,334	7,334
315.0	Accessory Electric Equipment	2,380	2,380
316.0	Misc Power Plant Equipment	<u>171</u>	<u>171</u>
	Subtotal -- Martins Creek #3 & #4 SES	26,399	26,399
 <u>Nuclear Production -- Common Plant</u>			
	<u>Susquehanna SES Common</u>		
321.0	Structures and Improvements	463,080	294,120
322.0	Reactor Plant Equipment	185,876	579,224
323.0	Turbo-Generator Units	44,964	178,169
324.0	Accessory Electric Equipment	209,048	159,849
325.0	Misc Power Plant Equipment	<u>97,980</u>	<u>33,449</u>
	Subtotal -- Susquehanna SES Common	1,000,948	1,244,811
 <u>Transmission -- Common Plant</u>			
353.0	Station Equipment	<u>370</u>	<u>370</u>
	Subtotal -- Transmission	370	370
	Total -- Accumulated Amortization -- Common Plant	<u>1,027,717</u>	<u>1,271,580</u>
	Total -- Accumulated Depreciation and Amortization	<u>339,883,245</u>	<u>383,387,464</u>

RECAP -- Accumulated Depreciation and Amortization

Intangible	0	0
Steam Production	78,207,524	99,719,314
Nuclear Production	151,838,196	187,578,399
Hydro Production	1,525,237	1,947,339
Other Production	815,434	901,459
Transmission	9,078,397	9,479,418
Distribution	87,669,158	70,693,293
General Plant	<u>10,749,300</u>	<u>13,068,242</u>
Total -- Accumulated Depreciation and Amortization	<u>339,883,245</u>	<u>383,387,464</u>

- Q.2. Supply a schedule by account or by depreciable group showing the survivor curve or interim survivor curve and annual accrual rate estimated to be appropriate:
- a. For the purpose of this filing.
 - b. For the purpose of the most recent rate filing prior to the current proceeding.
 - c. Supply an explanation for any major change in annual accrual rate by account or by depreciable group.
 - d. Supply a comprehensive statement of major changes made in depreciation methods, procedures and techniques and the effect of the changes upon accumulated and annual depreciation, if any.

A.2.a.,b.&c. Attachment V-B-2 provides Pennsylvania Power & Light Company's survivor or interim survivor curve and annual accrual rate for the instant filing and for the most recent filing prior to the current proceeding. Notation has been made of the reason for annual accrual rate changes.

- d. For the current proceeding, Pennsylvania Power & Light Company proposes three changes to its depreciation methods:
 - 1) amortization of certain General Property accounts
 - 2) life-spanning of Hydraulic Production accounts
 - 3) levelization of the remaining Susquehanna SES sinking fund depreciation expense.

These changes are discussed in Pennsylvania Power & Light Company's Life Study, Exhibit DSH 1.

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for
<u>Intangible</u>	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	<u>change</u>
301.0 Organization	Non-Depreciable		Non-Depreciable		
302.0 Franchises and Consents	Non-Depreciable		Non-Depreciable		
303.0 Misc Intang Plt - Other	Non-Depreciable		Non-Depreciable		
303.2 Misc Intang Plt - Computer Software	Amortized		Amortized		
<u>Steam Production</u>					
<u>Sunbury SES</u>					
310.0 Land and Land Rights	Non-Depreciable		Non-Depreciable		
311.0 Structures and Improvements	R4-080 *	2.526%	S2-095 *	2.460%	a,b,c
312.0 Boiler Plant Equipment	S0-055 *	3.224%	L0-060 *	7.252%	a,b,c
314.0 Turbo-Generator Units	S0-060 *	3.168%	R2-057 *	8.912%	a,b,c
315.0 Accessory Electric Equipment	R3-065 *	2.837%	S0-090 *	7.234%	a,b,c
316.0 Misc Power Plant Equipment	R2-050 *	4.330%	R2-042 *	7.222%	a,b,c
<u>Martins Creek #1 & #2 SES</u>					
310.0 Land and Land Rights	Non-Depreciable		Non-Depreciable		
311.0 Structures and Improvements	R4-080 *	3.349%	S2-095 *	4.520%	a,b,c
312.0 Boiler Plant Equipment	S0-055 *	4.046%	L0-060 *	8.847%	a,b,c
314.0 Turbo-Generator Units	S0-060 *	3.745%	R2-057 *	9.720%	a,b,c
315.0 Accessory Electric Equipment	R3-065 *	4.560%	S0-090 *	7.291%	a,b,c
316.0 Misc Power Plant Equipment	R2-050 *	4.330%	R2-042 *	8.045%	a,b,c
<u>Martins Creek #3 & #4 SES</u>					
310.0 Land and Land Rights	Non-Depreciable		Non-Depreciable		
311.0 Structures and Improvements	R4-080 *	2.940%	S2-095 *	3.078%	b,c
312.0 Boiler Plant Equipment	S0-055 *	3.253%	L0-060 *	3.819%	b,c
314.0 Turbo-Generator Units	S0-060 *	3.215%	R2-057 *	4.065%	b,c
315.0 Accessory Electric Equipment	R3-065 *	2.994%	S0-090 *	3.101%	b,c
316.0 Misc Power Plant Equipment	R2-050 *	3.156%	R2-042 *	3.698%	b,c

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	<u>change</u>
<u>Brunner Island SES</u>					
310.0	Non-Depreciable		Non-Depreciable		
311.0	R4-080 *	3.947%	S2-095 *	3.066%	b,c
312.0	S0-055 *	4.259%	L0-060 *	3.733%	b,c
314.0	S0-060 *	3.342%	R2-057 *	3.522%	b,c
315.0	R3-065 *	4.422%	S0-090 *	2.608%	b,c
316.0	R2-050 *	4.059%	R2-042 *	2.994%	b,c
<u>Conemaugh SES</u>					
310.0	Non-Depreciable		Non-Depreciable		
311.0	R4-080 *	3.029%	S2-095 *	3.616%	a,b,c
312.0	S0-055 *	3.412%	L0-060 *	5.189%	a,b,c
314.0	S0-060 *	3.311%	R2-057 *	2.816%	a,b,c
315.0	R3-065 *	3.211%	S0-090 *	2.330%	a,b,c
316.0	R2-050 *	3.493%	R2-042 *	4.868%	a,b,c
<u>Keystone SES</u>					
310.0	Non-Depreciable		Non-Depreciable		
311.0	R4-080 *	3.474%	S2-095 *	3.641%	a,b,c
312.0	S0-055 *	3.580%	L0-060 *	4.542%	a,b,c
314.0	S0-060 *	3.566%	R2-057 *	4.165%	a,b,c
315.0	R3-065 *	3.159%	S0-090 *	2.173%	a,b,c
316.0	R2-050 *	3.657%	R2-042 *	5.754%	a,b,c
<u>Montour SES</u>					
310.0	Non-Depreciable		Non-Depreciable		
311.0	R4-080 *	3.102%	S2-095 *	2.365%	b,c
312.0	S0-055 *	3.361%	L0-060 *	3.290%	b,c
314.0	S0-060 *	3.182%	R2-057 *	3.056%	b,c
315.0	R3-065 *	3.083%	S0-090 *	2.250%	b,c
316.0	R2-050 *	3.344%	R2-042 *	3.108%	b,c

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	
<u>Holtwood SES</u>					
310.0	Non-Depreciable		Non-Depreciable		
311.0	R4-080 *	4.615%	S2-095 *	3.763%	a,b,c
312.0	S0-055 *	5.443%	L0-060 *	4.839%	a,b,c
314.0	S0-060 *	3.294%	R2-057 *	5.198%	a,b,c
315.0	R3-065 *	4.068%	S0-090 *	2.316%	a,b,c
316.0	R2-050 *	6.337%	R2-042 *	7.755%	a,b,c

Nuclear Production

<u>Susquehanna SES Unit #1</u>					
321.0	Structures and Improvements	Modified sinking fund	S2-095 *	3.735%	f
322.0	Reactor Plant Equipment	Modified sinking fund	R1-065 *	3.992%	f
323.0	Turbo-Generator Units	Modified sinking fund	R2-057 *	3.855%	f
324.0	Accessory Electric Equipment	Modified sinking fund	S0-090 *	3.873%	f
325.0	Misc Power Plant Equipment	Modified sinking fund	R2-042 *	4.090%	f
 <u>Susquehanna SES Unit #2</u>					
321.0	Structures and Improvements	Modified sinking fund	S2-095 *	3.520%	f
322.0	Reactor Plant Equipment	Modified sinking fund	R1-065 *	3.782%	f
323.0	Turbo-Generator Units	Modified sinking fund	R2-057 *	3.713%	f
324.0	Accessory Electric Equipment	Modified sinking fund	S0-090 *	3.663%	f
325.0	Misc Power Plant Equipment	Modified sinking fund	R2-042 *	3.884%	f

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	
<u>Susquehanna SES Common</u>					
320.2	Land	Non-Depreciable	Non-Depreciable		
320.4	Land Rights	Modified sinking fund	R5-100 *	3.509%	f
321.0	Structures and Improvements	Modified sinking fund	S2-095 *	3.519%	f
322.0	Reactor Plant Equipment	Modified sinking fund	R1-065 *	3.781%	f
323.0	Turbo-Generator Units	Modified sinking fund	R2-057 *	3.679%	f
324.0	Accessory Electric Equipment	Modified sinking fund	S0-090 *	3.662%	f
325.0	Misc Power Plant Equipment	Modified sinking fund	R2-042 *	3.838%	f

Hydro Production

<u>Wallenpaupack HES</u>					
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable		
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable		
331.2	Structures and Improvements - Other	R1-070	1.429%	R1-098 *	1.724% a,d
331.4	Structures and Improvements - Rec Fac	R3-020	5.000%	L1-074 *	1.058% a,d
332.2	Resv, Dam, Waterway - Flow Line	R3-070	1.429%	R3-100 *	1.166% a,d
332.4	Resv, Dam, Waterway - Other	R4-100	1.000%	R4-100 *	1.739% d
333.0	Water Wheels, Turbines and Generators	S1-060	1.667%	R1-084 *	0.596% a,d
334.0	Accessory Electric Equipment	R1-055	1.818%	R1-082 *	1.772% a,d
335.2	Misc Power Plant Equipment - Other	R1-065	1.538%	R1-091 *	0.905% a,d
335.4	Misc Power Plant Equipment - Rec Fac	R1-015	6.667%	L0-039 *	2.533% a,d
336.0	Roads, Railroads and Bridges	R4-100	1.000%	R4-100 *	2.229% d

<u>Holtwood HES</u>					
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable		
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable		
331.2	Structures and Improvements - Other	R1-070	1.429%	R1-098 *	1.401% a,d
331.4	Structures and Improvements - Rec Fac	R3-020	5.000%	L1-074 *	0.457% a,d
332.4	Resv, Dam, Waterway - Other	R4-100	1.000%	R4-100 *	1.579% d
333.0	Water Wheels, Turbines and Generators	S1-060	1.667%	R1-084 *	1.987% a,d

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	
334.0 Accessory Electric Equipment	R1-055	1.818%	R1-082 *	2.198%	a,d
335.2 Misc Power Plant Equipment - Other	R1-065	1.538%	R1-091 *	1.945%	a,d
335.4 Misc Power Plant Equipment - Rec Fac	R1-015	6.667%	L0-039 *	0.992%	a,d
336.0 Roads, Railroads and Bridges	R4-100	1.000%	R4-100 *	0.251%	d

Other Production

Allentown C/T

341.0 Structures and Improvements	R4-080 *	10.001%	R4-080 *	34.826%
342.0 Fuel Holders, Producers and Accessories	S2-065 *	6.097%	S2-065 *	6.626%
343.0 Prime Movers	R4-070 *	4.023%	R4-070 *	2.298%
344.0 Generators	R4-070 *	4.005%	R4-070 *	3.140%
345.0 Accessory Electric Equipment	R3-065 *	4.146%	R3-065 *	1.454%
346.0 Misc Power Plant Equipment	R2-050 *	5.774%	R2-050 *	5.639%

Harwood C/T

341.0 Structures and Improvements	R4-080 *	7.739%	R4-080 *	1.278%
342.0 Fuel Holders, Producers and Accessories	S2-065 *	8.002%	S2-065 *	2.089%
343.0 Prime Movers	R4-070 *	4.176%	R4-070 *	1.516%
344.0 Generators	R4-070 *	4.005%	R4-070 *	4.703%
345.0 Accessory Electric Equipment	R3-065 *	4.199%	R3-065 *	1.598%
346.0 Misc Power Plant Equipment	R2-050 *	4.716%	R2-050 *	1.934%

Pennsylvania Power & Light Company

		-----Most recent filing-----		-----Current filing-----	
		<u>Life</u>	<u>Rate</u>	<u>Life</u>	<u>Rate</u>
<u>Williamsport C/T</u>					
341.0	Structures and Improvements	R4-080 *	4.691%	R4-080 *	0.000%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	6.289%	S2-065 *	1.787%
343.0	Prime Movers	R4-070 *	4.307%	R4-070 *	2.979%
344.0	Generators	R4-070 *	4.005%	R4-070 *	5.098%
345.0	Accessory Electric Equipment	R3-065 *	4.182%	R3-065 *	6.309%
346.0	Misc Power Plant Equipment	R2-050 *	4.569%	R2-050 *	26.844%
 <u>Harrisburg C/T</u>					
341.0	Structures and Improvements	R4-080 *	8.335%	R4-080 *	2.231%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	5.937%	S2-065 *	1.563%
343.0	Prime Movers	R4-070 *	4.478%	R4-070 *	3.172%
344.0	Generators	R4-070 *	4.005%	R4-070 *	4.044%
345.0	Accessory Electric Equipment	R3-065 *	4.155%	R3-065 *	1.500%
346.0	Misc Power Plant Equipment	R2-050 *	5.088%	R2-050 *	22.078%
 <u>Jenkins C/T</u>					
341.0	Structures and Improvements	R4-080 *	4.857%	R4-080 *	0.514%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	7.161%	S2-065 *	6.705%
343.0	Prime Movers	R4-070 *	4.024%	R4-070 *	2.303%
344.0	Generators	R4-070 *	4.005%	R4-070 *	4.472%
345.0	Accessory Electric Equipment	R3-065 *	4.186%	R3-065 *	2.314%
346.0	Misc Power Plant Equipment	R2-050 *	4.726%	R2-050 *	3.464%
 <u>Sunbury (D) C/T</u>					
342.0	Fuel Holders, Producers and Accessories	S2-065 *	3.066%	S2-065 *	0.000%
343.0	Prime Movers	R4-070 *	3.040%	R4-070 *	2.729%
344.0	Generators	R4-070 *	3.040%	R4-070 *	0.196%
345.0	Accessory Electric Equipment	R3-065 *	3.172%	R3-065 *	1.408%
346.0	Misc Power Plant Equipment	R2-050 *	3.248%	R2-050 *	0.000%

Pennsylvania Power & Light Company

		-----Most recent filing-----		-----Current filing-----		Reason for
		Curve	Rate	Curve	Rate	accrual rate change
<u>Sunbury C/T</u>						
341.0	Structures and Improvements	R4-080 *	3.616%	R4-080 *	1.523%	
342.0	Fuel Holders, Producers and Accessories	S2-065 *	4.963%	S2-065 *	5.588%	
343.0	Prime Movers	R4-070 *	3.455%	R4-070 *	1.050%	
345.0	Accessory Electric Equipment	R3-065 *	3.761%	R3-065 *	1.780%	
346.0	Misc Power Plant Equipment	R2-050 *	4.160%	R2-050 *	3.077%	
<u>Martins Creek (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	S2-065 *	3.593%	S2-065 *	0.514%	
343.0	Prime Movers	R4-070 *	3.578%	R4-070 *	0.477%	
344.0	Generators	R4-070 *	3.578%	R4-070 *	0.472%	
345.0	Accessory Electric Equipment	R3-065 *	3.682%	R3-065 *	0.699%	
346.0	Misc Power Plant Equipment	R2-050 *	5.190%	R2-050 *	2.120%	
<u>Martins Creek C/T</u>						
341.0	Structures and Improvements	R4-080 *	4.317%	R4-080 *	1.163%	
342.0	Fuel Holders, Producers and Accessories	S2-065 *	5.941%	S2-065 *	2.177%	
343.0	Prime Movers	R4-070 *	4.171%	R4-070 *	1.022%	
345.0	Accessory Electric Equipment	R3-065 *	4.201%	R3-065 *	1.008%	
346.0	Misc Power Plant Equipment	R2-050 *	5.373%	R2-050 *	1.991%	
<u>Brunner Island (D) C/T</u>						
342.0	Fuel Holders, Producers and Accessories	S2-065 *	3.158%	S2-065 *	1.133%	
343.0	Prime Movers	R4-070 *	3.134%	R4-070 *	0.846%	
344.0	Generators	R4-070 *	3.134%	R4-070 *	0.839%	
345.0	Accessory Electric Equipment	R3-065 *	3.175%	R3-065 *	0.813%	
346.0	Misc Power Plant Equipment	R2-050 *	3.336%	R2-050 *	2.717%	
<u>Conemaugh (D) C/T</u>						
344.0	Generators	R4-070 *	2.879%	R4-070 *	1.617%	
345.0	Accessory Electric Equipment	R3-065 *	2.914%	R3-065 *	1.581%	

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	Curve	Rate	Curve	Rate	
<u>Keystone (D) C/T</u>					
342.0	Fuel Holders, Producers and Accessories	S2-065 *	2.985%	S2-065 *	1.372%
344.0	Generators	R4-070 *	2.952%	R4-070 *	1.383%
345.0	Accessory Electric Equipment	R3-065 *	3.114%	R3-065 *	1.549%
 <u>Fishbach C/T</u>					
340.0	Land and Land Rights	Non-Depreciable		Non-Depreciable	
341.0	Structures and Improvements	R4-080 *	4.486%	R4-080 *	1.427%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	5.623%	S2-065 *	2.034%
343.0	Prime Movers	R4-070 *	4.282%	R4-070 *	1.976%
344.0	Generators	R4-070 *	4.005%	R4-070 *	1.289%
345.0	Accessory Electric Equipment	R3-065 *	4.130%	R3-065 *	2.014%
346.0	Misc Power Plant Equipment	R2-050 *	5.104%	R2-050 *	2.455%
 <u>West Shore C/T</u>					
341.0	Structures and Improvements	R4-080 *	4.026%	R4-080 *	2.472%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	5.609%	S2-065 *	4.608%
343.0	Prime Movers	R4-070 *	4.227%	R4-070 *	1.467%
344.0	Generators	R4-070 *	4.005%	R4-070 *	1.310%
345.0	Accessory Electric Equipment	R3-065 *	4.213%	R3-065 *	1.539%
346.0	Misc Power Plant Equipment	R2-050 *	5.036%	R2-050 *	3.174%
 <u>Lock Haven C/T</u>					
340.0	Land and Land Rights	Non-Depreciable		Non-Depreciable	
341.0	Structures and Improvements	R4-080 *	4.058%	R4-080 *	1.326%
342.0	Fuel Holders, Producers and Accessories	S2-065 *	5.527%	S2-065 *	1.514%
343.0	Prime Movers	R4-070 *	4.217%	R4-070 *	1.476%
344.0	Generators	R4-070 *	4.010%	R4-070 *	7.358%
345.0	Accessory Electric Equipment	R3-065 *	4.220%	R3-065 *	1.641%
346.0	Misc Power Plant Equipment	R2-050 *	5.046%	R2-050 *	3.016%

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	
<u>Transmission</u>					
350.2 Land	Non-Depreciable		Non-Depreciable		
350.4 Land Rights	R4-080	1.250%	R3-065	1.705%	a
352.0 Structures and Improvements	R3-065	1.538%	L3-057	1.828%	a
353.0 Station Equipment	S1-050	2.000%	R3-044	2.537%	a
354.0 Towers and Fixtures	R3-045	2.222%	R3-055	1.540%	a
354.2 Clearing Land and R/W - Towers	R3-050	2.000%	R3-065	1.211%	a
355.0 Poles and Fixtures	R3-040	2.500%	R1-048	1.690%	a
355.2 Clearing Land and R/W - Poles	R3-040	2.500%	R3-065	1.249%	a
356.0 Overhead Conductors and Devices	R2-040	2.500%	R4-045	2.131%	a
359.0 Roads and Trails	R4-060	1.667%	R3-065	1.544%	a
<u>Distribution</u>					
360.2 Land	Non-Depreciable		Non-Depreciable		
360.4 Land Rights	S3-041	2.439%	L4-050	1.844%	a
361.0 Structures and Improvements	R1-035	2.857%	R2-055	1.393%	a
362.0 Station Equipment	R1-035	2.857%	R1-048	1.755%	a
364.2 Towers and Fixtures	R1-034	2.941%	R3-055	1.635%	a
364.4 Poles and Fixtures	R1-034	2.941%	R1-043	1.998%	a
364.6 Clearing Land and R/W - Towers	R1-034	2.941%	L4-050	1.798%	a
364.8 Clearing Land and R/W - Poles	R1-034	2.941%	L4-050	1.743%	a
365.0 Overhead Conductors and Devices	R2-027	3.704%	R2-033	2.638%	a
366.0 Underground Conduit	S2-060	1.667%	S3-058	1.792%	a
367.0 Underground Conductors and Devices	R3-035	2.857%	R4-027	4.110%	a
368.2 Transformers - Overhead Type	S1-029	3.448%	S2-034	2.748%	a
368.4 Transformers - Submersible or Pad Mounted	R2-025	4.000%	L1-048	1.630%	a
368.6 Transformers - Non-Network Housing	R2-035	2.857%	S5-035	3.557%	a
369.0 Services	R2-018	5.556%	R2-025	2.997%	a
370.0 Meters	R3-030	3.333%	R2-028	3.671%	a
371.2 Installations on Customers Premises			R1-048	1.953%	e
371.4 Area Lighting Fixtures	L1-010	10.000%	L1-015	3.000%	a
373.2 Street Lighting and Signal Systems	S2-018	5.556%	S2-020	4.481%	a

Pennsylvania Power & Light Company

	-----Most recent filing-----		-----Current filing-----		Reason for accrual rate change
	<u>Curve</u>	<u>Rate</u>	<u>Curve</u>	<u>Rate</u>	
<u>General Plant</u>					
389.0	Land and Land Rights	Non-Depreciable		Non-Depreciable	
390.2	Structures and Improvements - Buildings	S0-040	2.500%	S0-057	1.527% a
390.4	Structures and Improvements - Air Cond. Eq	R3-020	5.000%	R2-040	1.214% a
391.2	Office Furniture and Equipment - Furniture	R2-034	2.941%	20	5.000% g
391.4	Office Furniture and Equipment - Mech Equi	L1-020	5.000%	15	6.667% g
391.6	Computer Equipment - General			10	10.000% e,g
391.8	Computer Equipment - Power Mgmt System			S4-007	14.455% e
392.4	Transportation Equipment - Trailers	S0-035	2.857%	L1-022	1.657% a
393.0	Stores Equipment	S1-030	3.333%	30	3.333% g
394.0	Tools & Work Equipment - L&S Line Crews	R3-045	2.222%	20	5.000% g
394.4	Tools & Work Equipment - Const Dept	S0-034	2.941%	20	5.000% g
394.6	Tools & Work Equipment - Other	R2-039	2.564%	20	5.000% g
394.8	Transportation Equipment - Garage Equipm	L0-025	4.000%	20	5.000% g
395.0	Laboratory Equipment	R4-045	2.222%	15	6.667% g
397.0	Communication Equipment	L0-018	5.556%	S1-022	4.119% a
398.0	Miscellaneous Equipment	L2-038	2.632%	25	4.000% g

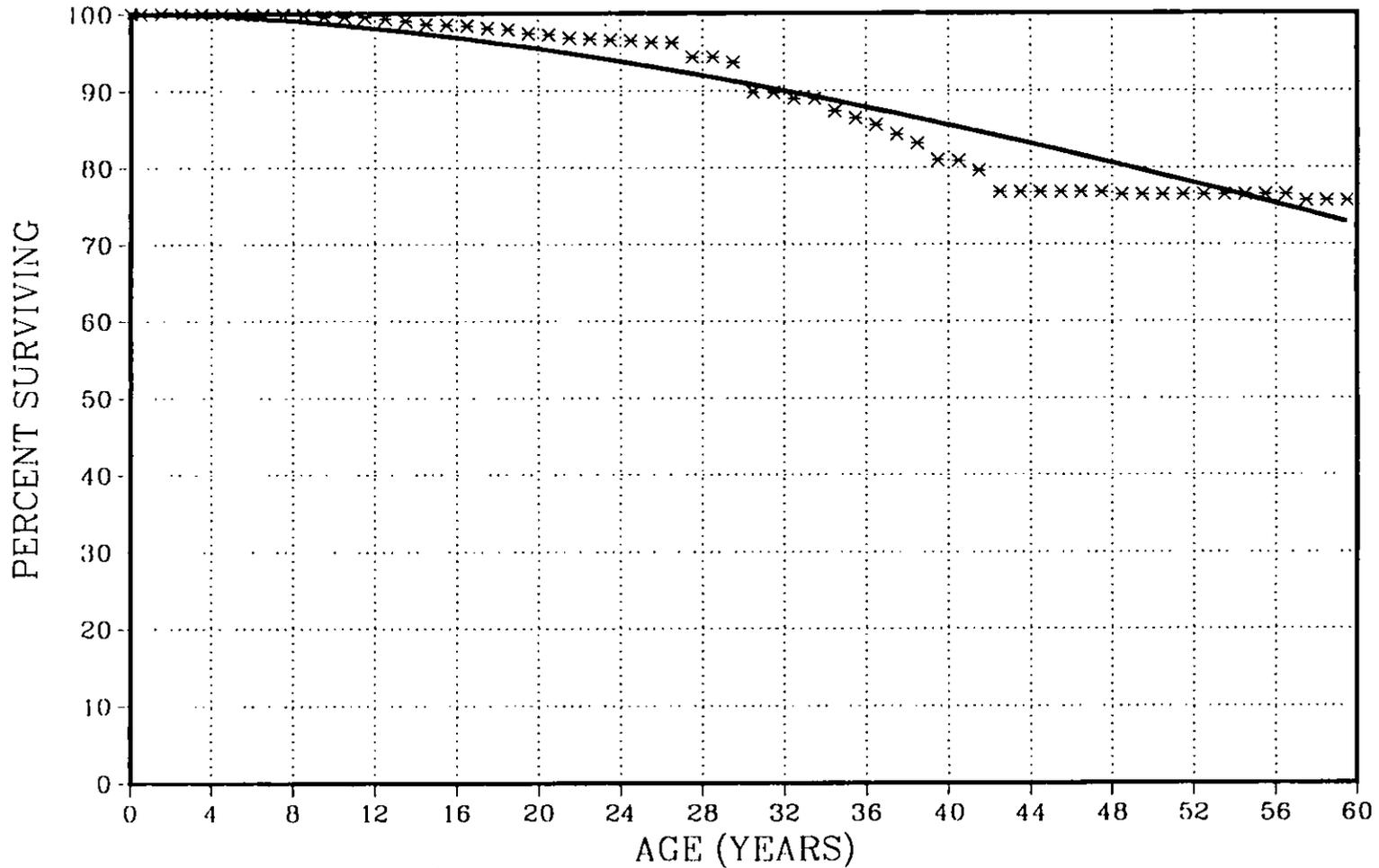
* Interim survivor curve

Reasons for change in annual accrual rate

- a Life study indicates new life characteristics
- b Effect of plant additions on life-spanned account
- c Revised deactivation date
- d Change from broad-group account to life-span
- e New account
- f Remaining life used for vintages added after 1988; modified sinking fund used for vintages before 1989
- g Amortize account

- Q.1. Where the retirement rate actuarial method of mortality analysis is utilized, set forth representative examples including charts depicting the observed and estimated survivor curves and a tabular presentation of the observed and estimated life tables plotted on the chart. Other analysis results shall be subject to request.
- A.1. Attachment V-C-1 provides the observed and estimated survivor curves and observed and estimated life tables for typical accounts 315.0, Steam Productions Plant - Boiler Plant Equipment (a life-spanned account) and 362.0 Distribution Plant - Station Equipment (an average life-group account). In addition, all survivor curves and life tables for accounts analyzed by the actuarial method are provided in Exhibit DSH 2.

ACCOUNT 3150 – ACCESSORY ELECTRIC EQUIPMENT
 BASED ON 1982 – 1991 BAND OF YEARS
 VINTAGES FROM 1880 TO 1991



— IOWA CURVE S0 90
 * * * ACTUARIAL LIFE TABLE

PENNSYLVANIA POWER & LIGHT COMPANY
 ACTUARIAL METHOD OF LIFE ANALYSIS USING DOLLAR RETIREMENTS
 ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

STUDY NO. 0

PLACEMENT BAND 1880-1991
 EXPERIENCE BAND 1982-1991

AGE INTERVAL	DOLLARS IN SERVICE AT BEGINNING OF INTERVAL	DOLLARS RETIRED DURING INTERVAL	ANNUAL RETIREMENT RATE PERCENT	ANNUAL SURVIVOR RATE PERCENT	SURVIVORS AT BEGINNING OF INTERVAL PERCENT
0.0- 0.5	42,342,905	0	0.000	100.000	100.000
0.5- 1.5	36,797,771	0	0.000	100.000	100.000
1.5- 2.5	41,788,559	16,900	0.040	99.960	100.000
2.5- 3.5	39,691,666	0	0.000	100.000	99.960
3.5- 4.5	35,227,196	0	0.000	100.000	99.960
4.5- 5.5	48,087,402	0	0.000	100.000	99.960
5.5- 6.5	46,853,875	23,454	0.050	99.950	99.960
6.5- 7.5	62,688,199	34,988	0.056	99.944	99.910
7.5- 8.5	61,407,379	0	0.000	100.000	99.854
8.5- 9.5	66,263,602	150,019	0.226	99.774	99.854
9.5- 10.5	71,157,736	3,933	0.006	99.994	99.628
10.5- 11.5	69,199,999	60,413	0.087	99.913	99.622
11.5- 12.5	61,101,922	145,497	0.238	99.762	99.535
12.5- 13.5	62,110,537	142,917	0.230	99.770	99.298
13.5- 14.5	61,160,392	252,105	0.412	99.588	99.070
14.5- 15.5	46,628,284	55,476	0.119	99.881	98.661
15.5- 16.5	45,103,880	52,552	0.117	99.883	98.544
16.5- 17.5	26,651,198	81,333	0.305	99.695	98.429
17.5- 18.5	25,701,630	47,582	0.185	99.815	98.129
18.5- 19.5	18,640,158	103,703	0.556	99.444	97.947
19.5- 20.5	8,039,347	11,792	0.147	99.853	97.402
20.5- 21.5	9,290,410	41,975	0.452	99.548	97.259
21.5- 22.5	8,185,173	9,264	0.113	99.887	96.820
22.5- 23.5	5,258,039	8,560	0.163	99.837	96.710
23.5- 24.5	4,799,275	1,889	0.039	99.961	96.553
24.5- 25.5	3,895,656	8,229	0.211	99.789	96.515
25.5- 26.5	4,728,055	4,087	0.086	99.914	96.311
26.5- 27.5	3,371,688	63,682	1.889	98.111	96.228
27.5- 28.5	5,354,842	0	0.000	100.000	94.410
28.5- 29.5	6,721,949	50,621	0.753	99.247	94.410
29.5- 30.5	6,665,564	278,304	4.175	95.825	93.699
30.5- 31.5	5,903,044	2,417	0.041	99.959	89.787
31.5- 32.5	5,889,009	51,733	0.878	99.122	89.750
32.5- 33.5	9,281,718	4,100	0.044	99.956	88.962
33.5- 34.5	9,298,455	165,093	1.775	98.225	88.923
34.5- 35.5	9,087,486	90,626	0.997	99.003	87.344
35.5- 36.5	8,212,059	83,650	1.019	98.981	86.473
36.5- 37.5	8,118,080	113,920	1.403	98.597	85.592
37.5- 38.5	5,693,796	78,254	1.374	98.626	84.391
38.5- 39.5	4,450,951	119,734	2.690	97.310	83.231
39.5- 40.5	4,331,141	5,143	0.119	99.881	80.992
40.5- 41.5	3,270,252	50,778	1.553	98.447	80.896
41.5- 42.5	3,220,090	114,204	3.547	96.453	79.640
42.5- 43.5	48,595	0	0.000	100.000	76.815
43.5- 44.5	29,803	0	0.000	100.000	76.815
44.5- 45.5	29,992	0	0.000	100.000	76.815
45.5- 46.5	29,319	0	0.000	100.000	76.815
46.5- 47.5	29,267	0	0.000	100.000	76.815
47.5- 48.5	25,524	106	0.415	99.585	76.815
48.5- 49.5	19,200	0	0.000	100.000	76.496
49.5- 50.5	8,146	0	0.000	100.000	76.496
50.5- 51.5	8,023	0	0.000	100.000	76.496
51.5- 52.5	14,216	0	0.000	100.000	76.496
52.5- 53.5	14,797	0	0.000	100.000	76.496
53.5- 54.5	13,020	0	0.000	100.000	76.496
54.5- 55.5	152,708	0	0.000	100.000	76.496
55.5- 56.5	152,687	0	0.000	100.000	76.496

PENNSYLVANIA POWER & LIGHT COMPANY
 ACTUARIAL METHOD OF LIFE ANALYSIS USING DOLLAR RETIREMENTS
 ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

STUDY NO. 0

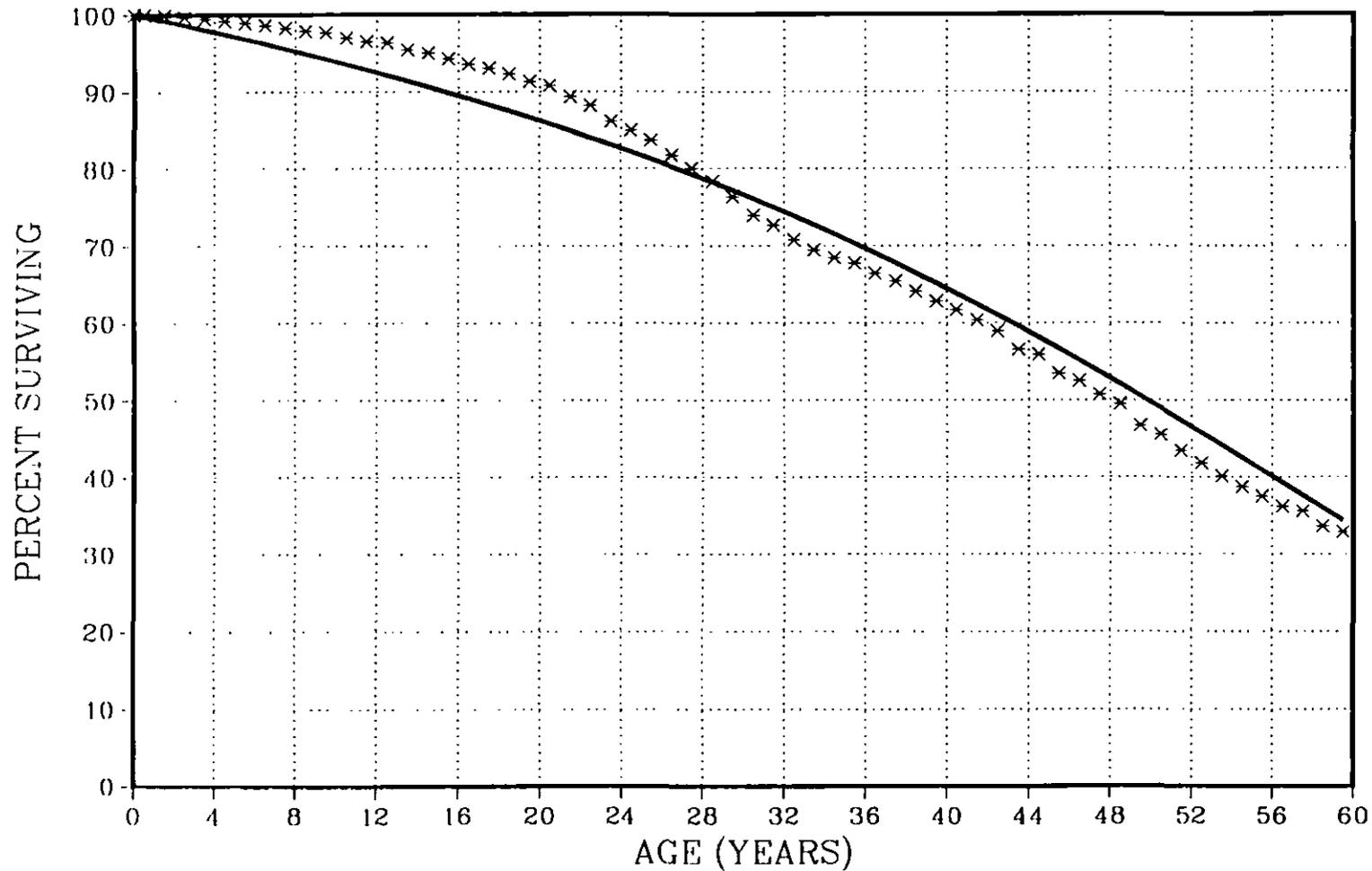
PLACEMENT BAND 1880-1991
 EXPERIENCE BAND 1982-1991

AGE INTERVAL	DOLLARS IN SERVICE AT BEGINNING OF INTERVAL	DOLLARS RETIRED DURING INTERVAL	ANNUAL RETIREMENT RATE PERCENT	ANNUAL SURVIVOR RATE PERCENT	SURVIVORS AT BEGINNING OF INTERVAL PERCENT
56.5- 57.5	228,101	2,448	1.073	98.927	76.496
57.5- 58.5	225,563	0	0.000	100.000	75.675
58.5- 59.5	225,557	0	0.000	100.000	75.675
59.5- 60.5	223,372	8,470	3.792	96.208	75.675
60.5- 61.5	214,332	0	0.000	100.000	72.806
61.5- 62.5	205,465	0	0.000	100.000	72.806
62.5- 63.5	204,558	0	0.000	100.000	72.806
63.5- 64.5	204,290	0	0.000	100.000	72.806
64.5- 65.5	64,496	0	0.000	100.000	72.806
65.5- 66.5	64,496	0	0.000	100.000	72.806
66.5- 67.5	0	0	0.000	100.000	72.806
TOTALS	1,114,105,896	2,539,951	0.228		

DATA AFTER AGE INTERVAL 66.5-67.5 WILL NOT BE CONSIDERED IN AVERAGE LIFE DETERMINATION.

AVERAGE AGE OF RETIREMENTS 24.5 YEARS

ACCOUNT 3620 - STATION EQUIPMENT
 BASED ON 1972 - 1991 BAND OF YEARS
 VINTAGES FROM 1880 TO 1991



—— IOWA CURVE R1 48
 * * * ACTUARIAL LIFE TABLE

PENNSYLVANIA POWER & LIGHT COMPANY
 ACTUARIAL METHOD OF LIFE ANALYSIS USING DOLLAR RETIREMENTS
 ACCOUNT 3620 STATION EQUIPMENT

STUDY NO. 0

PLACEMENT BAND 1880-1991
 EXPERIENCE BAND 1972-1991

AGE INTERVAL	DOLLARS IN SERVICE AT BEGINNING OF INTERVAL	DOLLARS RETIRED DURING INTERVAL	ANNUAL RETIREMENT RATE PERCENT	ANNUAL SURVIVOR RATE PERCENT	SURVIVORS AT BEGINNING OF INTERVAL PERCENT
0.0- 0.5	165,908,572	88,061	0.053	99.947	100.000
0.5- 1.5	167,693,058	126,046	0.075	99.925	99.947
1.5- 2.5	161,152,613	333,263	0.207	99.793	99.872
2.5- 3.5	159,479,928	317,900	0.199	99.801	99.665
3.5- 4.5	158,838,548	458,150	0.288	99.712	99.467
4.5- 5.5	155,879,465	397,559	0.255	99.745	99.180
5.5- 6.5	151,220,327	501,960	0.332	99.668	98.927
6.5- 7.5	146,151,967	540,904	0.370	99.630	98.598
7.5- 8.5	141,840,531	543,534	0.383	99.617	98.233
8.5- 9.5	140,283,891	297,882	0.212	99.788	97.857
9.5- 10.5	133,684,537	963,517	0.721	99.279	97.649
10.5- 11.5	123,447,594	556,780	0.451	99.549	96.945
11.5- 12.5	112,350,222	227,748	0.203	99.797	96.508
12.5- 13.5	105,054,472	965,103	0.919	99.081	96.313
13.5- 14.5	100,752,069	455,788	0.452	99.548	95.428
14.5- 15.5	89,722,610	683,909	0.762	99.238	94.996
15.5- 16.5	87,044,840	642,519	0.738	99.262	94.272
16.5- 17.5	74,469,385	431,990	0.580	99.420	93.576
17.5- 18.5	67,124,319	553,738	0.825	99.175	93.033
18.5- 19.5	57,578,792	607,287	1.055	98.945	92.266
19.5- 20.5	50,229,668	273,370	0.544	99.456	91.293
20.5- 21.5	43,385,434	698,500	1.610	98.390	90.796
21.5- 22.5	41,073,358	533,987	1.300	98.700	89.334
22.5- 23.5	40,257,703	918,071	2.280	97.720	88.173
23.5- 24.5	36,286,788	497,576	1.371	98.629	86.162
24.5- 25.5	31,774,275	485,141	1.527	98.473	84.980
25.5- 26.5	30,322,306	695,384	2.293	97.707	83.683
26.5- 27.5	28,602,365	597,104	2.088	97.912	81.764
27.5- 28.5	27,236,672	587,342	2.156	97.844	80.057
28.5- 29.5	26,073,464	646,923	2.481	97.519	78.330
29.5- 30.5	25,389,917	797,275	3.140	96.860	76.387
30.5- 31.5	24,585,916	418,441	1.702	98.298	73.988
31.5- 32.5	23,667,917	628,750	2.657	97.343	72.729
32.5- 33.5	22,291,886	404,092	1.813	98.187	70.797
33.5- 34.5	21,887,856	332,210	1.518	98.482	69.514
34.5- 35.5	21,191,278	208,635	0.985	99.015	68.459
35.5- 36.5	19,561,433	375,082	1.917	98.083	67.785
36.5- 37.5	19,873,943	312,445	1.572	98.428	66.485
37.5- 38.5	17,025,657	332,775	1.955	98.045	65.440
38.5- 39.5	15,236,675	309,522	2.031	97.969	64.161
39.5- 40.5	14,239,209	256,686	1.803	98.197	62.857
40.5- 41.5	11,796,046	253,477	2.149	97.851	61.724
41.5- 42.5	11,080,294	259,744	2.344	97.656	60.398
42.5- 43.5	7,543,730	311,606	4.131	95.869	58.982
43.5- 44.5	7,200,003	77,135	1.071	98.929	56.546
44.5- 45.5	7,530,177	328,018	4.356	95.644	55.940
45.5- 46.5	7,558,118	138,164	1.828	98.172	53.503
46.5- 47.5	7,784,649	257,065	3.302	96.698	52.525
47.5- 48.5	8,331,487	204,438	2.454	97.546	50.790
48.5- 49.5	8,445,263	479,438	5.677	94.323	49.544
49.5- 50.5	8,261,706	204,240	2.472	97.528	46.732
50.5- 51.5	7,935,389	360,882	4.548	95.452	45.576
51.5- 52.5	7,486,357	289,808	3.871	96.129	43.504
52.5- 53.5	7,218,267	294,692	4.083	95.917	41.819
53.5- 54.5	6,592,685	223,050	3.383	96.617	40.112
54.5- 55.5	5,993,290	192,458	3.211	96.789	38.755
55.5- 56.5	5,697,260	199,945	3.509	96.491	37.511

PENNSYLVANIA POWER & LIGHT COMPANY
 ACTUARIAL METHOD OF LIFE ANALYSIS USING DOLLAR RETIREMENTS
 ACCOUNT 3620 STATION EQUIPMENT

STUDY NO. 0

PLACEMENT BAND 1880-1991
 EXPERIENCE BAND 1972-1991

AGE INTERVAL	DOLLARS IN SERVICE AT BEGINNING OF INTERVAL	DOLLARS RETIRED DURING INTERVAL	ANNUAL RETIREMENT RATE PERCENT	ANNUAL SURVIVOR RATE PERCENT	SURVIVORS AT BEGINNING OF INTERVAL PERCENT
56.5-57.5	4,674,411	78,368	1.677	98.323	36.194
57.5-58.5	4,550,535	249,950	5.493	94.507	35.587
58.5-59.5	4,216,708	91,413	2.168	97.832	33.633
59.5-60.5	4,028,863	264,689	6.570	93.430	32.903
60.5-61.5	3,560,466	102,206	2.871	97.129	30.742
61.5-62.5	3,021,227	74,591	2.469	97.531	29.859
62.5-63.5	2,745,447	142,067	5.175	94.825	29.122
63.5-64.5	2,216,507	36,962	1.668	98.332	27.615
64.5-65.5	1,669,475	64,743	3.878	96.122	27.155
65.5-66.5	1,297,704	48,125	3.708	96.292	26.102
66.5-67.5	1,043,900	107,265	10.275	89.725	25.134
67.5-68.5	673,138	7,709	1.145	98.855	22.551
68.5-69.5	521,996	11,043	2.116	97.884	22.293
69.5-70.5	243,793	2,645	1.085	98.915	21.821
70.5-71.5	223,092	694	0.311	99.689	21.584
71.5-72.5	203,899	5,579	2.736	97.264	21.517
72.5-73.5	186,484	10,559	5.662	94.338	20.929
73.5-74.5	173,005	200	0.116	99.884	19.744
74.5-75.5	154,915	317	0.205	99.795	19.721
75.5-76.5	154,156	62,081	40.272	59.728	19.680
76.5-77.5	91,066	309	0.339	99.661	11.755
77.5-78.5	24,344	0	0.000	100.000	11.715
78.5-79.5	15,151	0	0.000	100.000	11.715
79.5-80.5	12,895	0	0.000	100.000	11.715
80.5-81.5	6,869	0	0.000	100.000	11.715
81.5-82.5	63	0	0.000	100.000	11.715
82.5-83.5	63	0	0.000	100.000	11.715
83.5-84.5	63	0	0.000	100.000	11.715
84.5-85.5	0	0	0.000	100.000	11.715
TOTALS	3,242,036,416	25,438,624	0.785		

DATA AFTER AGE INTERVAL 84.5-85.5 WILL NOT BE CONSIDERED IN AVERAGE LIFE DETERMINATION.

AVERAGE AGE OF RETIREMENTS 26.9 YEARS

Q.1. Provide the surviving original cost plant at the appropriate test year date or dates by account or functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with construction work in progress claims, if applicable.

A.1. Attachment V-D-1a provides Pennsylvania Power and Light Company's surviving original cost electric plant in service, accumulated book depreciation reserve and annual depreciation expense accruals.

No claim is being made in this rate case filing for contributions in aid of construction.

Calculation of customers' advances for construction are provided in Attachment V-D-1b.

Calculations of anticipated retirements and net retirements and plant associated with pollution control construction work in progress claim are provided in Attachment V-D-1c.

Pennsylvania Power & Light Company

		Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Intangible</u>				
301.0	Organization	476,252	Non-Depreciable	Non-Depreciable
302.0	Franchises and Consents	147,084	Non-Depreciable	Non-Depreciable
303.0	Misc Intang Plt - Other	22,055	Non-Depreciable	Non-Depreciable
303.2	Misc Intang Plt - Computer Software	<u>21,258,024</u>	<u>8,849,539</u>	<u>Amortize to O&M acct</u>
	Subtotal -- Intangible	21,903,415	8,849,539	0
 <u>Steam Production</u>				
	<u>Sunbury SES</u>			
310.0	Land and Land Rights	940,852	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	35,957,016	29,187,290	884,532
312.0	Boiler Plant Equipment	142,404,383	65,365,148	10,327,110
314.0	Turbo-Generator Units	62,129,568	20,050,755	5,536,730
315.0	Accessory Electric Equipment	23,617,374	10,552,660	1,708,473
316.0	Misc Power Plant Equipment	<u>3,881,835</u>	<u>1,853,066</u>	<u>280,335</u>
	Subtotal -- Sunbury SES	268,931,028	127,008,918	18,737,180
	 <u>Martins Creek #1 & #2 SES</u>			
310.0	Land and Land Rights	2,949,245	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	13,653,687	8,902,599	617,214
312.0	Boiler Plant Equipment	97,094,580	32,812,584	8,590,003
314.0	Turbo-Generator Units	49,085,028	12,609,941	4,771,306
315.0	Accessory Electric Equipment	12,329,047	5,445,266	898,953
316.0	Misc Power Plant Equipment	<u>2,091,545</u>	<u>849,696</u>	<u>168,271</u>
	Subtotal -- Martins Creek #1 & #2 SES	177,203,132	60,620,086	15,045,747
	 <u>Martins Creek #3 & #4 SES</u>			
310.0	Land and Land Rights	5,564	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	58,120,182	31,860,159	1,789,095
312.0	Boiler Plant Equipment	198,694,420	95,880,054	7,588,728
314.0	Turbo-Generator Units	126,826,279	53,611,289	5,155,067
315.0	Accessory Electric Equipment	35,719,968	19,920,813	1,107,679
316.0	Misc Power Plant Equipment	<u>5,556,116</u>	<u>2,763,398</u>	<u>205,460</u>
	Subtotal -- Martins Creek #3 & #4 SES	424,922,529	204,035,713	15,846,029

Pennsylvania Power & Light Company

	Original Cost 9/30/95	Claimed Depreciation Reserve 9/30/95	Annual Depreciation Accrual
<u>Brunner Island SES</u>			
310.0	1,743,263	Non-Depreciable	Non-Depreciable
311.0	56,234,413	24,149,619	1,723,916
312.0	330,387,510	120,054,474	12,331,826
314.0	110,338,792	41,262,546	3,886,230
315.0	24,832,217	13,175,346	647,656
316.0	<u>3,570,122</u>	<u>1,806,945</u>	<u>106,884</u>
	Subtotal -- Brunner Island SES	200,448,928	18,696,512
<u>Conemaugh SES</u>			
310.0	257,192	Non-Depreciable	Non-Depreciable
311.0	9,858,308	4,616,481	356,444
312.0	66,012,882	18,544,697	3,425,304
314.0	12,197,603	7,358,451	343,531
315.0	2,424,476	1,620,761	56,485
316.0	<u>1,056,682</u>	<u>338,187</u>	<u>51,437</u>
	Subtotal -- Conemaugh SES	32,478,577	4,233,201
<u>Keystone SES</u>			
310.0	500,592	Non-Depreciable	Non-Depreciable
311.0	9,854,625	5,650,689	358,764
312.0	35,279,668	17,529,959	1,602,444
314.0	13,314,652	6,986,987	554,493
315.0	2,600,866	1,953,718	56,515
316.0	<u>1,026,302</u>	<u>361,771</u>	<u>59,057</u>
	Subtotal -- Keystone SES	32,483,124	2,631,273
<u>Montour SES</u>			
310.0	4,175,204	Non-Depreciable	Non-Depreciable
311.0	43,086,165	21,157,995	1,018,783
312.0	256,169,943	93,542,509	8,428,980
314.0	120,067,642	45,357,637	3,669,008
315.0	26,345,777	14,115,211	592,693
316.0	<u>4,126,758</u>	<u>1,689,324</u>	<u>128,258</u>
	Subtotal -- Montour SES	175,862,674	13,837,722

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Holtwood SES</u>			
310.0	Land and Land Rights	160,092	Non-Depreciable
311.0	Structures and Improvements	11,791,281	8,385,607
312.0	Boiler Plant Equipment	39,718,413	25,439,763
314.0	Turbo-Generator Units	7,083,241	4,323,594
315.0	Accessory Electric Equipment	3,421,715	2,821,381
316.0	Misc Power Plant Equipment	<u>1,456,377</u>	<u>618,990</u>
	Subtotal -- Holtwood SES	63,631,119	41,589,334
	Subtotal -- Steam Production	2,070,149,462	874,527,354
			91,953,605

Nuclear Production

<u>Susquehanna SES Unit #1</u>			
321.0	Structures and Improvements	239,277,920	84,243,202
322.0	Reactor Plant Equipment	846,653,001	139,618,636
323.0	Turbo-Generator Units	247,435,368	38,456,216
324.0	Accessory Electric Equipment	154,796,745	46,283,595
325.0	Misc Power Plant Equipment	<u>9,106,418</u>	<u>9,507,743</u>
	Subtotal -- Susquehanna SES Unit #1	1,497,269,452	318,109,391
 <u>Susquehanna SES Unit #2</u>			
321.0	Structures and Improvements	225,302,507	76,704,964
322.0	Reactor Plant Equipment	849,698,839	124,727,354
323.0	Turbo-Generator Units	276,365,298	48,473,586
324.0	Accessory Electric Equipment	142,137,123	42,426,839
325.0	Misc Power Plant Equipment	<u>10,870,980</u>	<u>8,817,337</u>
	Subtotal -- Susquehanna SES Unit #2	1,504,374,747	301,150,080
			66,000,394

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Susquehanna SES Common</u>			
320.2	Land	5,503,445	Non-Depreciable
320.4	Land Rights	10,472,569	1,912,149
321.0	Structures and Improvements	445,596,117	57,874,187
322.0	Reactor Plant Equipment	176,093,931	94,945,523
323.0	Turbo-Generator Units	38,828,018	30,614,290
324.0	Accessory Electric Equipment	251,255,214	30,818,176
325.0	Misc Power Plant Equipment	<u>109,935,955</u>	<u>(5,574,938)</u>
	Subtotal -- Susquehanna SES Common	1,037,685,249	210,589,388
	Subtotal -- Nuclear Production	4,039,329,448	829,848,859
			181,920,269

Hydro Production

<u>Wallenpaupack HES</u>			
330.2	Land and Land Rights - Other	2,493,884	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	35,278	Non-Depreciable
331.2	Structures and Improvements - Other	1,725,898	731,133
331.4	Structures and Improvements - Rec Fac	1,707,692	1,104,702
332.2	Resv, Dam, Waterway - Flow Line	6,189,211	3,591,945
332.4	Resv, Dam, Waterway - Other	5,427,986	2,062,231
333.0	Water Wheels, Turbines and Generators	785,694	639,024
334.0	Accessory Electric Equipment	1,235,738	481,709
335.2	Misc Power Plant Equipment - Other	109,493	77,353
335.4	Misc Power Plant Equipment - Rec Fac	367,665	116,585
336.0	Roads, Railroads and Bridges	<u>167,902</u>	<u>48,784</u>
	Subtotal -- Wallenpaupack HES	20,246,441	8,853,466
			255,013
<u>Holtwood HES</u>			
330.2	Land and Land Rights - Other	2,052,792	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	205,046	Non-Depreciable
331.2	Structures and Improvements - Other	2,925,067	1,212,217
331.4	Structures and Improvements - Rec Fac	1,246,025	1,026,976
332.4	Resv, Dam, Waterway - Other	14,281,423	5,485,630
333.0	Water Wheels, Turbines and Generators	38,259,567	5,671,716
			760,275

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
334.0 Accessory Electric Equipment	24,793,841	1,067,151	545,002
335.2 Misc Power Plant Equipment - Other	2,581,811	409,575	50,222
335.4 Misc Power Plant Equipment - Rec Fac	105,994	77,179	1,051
336.0 Roads, Railroads and Bridges	<u>92,106</u>	<u>81,213</u>	<u>231</u>
Subtotal -- Holtwood HES	86,543,672	15,031,656	1,628,883
Subtotal -- Hydro Production	106,790,113	23,885,122	1,883,896

Other Production

<u>Allentown C/T</u>			
341.0 Structures and Improvements	603	(816)	210
342.0 Fuel Holders, Producers and Accessories	345,833	192,295	22,914
343.0 Prime Movers	3,201,444	2,706,833	73,583
344.0 Generators	1,396,479	1,101,676	43,849
345.0 Accessory Electric Equipment	520,125	469,729	7,564
346.0 Misc Power Plant Equipment	<u>31,068</u>	<u>19,441</u>	<u>1,752</u>
Subtotal -- Allentown C/T	5,495,552	4,489,158	149,872
0			
<u>Harwood C/T</u>			
0			
341.0 Structures and Improvements	8,531	7,794	109
342.0 Fuel Holders, Producers and Accessories	169,485	145,794	3,541
343.0 Prime Movers	1,712,645	1,538,192	25,966
344.0 Generators	769,977	526,328	36,211
345.0 Accessory Electric Equipment	319,723	285,673	5,109
346.0 Misc Power Plant Equipment	<u>8,995</u>	<u>7,857</u>	<u>174</u>
Subtotal -- Harwood C/T	2,989,356	2,511,637	71,110

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Williamsport C/T</u>			
341.0	22,716	23,139	0
342.0	140,047	123,343	2,502
343.0	2,014,312	1,610,928	60,003
344.0	897,032	589,312	45,727
345.0	451,197	260,698	28,466
346.0	<u>8,445</u>	<u>(6,481)</u>	<u>2,267</u>
	Subtotal -- Williamsport C/T	3,533,749	2,600,939
			138,965
<u>Harrisburg C/T</u>			
341.0	28,601	24,294	638
342.0	193,317	173,179	3,021
343.0	3,450,634	2,714,753	109,448
344.0	1,456,773	1,060,615	58,913
345.0	552,784	497,544	8,291
346.0	<u>11,962</u>	<u>(5,591)</u>	<u>2,641</u>
	Subtotal -- Harrisburg C/T	5,694,071	4,464,793
			182,952
<u>Jenkins C/T</u>			
341.0	79,010	76,278	406
342.0	257,654	140,897	17,275
343.0	1,904,525	1,609,699	43,867
344.0	853,716	596,837	38,180
345.0	326,559	276,160	7,556
346.0	<u>9,353</u>	<u>7,232</u>	<u>324</u>
	Subtotal -- Jenkins C/T	3,430,817	2,707,102
			107,608
<u>Sunbury (D) C/T</u>			
342.0	1,292	5,904	0
343.0	339,984	268,423	9,277
344.0	58,723	57,838	115
345.0	128,447	114,650	1,808
346.0	<u>1,325</u>	<u>6,453</u>	<u>0</u>
	Subtotal -- Sunbury (D) C/T	529,771	453,268
			11,200

Pennsylvania Power & Light Company

	Original Cost 9/30/95	Claimed Depreciation Reserve 9/30/95	Annual Depreciation Accrual
<u>Sunbury C/T</u>			
341.0	116,907	102,908	1,780
342.0	257,696	145,009	14,401
343.0	49,032	45,034	515
345.0	76,722	66,243	1,366
346.0	<u>8,352</u>	<u>6,404</u>	<u>257</u>
	Subtotal -- Sunbury C/T	365,596	18,319
 <u>Martins Creek (D) C/T</u>			
342.0	2,335	2,684	12
343.0	277,309	258,289	1,323
344.0	58,499	54,607	276
345.0	130,196	117,330	910
346.0	<u>4,433</u>	<u>3,199</u>	<u>94</u>
	Subtotal -- Martins Creek (D) C/T	436,109	2,615
 <u>Martins Creek C/T</u>			
341.0	238,075	197,438	2,769
342.0	106,115	72,716	2,310
343.0	82,127	69,880	839
345.0	134,002	114,640	1,351
346.0	<u>20,899</u>	<u>15,145</u>	<u>416</u>
	Subtotal -- Martins Creek C/T	469,818	7,685
 <u>Brunner Island (D) C/T</u>			
342.0	1,589	1,268	18
343.0	411,592	347,866	3,481
344.0	87,256	73,850	732
345.0	160,997	137,742	1,309
346.0	<u>1,325</u>	<u>736</u>	<u>36</u>
	Subtotal -- Brunner Island (D) C/T	561,461	5,576
 <u>Conemaugh (D) C/T</u>			
344.0	107,642	82,252	1,741
345.0	<u>2,910</u>	<u>2,251</u>	<u>46</u>
	Subtotal -- Conemaugh (D) C/T	84,502	1,787

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Keystone (D) C/T</u>			
342.0	5,319	4,496	73
344.0	113,606	95,330	1,571
345.0	<u>10,845</u>	<u>8,919</u>	<u>168</u>
	Subtotal -- Keystone (D) C/T	108,744	1,812
<u>Fishbach C/T</u>			
340.0	49,917	Non-Depreciable	Non-Depreciable
341.0	84,431	73,919	1,205
342.0	136,653	112,311	2,780
343.0	2,236,671	1,851,905	44,194
344.0	520,407	462,048	6,708
345.0	488,867	404,089	9,846
346.0	<u>13,037</u>	<u>10,338</u>	<u>320</u>
	Subtotal -- Fishbach C/T	2,914,610	65,053
<u>West Shore C/T</u>			
341.0	51,652	40,506	1,277
342.0	216,298	129,934	9,967
343.0	2,071,043	1,806,650	30,379
344.0	519,936	460,676	6,811
345.0	486,272	421,825	7,484
346.0	<u>10,868</u>	<u>7,966</u>	<u>345</u>
	Subtotal -- West Shore C/T	2,867,557	56,263
<u>Lock Haven C/T</u>			
340.0	17,777	Non-Depreciable	0
341.0	168,659	149,150	2,237
342.0	118,486	103,007	1,794
343.0	1,048,575	913,923	15,472
344.0	688,856	246,197	50,689
345.0	258,085	221,610	4,234
346.0	<u>7,229</u>	<u>5,398</u>	<u>218</u>
	Subtotal -- Lock Haven C/T	1,639,284	74,644
	Subtotal -- Other Production	26,674,577	895,461

Pennsylvania Power & Light Company

		Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Transmission</u>				
350.2	Land	2,568,712	Non-Depreciable	Non-Depreciable
350.4	Land Rights	20,449,972	5,894,819	348,741
352.0	Structures and Improvements	14,444,867	3,746,207	264,043
353.0	Station Equipment	216,360,860	45,378,634	5,488,529
354.0	Towers and Fixtures	107,869,819	50,318,889	1,660,920
354.2	Clearing Land and R/W - Towers	5,992,920	2,926,488	72,552
355.0	Poles and Fixtures	1,836,403	700,084	31,033
355.2	Clearing Land and R/W - Poles	211,587	78,156	2,643
356.0	Overhead Conductors and Devices	71,758,759	32,210,444	1,528,938
359.0	Roads and Trails	<u>5,486,770</u>	<u>1,380,755</u>	<u>84,707</u>
	Subtotal -- Transmission	446,980,669	142,634,476	9,482,106
<u>Distribution</u>				
360.2	Land	12,726,534	Non-Depreciable	0
360.4	Land Rights	94,710,519	30,675,428	1,746,877
361.0	Structures and Improvements	32,642,981	13,786,793	454,811
362.0	Station Equipment	303,309,543	100,387,171	5,322,654
364.2	Towers and Fixtures	97,472,071	25,891,870	1,594,091
364.4	Poles and Fixtures	516,511,770	174,960,130	10,321,691
364.6	Clearing Land and R/W - Towers	4,259,828	1,385,283	76,578
364.8	Clearing Land and R/W - Poles	33,392,434	13,587,094	581,881
365.0	Overhead Conductors and Devices	470,352,391	177,797,789	12,410,166
366.0	Underground Conduit	82,612,265	12,716,653	1,480,389
367.0	Underground Conductors and Devices	181,942,385	35,337,768	7,478,302
368.2	Transformers - Overhead Type	201,949,916	79,538,954	5,550,113
368.4	Transformers - Submersible or Pad Mounted	91,346,963	32,366,723	1,488,661
368.6	Transformers - Non-Network Housing	1,697,337	906,425	60,378
369.0	Services	295,157,393	145,314,484	8,845,227
370.0	Meters	83,146,577	25,713,096	3,052,590
371.2	Installations on Customers Premises	701,378	110,266	13,696
371.4	Area Lighting Fixtures	3,195,387	2,330,779	95,850
373.2	Street Lighting and Signal Systems	<u>48,885,854</u>	<u>20,084,352</u>	<u>2,190,354</u>
	Subtotal -- Distribution	2,556,013,526	892,891,057	62,764,309

Pennsylvania Power & Light Company

		Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>General Plant</u>				
389.0	Land and Land Rights	8,916,634	Non-Depreciable	Non-Depreciable
390.2	Structures and Improvements - Buildings	172,052,514	47,401,635	2,627,641
390.4	Structures and Improvements - Air Cond. Equip.	12,706,392	8,513,643	154,209
390.6	Structures and Improvements - Holtwood Op. Vil	0	0	0
391.2	Office Furniture and Equipment - Furniture	16,044,199	5,318,831	2,068,390
391.4	Office Furniture and Equipment - Mech Equip	2,205,203	1,030,561	352,409
391.6	Computer Equipment - General	2,236,607	1,248,795	189,794
391.8	Computer Equipment - Power Mgmt System	38,453,645	26,857,658	5,558,304
392.4	Transportation Equipment - Trailers	106,502	87,465	Charged to Clearing
393.0	Stores Equipment	2,148,641	1,096,024	81,484
394.0	Tools & Work Equipment - L&S Line Crews	2,296,802	456,195	Charged to Clearing
394.2	Shop Equipment -- Haz Serv Depot	0	0	0
394.4	Tools & Work Equipment - Const Dept	10,878,544	2,070,150	Charged to Clearing
394.6	Tools & Work Equipment - Other	3,323,941	879,746	424,165
394.8	Transportation Equipment - Garage Equipment	7,673,662	653,758	Charged to Clearing
395.0	Laboratory Equipment	4,525,554	1,074,810	850,080
397.0	Communication Equipment	7,798,126	3,361,535	321,209
398.0	Miscellaneous Equipment	<u>3,373,747</u>	<u>1,062,081</u>	<u>419,796</u>
	Subtotal -- General Plant	294,740,713	101,112,885	13,047,481
	Total -- Electric Plant in Service	<u>9,569,240,161</u>	<u>2,900,423,868</u>	<u>361,947,127</u>

Pennsylvania Power & Light Company

	<u>Original Cost</u> <u>9/30/95</u>	<u>Claimed Depreciation</u> <u>Reserve 9/30/95</u>	<u>Annual Depreciation</u> <u>Accrual</u>
<u>Net Salvage</u>			
Steam Production		(16,947,774)	7,739,310
Nuclear Production		(16,658,679)	4,413,319
Hydro Production		(809,502)	63,443
Other Production		(92,723)	5,998
Transmission		(631,175)	(3,058)
Distribution		(18,078,496)	7,928,984
General Plant		<u>(549,102)</u>	<u>20,761</u>
Total -- Net Salvage		(53,767,451)	20,168,757

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>			
311.0	Structures and Improvements	49,346	Amortize to O&M acct
	Subtotal -- Sunbury SES	49,346	0
 <u>Martins Creek #1 & #2 SES</u>			
312.0	Boiler Plant Equipment	79,141	Amortize to O&M acct
316.0	Misc Power Plant Equipment	<u>6,427</u>	Amortize to O&M acct
	Subtotal -- Martins Creek #1 & #2 SES	85,568	0
 <u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	277,620	Amortize to O&M acct
312.0	Boiler Plant Equipment	1,473,260	Amortize to O&M acct
315.0	Accessory Electric Equipment	24,991	Amortize to O&M acct
316.0	Misc Power Plant Equipment	<u>5,039</u>	Amortize to O&M acct
	Subtotal -- Martins Creek #3 & #4 SES	1,780,910	0
 <u>Montour SES</u>			
316.0	Misc Power Plant Equipment	<u>24,385</u>	Amortize to O&M acct
	Subtotal -- Montour SES	24,385	0
	Subtotal -- Steam Production	1,940,209	0

Pennsylvania Power & Light Company

		<u>Original Cost</u> <u>9/30/95</u>	<u>Claimed Depreciation</u> <u>Reserve 9/30/95</u>	<u>Annual Depreciation</u> <u>Accrual</u>
<u>Nuclear Production -- Leasehold Improvements</u>				
	<u>Susquehanna SES Common</u>			
325.0	Misc Power Plant Equipment	<u>451,364</u>	<u>372,942</u>	<u>Amortize to O&M acct</u>
	Subtotal -- Susquehanna SES Common	451,364	372,942	0
	Subtotal -- Nuclear Production	451,364	372,942	0
 <u>Other Production -- Leasehold Improvements</u>				
	<u>Sunbury C/T</u>			
343.0	Prime Movers	748,918	614,087	Amortize to O&M acct
344.0	Generators	381,764	317,449	Amortize to O&M acct
345.0	Accessory Electric Equipment	<u>80,158</u>	<u>30,258</u>	<u>Amortize to O&M acct</u>
	Subtotal -- Sunbury C/T	1,210,840	961,794	0
	<u>Martins Creek (D) C/T</u>			
341.0	Structures and Improvements	0	0	Amortize to O&M acct
342.0	Fuel Holders, Producers and Accessories	130,344	106,234	Amortize to O&M acct
343.0	Prime Movers	1,475,033	1,274,342	Amortize to O&M acct
344.0	Generators	134,356	115,750	Amortize to O&M acct
345.0	Accessory Electric Equipment	<u>112,010</u>	<u>132,139</u>	<u>Amortize to O&M acct</u>
	Subtotal -- Martins Creek (D) C/T	1,851,743	1,628,465	0
	Subtotal -- Other Production	3,062,583	2,590,259	0
 <u>General Plant -- Leasehold Improvements</u>				
390.2	Structures and Improvements - Buildings	1,029,594	866,128	Amortize to O&M acct
390.4	Structures and Improvements - Air Cond. Equip.	697,114	565,376	Amortize to O&M acct
391.6	Computer Equipment - General	24,256	12,942	Amortize to O&M acct
392.2	Transportation Equipment - Vehicles	1,129,459	849,085	Amortize to O&M acct
392.4	Transportation Equipment - Trailers	82,705	65,630	Amortize to O&M acct
394.4	Tools & Work Equipment - Const Dept	68,067	30,617	Amortize to O&M acct

Pennsylvania Power & Light Company

		Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
397.0	Communication Equipment	322,463	279,708	Amortize to O&M acct
398.0	Miscellaneous Equipment	<u>22,263</u>	<u>22,263</u>	<u>Amortize to O&M acct</u>
	Subtotal -- General Plant	3,375,921	2,691,750	0
Total -- Electric Plant in Service -- Leasehold Improvements		<u>8,830,077</u>	<u>6,865,821</u>	<u>0</u>

Common Plant

Steam Production -- Common Plant

Martins Creek #3 & #4 SES

311.0	Structures and Improvements	103,255	56,113	3,074
312.0	Boiler Plant Equipment	451,354	245,306	13,440
314.0	Turbo-Generator Units	246,320	133,846	7,334
315.0	Accessory Electric Equipment	79,951	43,421	2,380
316.0	Misc Power Plant Equipment	<u>5,789</u>	<u>3,116</u>	<u>171</u>
	Subtotal -- Martins Creek #3 & #4 SES	886,669	481,802	26,399

Nuclear Production -- Common Plant

Susquehanna SES Common

321.0	Structures and Improvements	13,186,330	3,034,530	294,120
322.0	Reactor Plant Equipment	5,292,850	1,218,071	579,224
323.0	Turbo-Generator Units	1,280,402	294,614	178,169
324.0	Accessory Electric Equipment	5,952,606	1,369,826	159,849
325.0	Misc Power Plant Equipment	<u>2,790,134</u>	<u>642,271</u>	<u>33,449</u>
	Subtotal -- Susquehanna SES Common	28,502,322	6,559,312	1,244,811

Pennsylvania Power & Light Company

	Original Cost <u>9/30/95</u>	Claimed Depreciation <u>Reserve 9/30/95</u>	Annual Depreciation <u>Accrual</u>
<u>Transmission -- Common Plant</u>			
353.0 Station Equipment	12,296	6,718	370
Subtotal -- Transmission	12,296	6,718	370
Total -- Common Plant	29,401,287	7,047,832	1,271,580
Total -- Electric Plant in Service	9,607,471,525	2,914,337,521	363,218,707

RECAP -- Electric Plant in Service

Intangible	21,903,415	8,849,539	0
Steam Production	2,072,976,340	859,272,251	99,719,314
Nuclear Production	4,068,283,134	820,122,434	187,578,399
Hydro Production	106,790,113	23,075,620	1,947,339
Other Production	36,395,398	29,172,113	901,459
Transmission	446,992,965	142,010,018	9,479,418
Distribution	2,556,013,526	874,812,560	70,693,293
General Plant	298,116,634	103,255,534	13,068,242
Total -- Electric Plant in Service	9,607,471,525	2,860,570,070	383,387,464

PENNSYLVANIA POWER & LIGHT COMPANY

Customer Advances for Construction

Balance -- Account #252.10 -- 09/30/95	\$	40,389
Total Distribution Plant Annual Accrual	\$	62,764,309
Total Depreciable Distribution Plant	\$	2,543,286,992
Composite Distribution Plant Annual Accrual Rate (2) / (3)		2.468%
Adjustment to Total Annual Depreciation Expense (1) * (4)	\$	997

PENNSYLVANIA POWER & LIGHT COMPANY

Retirements Associated with Pollution Control Projects
As of September 30, 1995
(Thousands of Dollars)

<u>Description</u>	<u>Amount</u>
Steam Production	
Montour SES	\$ 150
Conemaugh SES	<u>457</u>
Total	\$ 607
Less: Reserve for Depreciation	
Montour SES	\$ 79
Conemaugh SES	<u>114</u>
Total	\$ 193
Net retirements associated with pollution control projects	<u>\$ 414</u>

PENNSYLVANIA POWER & LIGHT COMPANY

Retirements Associated with Pollution Control Projects
 As of September 30, 1995
Net Plant Calculations

<u>ER</u>	<u>PLANT</u>	<u>DESCRIPTION</u>	<u>Ret Est</u>	<u>Acct</u>	<u>Yrin</u>	<u>Accrued Dep %</u>	<u>Dep on Ret Est</u>
102319	Montour	U1-replace sulfur burner controls	150,322	3120	1979	41.101%	61,784
				Actual Reserve		93,542,509	
				Theoretical Reserve		81,356,655	
						1.15 Correction Factor	
						71,038 Corrected Depreciation on Retirement estimate	
						79,284 Estimated net plant	
104556	Conemaugh	U1-Flue gas desulfurizatio	457,077	3120	1970	60.40%	276,093
				Actual Reserve		18,544,697	
				Theoretical Reserve		14,928,711	
						1.24 Correction Factor	
						342,967 Corrected Depreciation on Retirement estimate	
						114,110 Estimated net plant	

Q.2. Provide representative examples of detail calculations by vintage at account or at a more detailed level, as performed for these purposes. Other vintage detail calculations shall be subject to request.

A.2. Representative examples of detail calculations by vintage are provided in Attachment V-D-2 as follows:

account 315.0 for Brunner Island	life-spanned account
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account 362.0	average service life group account
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account 316.0 for Brunner Island	amortization of a portion of a life- spanned account
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account 391.4	amortization of an average service life group account
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Pennsylvania Power and Light Company does not keep its accumulated depreciation reserve on a vintage basis. The development of the depreciation reserve level is provided in response to Regulation V-A-3.

PENNSYLVANIA POWER & LIGHT COMPANY

PAAA-B8

ACCOUNT 3150 ACCESSORY ELECTRIC EQUIPMENT

DEPRECIATION DATE -- SEPTEMBER 30, 1995

VINTAGE GROUP PROC(LIFE SPAN) - REMAINING LIFE EST DEACT DATE 06/30/14 INTERIM SURVIVOR CURVE SO- 90

BRUNNER ISLAND SES

YEAR	ORIGINAL COST	REMAINING LIFE	REMAINING LIFE DOLLARS	1993 TREND FACTOR	TRENDED ORIGINAL COST
1953	13,441	17.4051	233,942	5.968	80,216
1961	1,529,880	17.5858	26,904,164	6.162	9,427,121
1964	200,595	17.6531	3,541,124	5.948	1,193,139
1965	1,214,190	17.6756	21,461,537	5.544	6,731,469
1967	98,742	17.7209	1,749,797	5.067	500,326
1968	3,451	17.7435	61,233	4.842	16,710
1969	2,915,180	17.7663	51,791,962	4.690	13,672,194
1970	81,239	17.7885	1,445,120	4.376	355,502
1971	16,610	17.8111	295,842	4.073	67,653
1972	64,418	17.8342	1,148,843	3.826	246,463
1973	11,941	17.8573	213,234	3.596	42,940
1974	656,110	17.8806	11,731,640	3.089	2,026,724
1975	9,442	17.9041	169,051	2.663	25,144
1976	502,779	17.9277	9,013,671	2.500	1,256,948
1977	54,744	17.9515	982,737	2.318	126,897
1978	162,845	17.9756	2,927,237	2.235	363,959
1979	740,677	17.9993	13,331,668	2.066	1,530,239
1980	7,288,232	18.0236	131,360,178	1.913	13,942,388
1981	2,348,055	18.0485	42,378,871	1.719	4,036,307
1982	686,802	18.0736	12,412,985	1.528	1,049,433
1983	506,650	18.0992	9,169,960	1.455	737,176
1984	61,245	18.1251	1,110,072	1.447	88,622
1985	520,401	18.1514	9,446,007	1.422	740,010
1986	621,083	18.1783	11,290,233	1.403	871,379
1987	241,502	18.2056	4,396,689	1.393	336,412
1988	1,506,340	18.2332	27,465,398	1.220	1,837,735
1989	11,022	18.2617	201,280	1.150	12,675
1990	491,600	18.2912	8,991,954	1.115	548,134
1991	1,812,481	18.3216	33,207,552	1.078	1,953,855
1992	6,170	18.3531	113,239	1.039	6,411
1993	9,349	18.3860	171,891	1.000	9,349
1994	445,001	18.4206	8,197,185	1.000	445,001
TOTAL	24,832,217		446,916,296		64,278,531

REMAINING LIFE = $\frac{446,916,296}{24,832,217}$ = 17.9974 YEARS

REMAINING LIFE RATE = 5.556%

NET PLANT = 24,832,217 - 13,175,346 = 11,656,871

ANNUAL DEPRECIATION = 647,656

PENNSYLVANIA POWER & LIGHT COMPANY

PAAA-B8

ACCOUNT 3620 STATION EQUIPMENT

DEPRECIATION DATE -- SEPTEMBER 30, 1995

ACCOUNT GROUP PROCEDURE - REMAINING LIFE

IOWA CURVE R1- 48

YEAR	ORIGINAL COST	REMAINING LIFE	REMAINING LIFE DOLLARS	1993 TREND FACTOR	TRENDED ORIGINAL COST
1907	63	2.7350	172	20.915	1,318
1910	6,804	3.6468	24,813	20.915	142,306
1911	6,024	3.9429	23,752	20.915	125,992
1912	2,255	4.2388	9,558	20.915	47,163
1913	9,189	4.5361	41,682	20.915	192,188
1914	13,981	4.8359	67,611	20.253	283,157
1915	210	5.1387	1,079	19.753	4,148
1916	442	5.4451	2,407	18.604	8,223
1917	1,739	5.7554	10,009	15.920	27,685
1918	2,879	6.0701	17,476	12.851	36,998
1919	11,697	6.3891	74,733	11.721	137,101
1920	8,384	6.7128	56,280	10.774	90,329
1921	17,429	7.0411	122,719	10.774	187,780
1922	225,035	7.3742	1,659,453	11.552	2,599,604
1923	96,403	7.7122	743,479	11.347	1,093,885
1924	188,966	8.0552	1,522,159	11.149	2,106,782
1925	178,360	8.4032	1,498,795	10.958	1,954,469
1926	289,366	8.7563	2,533,776	11.552	3,342,756
1927	478,850	9.1146	4,364,526	11.940	5,717,469
1928	204,217	9.4782	1,935,610	12.167	2,484,708
1929	167,062	9.8471	1,645,076	11.721	1,958,134
1930	439,266	10.2215	4,489,957	11.721	5,148,637
1931	276,007	10.6015	2,926,088	11.940	3,295,524
1932	68,426	10.9871	751,803	12.403	848,688
1933	96,646	11.3784	1,099,677	12.403	1,198,700
1934	71,484	11.7755	841,760	11.552	825,783
1935	782,144	12.1785	9,525,341	11.347	8,874,988
1936	82,370	12.5874	1,036,824	11.149	918,343
1937	343,691	13.0024	4,468,808	10.457	3,593,977
1938	325,113	13.4236	4,364,187	10.289	3,345,088
1939	47,827	13.8510	662,452	10.126	484,296
1940	119,108	14.2848	1,701,434	9.846	1,172,737
1941	199,285	14.7250	2,934,472	9.696	1,932,267
1942	182,522	15.1718	2,769,187	9.696	1,769,733
1943	12,545	15.6253	196,019	9.696	121,636
1944	19,410	16.0855	312,220	10.000	194,100
1945	22,445	16.5525	371,521	9.552	214,395
1946	332,342	17.0264	5,658,588	8.247	2,740,824
1947	393,986	17.5072	6,897,592	7.356	2,898,161
1948	890,745	17.9951	16,029,045	7.032	6,263,719
1949	3,253,364	18.4900	60,154,700	6.680	21,732,472
1950	1,074,354	18.9920	20,404,131	6.374	6,847,932
1951	2,552,219	19.5013	49,771,588	5.818	14,848,810
1952	608,844	20.0177	12,187,657	5.714	3,478,935
1953	1,481,143	20.5414	30,424,751	5.387	7,978,917
1954	2,671,938	21.0725	56,304,414	5.263	14,062,410
1955	644,178	21.6109	13,921,266	5.144	3,313,652
1956	1,586,943	22.1566	35,161,261	4.705	7,466,567
1957	912,259	22.7095	20,716,946	4.456	4,065,026
1958	486,672	23.2696	11,324,663	4.312	2,098,530
1959	836,575	23.8370	19,941,438	4.312	3,607,311
1960	661,181	24.4114	16,140,354	4.426	2,926,387
1961	493,326	24.9929	12,329,647	4.776	2,356,125
1962	442,993	25.5814	11,332,381	4.747	2,102,888

PENNSYLVANIA POWER & LIGHT COMPANY

PAAA-B8

ACCOUNT 3620 STATION EQUIPMENT

DEPRECIATION DATE -- SEPTEMBER 30, 1995

ACCOUNT GROUP PROCEDURE - REMAINING LIFE

IOWA CURVE R1- 48

YEAR	ORIGINAL COST	REMAINING LIFE	REMAINING LIFE DOLLARS	1993 TREND FACTOR	TRENDED ORIGINAL COST
1963	545,455	26.1767	14,278,212	4.878	2,660,729
1964	750,625	26.7787	20,100,762	4.740	3,557,962
1965	1,075,098	27.3873	29,444,031	4.571	4,914,273
1966	1,429,212	28.0024	40,021,366	4.488	6,414,303
1967	4,724,839	28.6237	135,242,374	4.238	20,023,868
1968	4,483,045	29.2511	131,133,998	3.926	17,600,435
1969	5,499,507	29.8843	164,348,917	3.841	21,123,606
1970	3,485,290	30.5231	106,381,855	3.690	12,860,720
1971	8,790,568	31.1673	273,978,270	3.611	31,742,741
1972	7,821,601	31.8165	248,855,968	3.463	27,086,204
1973	10,192,741	32.4706	330,964,416	3.200	32,616,771
1974	10,537,954	33.1293	349,115,039	2.633	27,746,433
1975	12,619,698	33.7924	426,449,883	2.303	29,063,164
1976	3,420,290	34.4595	117,861,483	2.231	7,630,667
1977	11,860,561	35.1304	416,666,252	2.073	24,586,943
1978	3,842,947	35.8050	137,596,717	1.957	7,520,647
1979	8,253,707	36.4830	301,119,992	1.838	15,170,313
1980	11,268,240	37.1642	418,775,125	1.698	19,133,472
1981	9,782,844	37.8486	370,266,949	1.560	15,261,237
1982	7,068,527	38.5360	272,392,756	1.451	10,256,433
1983	1,680,081	39.2266	65,903,865	1.422	2,389,075
1984	4,560,143	39.9204	182,042,733	1.391	6,343,159
1985	5,928,030	40.6178	240,783,537	1.364	8,085,833
1986	6,055,703	41.3188	250,214,381	1.345	8,144,921
1987	7,732,300	42.0236	324,939,082	1.306	10,098,384
1988	5,366,952	42.7323	229,342,203	1.190	6,386,673
1989	7,675,829	43.4451	333,477,158	1.104	8,474,115
1990	11,242,334	44.1622	496,486,203	1.038	11,669,543
1991	8,701,345	44.8836	390,547,688	1.026	8,927,580
1992	33,146,605	45.6095	1,511,800,081	1.019	33,776,390
1993	36,314,974	46.3400	1,682,835,895	1.000	36,314,974
1994	13,561,483	47.0752	638,409,525	1.000	13,561,483
1995	9,570,309	47.7224	456,718,114	1.000	9,570,309
TOTAL	303,309,543		11,562,002,167		665,983,113

REMAINING LIFE = $\frac{11,562,002,167}{303,309,543}$ = 38.1195 YEARS

REMAINING LIFE RATE = 2.623%

NET PLANT = 303,309,543 - 100,387,171 = 202,922,372

ANNUAL DEPRECIATION = 5,322,654

**Brunner Island
Account 3160**

(June 30, 2014 deactivation date)

Amortization

<u>Year in</u>	<u>Total</u>	<u>Amortized</u>	<u>Est Accrued</u>	<u>Reserve on</u>	<u>Corrected</u>	<u>Net Pft</u>	<u>Remaining</u>	<u>1995</u>
<u>Plant</u>	<u>Plant</u>	<u>Dep Rate</u>	<u>at 12/31/95</u>	<u>Reserve</u>	<u>at 12/31/95</u>	<u>at 12/31/95</u>	<u>Life</u>	<u>Accrual</u>
1944	4,753.86	4,753.86	75.697%	3,599	3,805	949	19.5	49
1946	5,709.27	5,709.27	74.429%	4,249	4,493	1,216	19.5	62
1949	506.83	506.83	72.482%	367	388	118	19.5	6
1950	38.63	38.63	71.820%	28	29	9	19.5	0
1958	216.31	216.31	66.208%	143	151	65	19.5	3
1959	162.18	162.18	65.545%	106	112	50	19.5	3
1961	333,420.65	226,104.75	63.898%	144,476	152,755	73,350	19.5	3,762
1962	5,453.80	5,453.80	63.093%	3,441	3,638	1,816	19.5	93
1963	1,224.09	1,224.09	62.268%	762	806	418	19.5	21
1964	27,365.43	27,365.43	61.420%	16,808	17,771	9,595	19.5	492
1965	254,982.52	132,754.30	60.547%	80,379	84,984	47,770	19.5	2,450
1966	9,928.60	9,928.60	59.648%	5,922	6,262	3,667	19.5	188
1967	18,729.36	7,068.46	58.720%	4,151	4,388	2,680	19.5	137
1968	3,567.49	2,404.93	57.760%	1,389	1,469	936	19.5	48
1969	237,981.86	74,237.82	56.765%	42,141	44,556	29,682	19.5	1,522
1970	16,333.17	15,322.41	55.733%	8,540	9,029	6,293	19.5	323
1971	36,920.02	29,547.49	54.660%	16,151	17,076	12,471	19.5	640
1972	28,376.25	19,526.95	53.543%	10,455	11,054	8,473	19.5	434
1973	32,569.22	31,004.62	52.378%	16,240	17,170	13,835	19.5	709
1974	51,428.01	23,117.13	51.160%	11,827	12,504	10,613	19.5	544
1975	8,514.20	8,514.20	49.885%	4,247	4,491	4,024	19.5	206
1976	55,971.31	3,816.19	48.548%	1,853	1,959	1,857	19.5	95
1977	11,066.36	10,400.72	47.144%	4,903	5,184	5,216	19.5	268
1978	21,411.86	20,700.91	45.666%	9,453	9,995	10,706	19.5	549
1979	160,985.65	137,998.49	44.107%	60,867	64,355	73,644	19.5	3,777
1980	94,880.59	34,230.53	42.461%	14,535	15,367	18,863	19.5	967
1981	86,532.26	64,474.76	40.718%	26,253	27,757	36,718	19.5	1,883
1982	200,104.66	81,156.88	38.869%	31,545	33,352	47,805	19.5	2,452
1983	52,850.71	42,983.63	36.903%	15,862	16,771	26,213	19.5	1,344
1984	236,309.32	167,310.60	34.809%	58,239	61,576	105,734	19.5	5,422
1985	140,034.79	109,616.22	32.573%	35,705	37,751	71,865	19.5	3,685
1986	96,184.72	58,009.13	30.180%	17,507	18,510	39,499	19.5	2,026
1987	106,451.16	106,451.16	27.611%	29,392	31,076	75,375	19.5	3,865
1988	196,293.63	152,605.98	24.846%	37,916	40,089	112,517	19.5	5,770
1989	189,691.14	104,430.57	21.861%	22,830	24,138	80,293	19.5	4,118
1990	185,190.07	166,328.19	18.630%	30,987	32,762	133,566	19.5	6,850
1991	234,096.62	221,292.12	15.118%	33,455	35,372	185,920	19.5	9,534
1992	203,082.16	200,832.58	11.288%	22,670	23,969	176,864	19.5	9,070
1993	190,918.09	21,942.12	7.095%	1,557	1,646	20,296	19.5	1,041
1994	29,931.95	12,550.54	2.483%	312	329	12,221	19.5	627
1995	<u>0.00</u>	<u>0.00</u>	<u>0.000%</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19.5</u>	<u>0</u>
	3,570,168.80	2,342,093.38		831,262	878,892	1,463,202		75,036

Theoretical Reserve 1,312,713
Book Reserve 1,387,929
Correction Factor 1.0573

Remaining Life 19.5

Annual Amortization Expence 75,036

Account 3914

Amortization Calculation for Vintages as of 1995

Amortization Period = 15 years

	<u>Plant at</u> <u>1/1/94</u>	<u>1994/5</u> <u>Activity</u>	<u>Plant at</u> <u>12/31/95</u>	<u>Age at</u> <u>1/1/95</u>	<u>Calculated</u> <u>Reserve</u>	<u>Reserve</u> <u>Allocation</u>	<u>Allocated</u> <u>Book</u> <u>Reserve</u>	<u>Net</u> <u>Plant</u>	<u>Remaining</u> <u>Life</u>	<u>Amortization</u>
1980	68,049	0	68,049	14.5	65,781	8.849%	12,865	55,185	0.5	110,370
1981	117,394	0	117,394	13.5	105,655	14.213%	20,662	96,732	1.5	64,488
1982	107,750	0	107,750	12.5	89,791	12.079%	17,560	90,190	2.5	36,076
1983	108,048	0	108,048	11.5	82,837	11.143%	16,200	91,848	3.5	26,242
1984	96,256	0	96,256	10.5	67,379	9.064%	13,177	83,079	4.5	18,462
1985	123,342	0	123,342	9.5	78,117	10.508%	15,277	108,065	5.5	19,648
1986	114,090	0	114,090	8.5	64,651	8.697%	12,644	101,446	6.5	15,607
1987	70,200	0	70,200	7.5	35,100	4.722%	6,864	63,336	7.5	8,445
1988	107,228	0	107,228	6.5	46,466	6.251%	9,087	98,141	8.5	11,546
1989	75,169	0	75,169	5.5	27,562	3.708%	5,390	69,779	9.5	7,345
1990	83,690	0	83,690	4.5	25,107	3.377%	4,910	78,779	10.5	7,503
1991	105,283	0	105,283	3.5	24,566	3.305%	4,804	100,479	11.5	8,737
1992	116,677	0	116,677	2.5	19,446	2.616%	3,803	112,874	12.5	9,030
1993	101,812	0	101,812	1.5	10,181	1.370%	1,991	99,821	13.5	7,394
1994		22,119	22,119	0.5	737	0.099%	144	21,975	14.5	1,515
1995	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.000%</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>0</u>
	1,394,989		1,417,108		743,376	100.000%	145,379	1,271,729		352,409

accrual for 1995 = 352,409
 Retirements of pre-1980 plant= 800,974

- Q.1. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of the significant factors which were considered in arriving at estimates of service life and forecast retirements by facilities, accounts or sub-accounts, as applicable.
- A.1. A description of depreciation methods used in the calculation of annual depreciation expense and accumulated book depreciation reserves, and a discussion of factors considered in the estimation of service lives are discussed in Exhibit DSH 1, Service Life Study.

VI-A
R. J. Bernini
M. J. Berish

- Q. A. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the three preceding comparable years, balance sheet in the form available.
- A. A. Attachment VI-A provides the requested balance sheets. Page 1-4 provide data as of September 30, 1994 and September 30, 1995 and pages 5-12 provide data for the preceding two years.

PENNSYLVANIA POWER & LIGHT COMPANY

BALANCE SHEET

ASSETS AND OTHER DEBITS

ACCT. NO.	TITLE OF ACCOUNT	SEPT 30 <u>1994</u>	SEPT 30 <u>1995</u>
	UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 9139,860,240.61	\$9,607,472,000.00
101.1	PROPERTY UNDER CAPITAL LEASES - NET	80,264,606.39	98,801,000.00
105	UTILITY PLANT HELD FOR FUTURE USE	34,856,405.49	30,340,000.00
107	CONSTRUCTION WORK IN PROGRESS	242,346,655.72	113,214,000.00
	TOTAL UTILITY PLANT	<u>9497,327,908.21</u>	<u>9,849,827,000.00</u>
108/	ACCUMULATED PROVISION FOR DEPRECI-		
111	ATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	<u>2560,146,974.62-</u>	<u>(2,861,545,000.00)</u>
	NET UTILITY PLANT, LESS NUCLEAR FUEL	6937,180,933.59	6,988,282,000.00
120.1	NUCLEAR FUEL IN PROCESS	5,125,320.50	
120.6	NUCLEAR FUEL UNDER CAPITAL LEASES - NET	141,322,161.21	175,612,000.00
	NET UTILITY PLANT	<u>7083,628,415.30</u>	<u>7,163,894,000.00</u>
	OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,697,103.47	3,697,000.00
122	ACCUMULATED PROVISION FOR DEPRECI-		
	ATION OF NONUTILITY PROPERTY	<u>420,812.56-</u>	<u>(434,000.00)</u>
	NET NONUTILITY PROPERTY	3,276,290.91	3,263,000.00
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	98,378,341.13	98,381,000.00
124	OTHER INVESTMENTS	9,155,701.67	9,156,000.00
128	OTHER SPECIAL FUNDS	<u>112,108,175.86</u>	<u>126,026,000.00</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>222,918,509.77</u>	<u>236,826,000.00</u>
	CURRENT AND ACCRUED ASSETS		
131	CASH	589,207.01	574,000.00
132	INTEREST SPECIAL DEPOSITS	289,317.37	289,000.00
134	OTHER SPECIAL DEPOSITS	575.00	1,000.00
135	WORKING FUNDS	1,587,212.28	1,510,000.00
136	TEMPORARY CASH INVESTMENTS		
	NOTES AND ACCOUNTS RECEIVABLE		
141	NOTES RECEIVABLE	10,119.67	10,000.00
142	CUSTOMER ACCOUNTS RECEIVABLE	206,802,254.85	209,330,000.00
143	OTHER ACCOUNTS RECEIVABLE	15,933,889.25	18,931,000.00
144	ACCUMULATED PROVISION FOR UNCOL-		
	LECTIBLE ACCOUNTS - CREDIT	<u>29,574,894.45-</u>	<u>(27,466,000.00)</u>
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	<u>193,171,369.32</u>	<u>200,805,000.00</u>
	RECEIVABLES FROM ASSOCIATED COMPANIES		
145	NOTES RECEIVABLE FROM ASSOCI-		
	ATED COMPANIES	70,238,208.33	70,238,000.00
146	ACCOUNTS RECEIVABLE FROM ASSOCI-		
	ATED COMPANIES	<u>1,003,266.52</u>	<u>1,003,000.00</u>
	TOTAL RECEIVABLES FROM ASSOCI-	<u>71,241,474.85</u>	<u>71,241,000.00</u>
	ATED COMPANIES		
	MATERIALS AND SUPPLIES		
151	FUEL STOCK	105,651,120.94	93,953,000.00
152	FUEL STOCK EXPENSES UNDISTRIBUTED	324,535.11	288,000.00
154	PLANT MATERIALS AND OPERATING SUPPLIES	121,141,214.35	115,634,000.00
163	STORES EXPENSE UNDISTRIBUTED	1,229,377.67	1,173,000.00
	TOTAL MATERIALS AND SUPPLIES	<u>\$ 228,346,248.07</u>	<u>\$ 211,048,000.00</u>

PENNSYLVANIA POWER & LIGHT COMPANY

BALANCE SHEET

ASSETS AND OTHER DEBITS

	SEPT 30 <u>1994</u>	SEPT. 30 <u>1995</u>
CURRENT AND ACCRUED ASSETS (CONTINUED)		
165 PREPAYMENTS	\$ 28,076,516.23	\$ 31,521,000.00
OTHER CURRENT AND ACCRUED ASSETS		
171 INTEREST AND DIVIDENDS RECEIVABLE	574.19	1,000.00
172 RENTS RECEIVABLE	2,917,742.86	2,918,000.00
173 ACCRUED UTILITY REVENUES	85,797,219.31	66,805,000.00
174 MISCELLANEOUS CURRENT AND ACCRUED ASSETS	12,425,634.09	12,519,000.00
190 ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	<u>33,226,140.00</u>	<u>34,966,000.00</u>
TOTAL OTHER CURRENT AND ACCRUED ASSETS	<u>134,367,310.45</u>	<u>117,209,000.00</u>
TOTAL CURRENT AND ACCRUED ASSETS	<u>657,669,230.58</u>	<u>634,198,000.00</u>
DEFERRED DEBITS		
181 UNAMORTIZED DEBT EXPENSE	4,416,756.51	5,002,000.00
182.3 OTHER REGULATORY ASSETS	1390,040,584.95	1,364,017,000.00
183 PRELIMINARY SURVEY AND INVESTIGATION CHARGES	528,723.65	529,000.00
184 CLEARING ACCOUNTS	905,389.53	(905,000.00)
185 TEMPORARY FACILITIES	13,984.55	(14,000.00)
186 MISCELLANEOUS DEFERRED DEBITS	23,198,449.78	15,637,000.00
188 RESEARCH AND DEVELOPMENT EXPENDITURES		
189 UNAMORTIZED LOSS ON REACQ'D DEBT	115,272,695.93	115,887,000.00
190 ACCUMULATED DEFERRED INCOME TAXES	317,824,509.00	
LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	<u>33,226,140.00</u>	
TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	<u>284,598,369.00</u>	294,624,000.00
TOTAL DEFERRED DEBITS	<u>1817,136,205.74</u>	<u>1,794,777,000.00</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 9781,352,361.39</u>	<u>\$9,829,695,000.00</u>

PENNSYLVANIA POWER & LIGHT COMPANY

BALANCE SHEET

LIABILITIES AND OTHER CREDITS

ACCT. NO.	TITLE OF ACCOUNT	SEPT 30 <u>1994</u>	SEPT 30 <u>1995</u>
	PROPRIETARY CAPITAL		
201	COMMON STOCK ISSUED	\$ 1413,855,544.75	\$1,598,327,000.00
202	COMMON STOCK SUBSCRIBED		
204	PREFERRED AND PREFERENCE STOCK ISSUED	466,374,500.00	466,375,000.00
207	PREMIUM ON CAPITAL STOCK	87,000.00	87,000.00
210	GAIN ON RESALE OR CANCELLATION OF REACQUIRED CAPITAL STOCK		1,014,000.00
211	NET UNREALIZED SECURITIES GAINS (LOSSES)	1,014,091.58	
212	INSTALLMENTS RECEIVED ON CAPITAL STOCK		(14,085,000.00)
214	CAPITAL STOCK EXPENSE	10,585,242.49	
216	UNAPPROPRIATED RETAINED EARNINGS	1079,732,614.15	1,084,586,000.00
215.1	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE - FEDERAL	3,062,823.32	3,063,000.00
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	<u>13,320,440.65</u>	<u>15,877,000.00</u>
	TOTAL PROPRIETARY CAPITAL	<u>2966,861,771.96</u>	<u>3,155,244,000.00</u>
	LONG-TERM DEBT		
221	BONDS	2768,750,000.00	2,873,250,000.00
224	OTHER LONG-TERM DEBT	38,740.00	
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	93,853.41	60,000.00
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT - DEBIT	<u>27,354,031.63</u>	<u>(21,779,000.00)</u>
		<u>2741,528,561.78</u>	<u>2,851,531,000.00</u>
	LESS AMOUNT DUE WITHIN ONE YEAR		
221	BONDS	0.00	
224	OTHER LONG-TERM DEBT	<u>38,740.00</u>	
		<u>38,740.00</u>	
	TOTAL LONG-TERM DEBT	<u>2741,489,821.78</u>	<u>2,851,531,000.00</u>
	OTHER NONCURRENT LIABILITIES		
227	OBLIGATIONS UNDER CAPITAL LEASES- NONCURRENT	<u>143,813,717.56</u>	<u>109,306,000.00</u>
	TOTAL OTHER NONCURRENT LIABILITIES	<u>143,813,717.56</u>	<u>109,306,000.00</u>
	CURRENT AND ACCRUED LIABILITIES		
	LONG-TERM DEBT DUE WITHIN ONE YEAR		
221	BONDS	0.00	
224	OTHER LONG-TERM DEBT	38,740.00	
229	ACCUMULATED PROVISION FOR RATE REFUND		111,703,000.00
231	NOTES PAYABLE	212,000,000.00	32,730,000.00
232	ACCOUNTS PAYABLE	101,305,534.32	
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	1,965,574.96	1,867,000.00
235	CUSTOMER DEPOSITS	1,106,467.80	1,106,000.00
236	TAXES ACCRUED	33,753,402.54	27,741,000.00
237	INTEREST ACCRUED	59,041,516.87	58,777,000.00
238	DIVIDENDS DECLARED	71,295,268.93	75,108,000.00
240	MATURED INTEREST	1,850.70	2,000.00
241	TAX COLLECTIONS PAYABLE	4,890,556.25	4,891,000.00
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	91,144,010.23	78,374,000.00
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	77,773,050.04	77,773,000.00
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER (CURRENT)	<u>11,184,514.00</u>	<u>7,048,000.00</u>
	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>\$ 665,500,486.64</u>	<u>\$ 477,120,000.00</u>

PENNSYLVANIA POWER & LIGHT COMPANY

BALANCE SHEET

LIABILITIES AND OTHER CREDITS

	<u>SEPT 30</u> <u>1994</u>	<u>SEPT 30</u> <u>1995</u>
DEFERRED CREDITS		
228.4 ACCRUED MISC. OPERATING PROV.-D&D FUND	\$ 31,521,511.76	\$ 32,962,000.00
252 CUSTOMER ADVANCES FOR CONSTRUCTION	40,389.05	40,000.00
253 OTHER DEFERRED CREDITS	271,191,954.16	319,819,000.00
254 OTHER REGULATORY LIABILITIES	320,831,369.18	273,664,000.00
255 ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	230,852,388.30	219,815,000.00
281 ACCUMULATED DEFERRED INCOME TAXES- ACCELERATED AMORTIZATION PROPERTY	551,249.00	456,000.00
282 ACCUMULATED DEFERRED INCOME TAXES- OTHER PROPERTY	1853,234,185.00	1,841,151,000.00
283 ACCUMULATED DEFERRED INCOME TAXES- OTHER	566,648,031.00	
LESS ACCUMULATED DEFERRED INCOME TAXES - OTHER (CURRENT)	<u>11,184,514.00</u>	
TOTAL ACCUMULATED DEFERRED INCOME TAXES - OTHER (NONCURRENT)	<u>555,463,517.00</u>	548,587,000.00
TOTAL DEFERRED CREDITS	<u>3263,686,563.45</u>	<u>3,236,494,000.00</u>
TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 9781,352,361.39</u>	<u>\$9,829,695,000.00</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS

ACCT. NO.	TITLE OF ACCOUNT	SEPT 30, 1992
	UTILITY PLANT	
101	UTILITY PLANT IN SERVICE	\$ 8452,771,359.62
101.1	PROPERTY UNDER CAPITAL LEASES	78,237,047.77
105	UTILITY PLANT HELD FOR FUTURE USE	29,882,218.56
107	CONSTRUCTION WORK IN PROGRESS	<u>230,280,862.86</u>
	GROSS UTILITY PLANT	8791,171,488.81
108/111	ACCUM PROV FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLT IN SVC NET UTILITY PLANT,	<u>2162,191,146.24-</u>
	LESS NUCLEAR FUEL	6628,980,342.57
120.1	NUCLEAR FUEL IN PROCESS	8,812,105.97
120.6	NUCLEAR FUEL UNDER CAPITAL LEASES NET UTILITY PLANT	<u>178,297,643.38</u>
		<u>6816,090,091.92</u>
	OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	3,519,197.94
122	ACCUM PROV FOR DEPREC NONUTIL PROP NET NONUTILITY PROPERTY	<u>391,345.99-</u> 3,127,851.95
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	39,357,170.06
124	OTHER INVESTMENTS	18,484,084.63
128	OTHER SPECIAL FUNDS	<u>92,260,110.46</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>153,229,217.10</u>
	CURRENT AND ACCRUED ASSETS	
131	CASH	979,214.53
132	INTEREST SPECIAL DEPOSITS	24,442.03
134	OTHER SPECIAL DEPOSITS	575.00
135	WORKING FUNDS	1,463,679.69
136	TEMPORARY CASH INVESTMENTS	10,000,000.00
	NOTES AND ACCOUNTS RECEIVABLE	
141	NOTES RECEIVABLE	10,169.67
142	CUSTOMER ACCOUNTS RECEIVABLE	200,320,991.89
143	OTHER ACCOUNTS RECEIVABLE	17,614,893.62
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT TOTAL NOTES AND ACCOUNTS RECEIVABLE	<u>29,100,050.48-</u> <u>188,846,004.70</u>
	RECEIVABLES FROM ASSOCIATED COMPANIES	
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	52,217,054.96
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	<u>847,939.34</u>
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	<u>53,064,994.30</u>
	MATERIALS AND SUPPLIES	
151	FUEL STOCK	126,386,467.66
152	FUEL STOCK EXPENSES UNDISTRIBUTED	535,101.05
154	PLANT MATERIALS AND OPERATING SUPPLIES	143,470,714.30
163	STORES EXPENSE UNDISTRIBUTED	<u>2,181,397.21</u>
	TOTAL MATERIALS AND SUPPLIES	<u>\$ 272,573,680.22</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS

ACCT. <u>NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>SEPT 30, 1992</u>
	CURRENT AND ACCRUED ASSETS (CONTINUED)	
165	PREPAYMENTS	\$ 26,120,502.43
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	105,681.19
172	RENTS RECEIVABLE	2,864,944.73
173	ACCRUED UTILITY REVENUES	88,393,999.31
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	<u>22,643,510.00</u>
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	<u>114,008,135.23</u>
	TOTAL CURRENT AND ACCRUED ASSETS	<u>667,081,228.13</u>
	DEFERRED DEBITS	
181	UNAMORTIZED DEBT EXPENSE	3,412,225.71
183	PRELIMINARY SURVEY AND INVESTI- GATION CHARGES	1,324,063.57
184	CLEARING ACCOUNTS	5,219,012.52-
185	TEMPORARY FACILITIES	31,897.09-
186	MISCELLANEOUS DEFERRED DEBITS	180,899,279.87
189	UNAMORTIZED LOSS ON REACQ'D DEBT	75,597,146.00
190	ACCUMULATED DEFERRED INCOME TAXES	<u>119,189,010.50</u>
	TOTAL DEFERRED DEBITS	<u>375,170,816.04</u>
	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 801,571,353.19</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
LIABILITIES AND OTHER CREDITS

ACCT. NO.	TITLE OF ACCOUNT	SEPT 30, 1992
	PROPRIETARY CAPITAL	
201	COMMON STOCK ISSUED	\$ 1358,091,481.22
204	PREFERRED AND PREFERENCE STOCK ISSUED	557,711,500.00
207	PREMIUM ON CAPITAL STOCK	87,000.00
214	CAPITAL STOCK EXPENSE	12,090,143.68-
216	EARNINGS REINVESTED	980,997,492.12
215.1	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE - FEDERAL	3,062,823.32
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	<u>10,289,269.58</u>
	TOTAL PROPRIETARY CAPITAL	<u>2898,149,422.56</u>
	LONG-TERM DEBT	
221	BONDS	2628,750,000.00
224	OTHER LONG-TERM DEBT	116,220.00
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	178,393.14
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT - DEBIT	<u>21,369,172.59-</u>
	LESS AMOUNT DUE WITHIN ONE YEAR	<u>2607,675,440.55</u>
224	OTHER LONG-TERM DEBT	<u>38,740.00</u>
	TOTAL LONG-TERM DEBT	<u>2607,636,700.55</u>
	OTHER NONCURRENT LIABILITIES	
227	OBLIGATIONS UNDER CAPITAL LEASES- NONCURRENT	<u>169,705,417.47</u>
	TOTAL OTHER NONCURRENT LIABILITIES	<u>169,705,417.47</u>
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
224	OTHER LONG-TERM DEBT	38,740.00
231	NOTES PAYABLE	46,000,000.00
232	ACCOUNTS PAYABLE	114,082,662.76
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	3,884,002.92
235	CUSTOMER DEPOSITS	1,151,402.63
236	TAXES ACCRUED	36,235,808.36
237	INTEREST ACCRUED	78,102,652.29
238	DIVIDENDS DECLARED	70,738,896.59
240	MATURED INTEREST	24,442.03
241	TAX COLLECTIONS PAYABLE	4,280,393.87
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	81,514,442.84
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	<u>86,829,273.68</u>
	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>\$ 522,882,517.97</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
LIABILITIES AND OTHER CREDITS

<u>ACCT.</u> <u>NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>SEPT 30, 1992</u>
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	\$ 33,185.20
253	OTHER DEFERRED CREDITS	380,302,641.65
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	256,760,782.30
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	740,345.00
282	ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY	1125,023,566.51
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	<u>50,336,773.98</u>
	TOTAL DEFERRED CREDITS	<u>1,813,197,294.64</u>
	TOTAL LIABILITIES & OTHER CREDITS	<u>\$ 801,571,353.19</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS

ACCT. NO.	TITLE OF ACCOUNT	SEPTEMBER 30, 1993
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$8,737,820,071.51
101.1	PROPERTY UNDER CAPITAL LEASES	74,380,612.91
105	UTILITY PLANT HELD FOR FUTURE USE	32,454,355.59
107	CONSTRUCTION WORK IN PROGRESS	279,108,069.10
	GROSS UTILITY PLANT	<u>9,123,761,109.11</u>
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,368,463,701.25)
	NET UTILITY PLANT, LESS NUCLEAR FUEL	<u>6,755,297,407.86</u>
120.1	NUCLEAR FUEL IN PROCESS	37,919,457.76
120.6	NUCLEAR FUEL UNDER CAPITAL LEASES	142,601,654.75
	NET UTILITY PLANT	<u>6,935,818,520.37</u>
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,558,953.47
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(406,974.96)
	NET NONUTILITY PROPERTY	<u>3,151,978.51</u>
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	43,036,454.05
124	OTHER INVESTMENTS	22,490,494.78
128	OTHER SPECIAL FUNDS	106,459,544.30
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>175,138,471.64</u>
CURRENT AND ACCRUED ASSETS		
131	CASH	558,692.87
132	INTEREST SPECIAL DEPOSITS	2,451.96
134	OTHER SPECIAL DEPOSITS	575.00
135	WORKING FUNDS	1,479,492.28
NOTES AND ACCOUNTS RECEIVABLE		
141	NOTES RECEIVABLE	10,169.67
142	CUSTOMER ACCOUNTS RECEIVABLE	209,439,889.50
143	OTHER ACCOUNTS RECEIVABLE	19,694,518.61
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(29,185,275.39)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	<u>199,959,302.39</u>
RECEIVABLES FROM ASSOCIATED COMPANIES		
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	53,622,346.52
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	804,786.53
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	<u>54,427,133.05</u>
MATERIALS AND SUPPLIES		
151	FUEL STOCK	115,247,779.21
152	FUEL STOCK EXPENSES UNDISTRIBUTED	713,423.61
154	PLANT MATERIALS AND OPERATING SUPPLIES	126,910,578.16
163	STORES EXPENSE UNDISTRIBUTED	1,828,938.49
	TOTAL MATERIALS AND SUPPLIES	<u>\$244,700,719.47</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>SEPTEMBER 30, 1993</u>
	CURRENT AND ACCRUED ASSETS (CONTINUED)	
165	PREPAYMENTS	\$26,951,726.81
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	99,665.39
172	RENTS RECEIVABLE	2,616,657.56
173	ACCRUED UTILITY REVENUES	61,436,394.31
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	21,988,006.44
190	ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	30,407,276.00
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	<u>116,547,999.70</u>
	TOTAL CURRENT AND ACCRUED ASSETS	<u>644,628,093.53</u>
	DEFERRED DEBITS	
181	UNAMORTIZED DEBT EXPENSE	4,822,713.19
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	1,364,527.28
184	CLEARING ACCOUNTS	(2,720,371.83)
185	TEMPORARY FACILITIES	(41,453.24)
186	MISCELLANEOUS DEFERRED DEBITS	1,414,050,316.51
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	94,392,593.00
190	ACCUMULATED DEFERRED INCOME TAXES	133,209,686.00
	LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	30,407,276.00
	TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	<u>102,802,410.00</u>
	TOTAL DEFERRED DEBITS	<u>1,614,670,734.91</u>
	TOTAL ASSETS AND OTHER DEBITS	<u>\$9,370,255,820.45</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
LIABILITIES AND OTHER CREDITS

ACCT. NO.	TITLE OF ACCOUNT	SEPTEMBER 30, 1993
PROPRIETARY CAPITAL		
201	COMMON STOCK ISSUED	\$1,364,147,718.42
204	PREFERRED STOCK ISSUED	498,874,500.00
207	PREMIUM ON CAPITAL STOCK	87,000.00
214	CAPITAL STOCK EXPENSE	(10,927,560.65)
216	EARNINGS REINVESTED	1,042,624,305.63
215.1	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE-FEDERAL	3,062,823.32
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	13,978,553.57
	TOTAL PROPRIETARY CAPITAL	<u>2,911,847,340.29</u>
LONG-TERM DEBT		
221	BONDS	2,648,750,000.00
224	OTHER LONG-TERM DEBT	77,480.00
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	135,428.10
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(23,108,592.30)
		<u>2,625,854,315.80</u>
LESS AMOUNT DUE WITHIN ONE YEAR		
221	BONDS	30,900,000.00
224	OTHER LONG-TERM DEBT	38,740.00
		<u>30,938,740.00</u>
	TOTAL LONG-TERM DEBT	<u>2,594,915,575.80</u>
OTHER NONCURRENT LIABILITIES		
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	142,554,782.93
229	ACCUMULATED PROVISION FOR RATE REFUNDS	888,572.00
	TOTAL OTHER NONCURRENT LIABILITIES	<u>143,423,354.93</u>
CURRENT AND ACCRUED LIABILITIES		
LONG-TERM DEBT DUE WITHIN ONE YEAR		
221	BONDS	30,900,000.00
224	OTHER LONG-TERM DEBT	38,740.00
231	NOTES PAYABLE	176,000,000.00
232	ACCOUNTS PAYABLE	109,715,486.02
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	1,768,048.72
235	CUSTOMER DEPOSITS	1,139,273.04
236	TAXES ACCRUED	42,153,396.08
237	INTEREST ACCRUED	68,678,216.08
238	DIVIDENDS DECLARED	69,601,439.63
240	MATURED INTEREST	2,451.96
241	TAX COLLECTIONS PAYABLE	4,520,571.36
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	79,306,151.93
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	74,427,484.73
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	3,606,206.00
	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>\$661,857,465.55</u>

PENNSYLVANIA POWER & LIGHT COMPANY
BALANCE SHEET ACCOUNTS
LIABILITIES AND OTHER CREDITS

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>SEPTEMBER 30, 1993</u>
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	\$35,716.69
253	OTHER DEFERRED CREDITS	455,795,302.89
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	243,282,823.30
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	645,797.00
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	1,152,564,961.00
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	1,209,493,689.00
	LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	3,606,206.00
	TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)	<u>1,205,887,483.00</u>
	TOTAL DEFERRED CREDITS	<u>3,058,212,083.88</u>
	TOTAL LIABILITIES AND OTHER CREDITS	<u>\$9,370,255,820.45</u>

VI-B
R. J. Bernini
M. J. Berish

Q. B. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the three preceding comparable years, statement of income in the form available.

A. B. Attachment VI-B provides the requested statements of income. Pages 1 and 2 provide data for the twelve months ended September 30, 1994 and September 30, 1995; pages 3-6 provide data for the preceding two years.

PENNSYLVANIA POWER & LIGHT COMPANY

STATEMENT OF INCOME

TWELVE MONTHS ENDED SEPT 30

ACCT. NO.	1994	1995
UTILITY OPERATING INCOME		
400	<u>\$ 2,765,135,868.48</u>	<u>\$2,757,934,000.00</u>
OPERATING EXPENSES		
401	1,313,525,213.94	
402	249,571,874.74	1,511,326,000.00
403/		
406	304,992,630.00	339,837,000.00
407.3	11,210,972.00	
407.4	98,695,920.95-	(36,348,000.00)
408.1		204,772,000.00
	99,838,860.00	
	36,168,121.00	
	45,673,507.00	
	23,493,721.74	
409.1		
	172,632,396.00	193,011,000.00
	65,619,179.00	70,411,000.00
410.1		
	102,412,725.00	
	26,329,948.00	
411.1		
		(19,495,000.00)
	92,408,979.00-	(4,601,000.00)
	23,050,138.00-	
411.4	12,430,435.00-	(11,037,000.00)
411.6		
411.7		
411.8		
	487,143.73-	(486,000.00)
	<u>2,222,631,731.85</u>	<u>2,247,390,000.00</u>
	<u>242,504,136.63</u>	<u>510,544,000.00</u>
OTHER INCOME AND DEDUCTIONS		
OTHER INCOME		
418	9,348.00-	(36,000.00)
418.1		
	1,496,887.08	4,732,000.00
419	4,584,167.62	4,418,000.00
419.1		
	4,695,505.41	8,102,000.00
	43,153.84	
421	190,713.16	
421.1	<u>11,001,079.11</u>	<u>17,216,000.00</u>
OTHER INCOME DEDUCTIONS		
421.2	35,540.26	
426	8,363,924.17	8,008,000.00
	<u>\$ 8,399,464.43</u>	<u>\$ 8,008,000.00</u>

PENNSYLVANIA POWER & LIGHT COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPT 30

ACCT. NO.	1994	1995
OTHER INCOME AND DEDUCTIONS (CONTINUED)		
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	\$ 84,000.00	\$ 84,000.00
409.2		
	TAXES OTHER THAN INCOME TAXES	
	INCOME TAXES	
	FEDERAL	
	677,445.00-	(1,565,000.00)
	STATE	
	266,330.00-	(554,000.00)
410.2/		
411.2		
	PROVISION FOR DEFERRED INCOME TAXES - NET	
	FEDERAL	
	1,313,992.00-	(528,000.00)
	STATE	
	<u>514,744.00-</u>	<u>(201,000.00)</u>
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
	<u>2,688,511.00-</u>	<u>(2,764,000.00)</u>
	NET OTHER INCOME AND DEDUCTIONS	
	<u>5,290,125.68</u>	<u>11,972,000.00</u>
	INCOME BEFORE INTEREST CHARGES	
	<u>547,794,262.31</u>	<u>522,516,000.00</u>
	INTEREST CHARGES	
427	213,857,049.17	216,856,000.00
428		
	INTEREST ON LONG-TERM DEBT	
	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	
	2,072,732.00	2,473,000.00
428.1		
	AMORTIZATION OF LOSS ON RE- ACQUIRED DEBT	
	6,776,008.98	7,289,000.00
429		
	AMORTIZATION OF PREMIUM ON DEBT- CREDIT	
	36,702.87-	(34,000.00)
429.1		
	AMORTIZATION OF GAIN ON REACQUIRED DEBT - CREDIT	
	6,961,423.35	5,590,000.00
431		
432.1		
	OTHER INTEREST CHARGES	
	7,189,943.32-	(8,589,000.00)
	ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION	
	<u>222,440,567.31</u>	<u>223,585,000.00</u>
	NET INTEREST CHARGES	
	<u>325,353,695.00</u>	<u>\$298,931,000.00</u>
	NET INCOME	

PENNSYLVANIA POWER & LIGHT COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPTEMBER 30, 1993

ACCT. <u>NO.</u>		
	UTILITY OPERATING INCOME	
400	OPERATING REVENUES	<u>\$2,715,063,436.25</u>
	OPERATING EXPENSES	
401	OPERATION EXPENSES	1,218,197,731.80
402	MAINTENANCE EXPENSES	199,849,382.87
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS	278,637,631.67
408.1	TAXES OTHER THAN INCOME TAXES	
	STATE GROSS RECEIPTS	97,465,966.00
	STATE CAPITAL STOCK	35,288,121.00
	STATE UTILITY REAL ESTATE	45,934,102.00
	OTHER	24,821,028.00
409.1	INCOME TAXES	
	FEDERAL	171,231,374.00
	STATE	68,655,065.00
410.1	PROVISION FOR DEFERRED INCOME TAXES	
	FEDERAL	83,510,018.18
	STATE	14,338,962.26
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	
	FEDERAL	(68,977,096.69)
	STATE	(18,246,435.74)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT-NET	(13,477,959.00)
411.6	GAINS FROM DISPOSITION OF UTILITY PLANT	(9,368.55)
411.7	LOSSES FROM DISPOSITION OF UTILITY PLANT	60,424.77
411.8	GAINS FROM DISPOSITION OF EMISSION ALLOWANCES	(408,848.53)
	TOTAL UTILITY OPERATING EXPENSES	<u>2,136,870,099.04</u>
	NET UTILITY OPERATING INCOME	<u>578,193,337.21</u>
	OTHER INCOME AND DEDUCTIONS	
	OTHER INCOME	
418	NONOPERATING RENTAL INCOME	(42,192.86)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	5,834,283.99
419	INTEREST AND DIVIDEND INCOME	3,943,041.86
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	8,036,497.70
421	MISCELLANEOUS NONOPERATING INCOME	39,281.22
421.1	GAIN ON DISPOSITION OF PROPERTY	95,940.11
	TOTAL OTHER INCOME	<u>17,906,852.02</u>
	OTHER INCOME DEDUCTIONS	
421.2	LOSS ON DISPOSITION OF PROPERTY	9,972.97
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS	6,447,329.97
	TOTAL OTHER INCOME DEDUCTIONS	<u>\$6,457,302.94</u>

PENNSYLVANIA POWER & LIGHT COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPTEMBER 30, 1993

ACCT.
NO.

OTHER INCOME AND DEDUCTIONS (CONTINUED)

TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS

408.2	TAXES OTHER THAN INCOME TAXES	\$84,000.00
409.2	INCOME TAXES	
	FEDERAL	(418,446.00)
	STATE	(168,664.00)
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	
	FEDERAL	(1,239,944.00)
	STATE	(496,555.00)
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	(2,239,609.00)
	NET OTHER INCOME AND DEDUCTIONS	13,689,158.08
	INCOME BEFORE INTEREST CHARGES	591,882,495.29
INTEREST CHARGES		
427	INTEREST ON LONG-TERM DEBT	229,632,946.26
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	1,727,841.13
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	4,672,570.06
429	AMORTIZATION OF PREMIUM ON DEBT-CREDIT	(42,965.04)
431	OTHER INTEREST CHARGES	4,596,300.30
432	ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION	(7,104,188.99)
	NET INTEREST CHARGES	233,482,503.72
	NET INCOME	\$358,399,991.57

PENNSYLVANIA POWER & LIGHT COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPT 30, 1992

ACCT. NO.		
	UTILITY OPERATING INCOME	
400	OPERATING REVENUES	\$ <u>2,748,788,485.98</u>
	OPERATING EXPENSES	
401	OPERATION EXPENSES	1,291,464,867.07
402	MAINTENANCE EXPENSES	192,841,301.23
403/ 406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS	258,197,222.00
408.1	TAXES OTHER THAN INCOME TAXES	
	STATE GROSS RECEIPTS	94,101,370.00
	STATE CAPITAL STOCK	39,172,194.98
	STATE UTILITY REAL ESTATE OTHER	51,027,822.98
		23,400,550.40
409.1	INCOME TAXES	
	FEDERAL	134,257,688.79
	STATE	63,308,938.00
410.1	PROVISION FOR DEFERRED INCOME TAXES	
	FEDERAL	102,747,618.00
	STATE	18,518,220.00
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	
	FEDERAL	61,327,903.00-
	STATE	16,367,178.00-
411.4	INVESTMENT TAX CREDIT ADJUSTMENT-NET	14,025,294.00-
411.6	(GAINS) FROM DISPOSITION OF UTILITY PLANT	<u>87,439.21-</u>
	TOTAL UTILITY OPERATING EXPENSES	<u>2,177,229,979.24</u>
	NET UTILITY OPERATING INCOME	<u>571,558,506.74</u>
	OTHER INCOME AND DEDUCTIONS	
	OTHER INCOME	
418	NONOPERATING RENTAL INCOME	26,540.53-
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	3,476,677.34
419	INTEREST AND DIVIDEND INCOME	6,349,071.63
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	6,502,512.39
421	MISCELLANEOUS NONOPERATING INCOME	182,752.54
421.1	GAIN ON DISPOSITION OF PROPERTY	<u>350,185.24</u>
	TOTAL OTHER INCOME	<u>16,834,658.61</u>
	OTHER INCOME DEDUCTIONS	
421.2	LOSS ON DISPOSITION OF PROPERTY	8,331.45
426	MISCELLANEOUS INCOME DEDUCTIONS	<u>7,619,840.25</u>
	TOTAL OTHER INCOME DEDUCTIONS	<u>\$ 7,628,171.70</u>

PENNSYLVANIA POWER & LIGHT COMPANY
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPT 30, 1992

ACCT.
NO.

OTHER INCOME AND DEDUCTIONS (CONTINUED)

	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
408.2	TAXES OTHER THAN INCOME TAXES	\$	77,000.00
409.2	INCOME TAXES		
	FEDERAL		63,014.00
	STATE		22,373.00
410.2/	PROVISION FOR DEFERRED INCOME		
411.2	TAXES - NET		
	FEDERAL		1,123,559.00-
	STATE		<u>461,326.00-</u>
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		<u>1,422,498.00-</u>
	NET OTHER INCOME AND DEDUCTIONS		<u>10,628,989.91</u>
	INCOME BEFORE INTEREST CHARGES		<u>582,187,491.65</u>
	INTEREST CHARGES		
427	INTEREST ON LONG-TERM DEBT		238,131,866.64
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE		1,483,686.45
428.1	AMORTIZATION OF LOSS ON RE- ACQUIRED DEBT		4,169,482.58
429	AMORTIZATION OF PREMIUM ON DEBT- CREDIT		43,915.77-
429.1	AMORTIZATION OF GAIN ON REACQUIRED DEBT - CREDIT		
431	OTHER INTEREST CHARGES		4,843,720.16
432.1	ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION		<u>6,818,801.96-</u>
	NET INTEREST CHARGES		<u>241,766,038.10</u>
	NET INCOME	\$	<u><u>340,421,453.55</u></u>

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Plant in service

A.1. Attachment VI-C provides Pennsylvania Power & Light Company's plant in service balances by account for the 12 month periods ending September 30, 1992 and September 30, 1993. Plant in Service for the 12 month period ending September 30, 1994 and 1995 are provided in Attachment V-A-3.

Pennsylvania Power & Light Company

Electric Plant in Service

<u>Intangible</u>		<u>9/30/92</u>	<u>9/30/93</u>
301.0	Organization	476,252	476,252
302.0	Franchises and Consents	147,084	147,084
303.0	Misc Intang Plt - Other	22,055	22,055
303.2	Misc Intang Plt - Computer Software	<u>14,391,599</u>	<u>14,360,150</u>
	Subtotal -- Intangible	15,036,990	15,005,541

Steam Production

<u>Sunbury SES</u>			
310.0	Land and Land Rights	941,135	940,852
311.0	Structures and Improvements	35,364,935	35,430,845
312.0	Boiler Plant Equipment	97,270,597	104,619,138
314.0	Turbo-Generator Units	32,989,573	33,200,999
315.0	Accessory Electric Equipment	22,314,661	19,775,452
316.0	Misc Power Plant Equipment	<u>3,483,437</u>	<u>3,872,239</u>
	Subtotal -- Sunbury SES	192,364,338	197,839,525

<u>Martins Creek #1 & #2 SES</u>			
310.0	Land and Land Rights	2,933,213	2,933,213
311.0	Structures and Improvements	13,294,786	13,300,269
312.0	Boiler Plant Equipment	76,975,004	80,109,668
314.0	Turbo-Generator Units	40,965,499	46,587,276
315.0	Accessory Electric Equipment	14,225,635	11,666,379
316.0	Misc Power Plant Equipment	<u>1,852,517</u>	<u>1,986,805</u>
	Subtotal -- Martins Creek #1 & #2 SES	150,246,654	156,583,610

<u>Martins Creek #3 & #4 SES</u>			
310.0	Land and Land Rights	5,564	5,564
311.0	Structures and Improvements	58,142,399	58,015,776
312.0	Boiler Plant Equipment	194,734,083	198,154,619
314.0	Turbo-Generator Units	114,020,871	116,821,397
315.0	Accessory Electric Equipment	35,719,206	35,719,711
316.0	Misc Power Plant Equipment	<u>5,175,855</u>	<u>5,373,571</u>
	Subtotal -- Martins Creek #3 & #4 SES	407,797,978	414,090,638

<u>Brunner Island SES</u>			
310.0	Land and Land Rights	1,743,263	1,743,263
311.0	Structures and Improvements	42,080,226	45,105,046
312.0	Boiler Plant Equipment	225,617,642	231,536,583
314.0	Turbo-Generator Units	88,072,082	96,617,954
315.0	Accessory Electric Equipment	24,418,341	24,152,896
316.0	Misc Power Plant Equipment	<u>3,371,017</u>	<u>3,819,522</u>
	Subtotal -- Brunner Island SES	385,302,571	402,975,264

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>Conemaugh SES</u>			
310.0	Land and Land Rights	257,192		257,192
311.0	Structures and Improvements	8,296,266		8,938,124
312.0	Boiler Plant Equipment	23,617,066		25,212,800
314.0	Turbo-Generator Units	12,026,317		12,229,175
315.0	Accessory Electric Equipment	2,336,154		2,357,828
316.0	Misc Power Plant Equipment	<u>659,647</u>		<u>739,314</u>
	Subtotal -- Conemaugh SES	47,192,642		49,734,433
	 <u>Keystone SES</u>			
310.0	Land and Land Rights	500,592		500,592
311.0	Structures and Improvements	8,108,996		8,519,858
312.0	Boiler Plant Equipment	26,484,797		28,109,494
314.0	Turbo-Generator Units	11,990,796		12,191,300
315.0	Accessory Electric Equipment	2,473,148		2,521,502
316.0	Misc Power Plant Equipment	<u>522,335</u>		<u>731,305</u>
	Subtotal -- Keystone SES	50,080,664		52,574,051
	 <u>Montour SES</u>			
310.0	Land and Land Rights	3,660,674		3,968,337
311.0	Structures and Improvements	41,933,671		42,032,519
312.0	Boiler Plant Equipment	203,700,298		207,452,647
314.0	Turbo-Generator Units	95,376,854		108,564,994
315.0	Accessory Electric Equipment	29,066,299		29,073,981
316.0	Misc Power Plant Equipment	<u>3,450,204</u>		<u>3,879,311</u>
	Subtotal -- Montour SES	377,188,000		394,971,789
	 <u>Holtwood SES</u>			
310.0	Land and Land Rights	160,092		160,092
311.0	Structures and Improvements	11,564,330		11,629,759
312.0	Boiler Plant Equipment	37,989,438		38,853,112
314.0	Turbo-Generator Units	6,976,767		7,083,241
315.0	Accessory Electric Equipment	3,421,715		3,421,715
316.0	Misc Power Plant Equipment	<u>1,401,222</u>		<u>1,408,005</u>
	Subtotal -- Holtwood SES	61,513,564		62,555,924
	Subtotal -- Steam Production	1,671,686,411		1,731,325,234

Pennsylvania Power & Light Company
Electric Plant in Service

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Nuclear Production</u>			
<u>Susquehanna SES Unit #1</u>			
321.0	Structures and Improvements	239,124,547	239,357,330
322.0	Reactor Plant Equipment	812,652,813	816,499,912
323.0	Turbo-Generator Units	240,016,213	240,023,507
324.0	Accessory Electric Equipment	151,979,035	151,968,649
325.0	Misc Power Plant Equipment	<u>9,195,019</u>	<u>9,106,418</u>
	Subtotal -- Susquehanna SES Unit #1	1,452,967,627	1,456,955,816
 <u>Susquehanna SES Unit #2</u>			
321.0	Structures and Improvements	225,245,718	225,203,980
322.0	Reactor Plant Equipment	827,905,386	833,215,665
323.0	Turbo-Generator Units	275,406,949	275,082,788
324.0	Accessory Electric Equipment	140,293,453	141,254,672
325.0	Misc Power Plant Equipment	<u>10,851,191</u>	<u>10,866,056</u>
	Subtotal -- Susquehanna SES Unit #2	1,479,702,697	1,485,623,161
 <u>Susquehanna SES Common</u>			
320.2	Land	5,503,445	5,503,445
320.4	Land Rights	10,472,569	10,472,569
321.0	Structures and Improvements	440,536,052	443,483,486
322.0	Reactor Plant Equipment	172,159,808	172,952,184
323.0	Turbo-Generator Units	33,255,166	32,811,617
324.0	Accessory Electric Equipment	249,620,634	250,162,818
325.0	Misc Power Plant Equipment	<u>92,940,570</u>	<u>105,606,370</u>
	Subtotal -- Susquehanna SES Common	1,004,488,244	1,020,992,489
	 Subtotal -- Nuclear Production	 3,937,158,568	 3,963,571,466

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Hydro Production</u>			
	<u>Wallenpaupack HES</u>		
330.2	Land and Land Rights - Other	2,493,884	2,493,884
330.4	Land and Land Rights - Rec Fac	35,278	35,278
331.2	Structures and Improvements - Other	1,675,785	1,725,898
331.4	Structures and Improvements - Rec Fac	1,675,868	1,669,408
332.2	Resv, Dam, Waterway - Flow Line	6,172,854	6,189,211
332.4	Resv, Dam, Waterway - Other	5,427,986	5,427,986
333.0	Water Wheels, Turbines and Generators	785,694	785,694
334.0	Accessory Electric Equipment	1,219,172	1,219,172
335.2	Misc Power Plant Equipment - Other	111,601	111,601
335.4	Misc Power Plant Equipment - Rec Fac	171,786	355,064
336.0	Roads, Railroads and Bridges	<u>167,902</u>	<u>167,902</u>
	Subtotal -- Wallenpaupack HES	19,937,810	20,181,098
	<u>Holtwood HES</u>		
330.2	Land and Land Rights - Other	2,052,792	2,052,792
330.4	Land and Land Rights - Rec Fac	205,046	205,046
331.2	Structures and Improvements - Other	2,658,986	3,082,081
331.4	Structures and Improvements - Rec Fac	1,144,846	1,155,255
332.4	Resv, Dam, Waterway - Other	13,163,602	13,646,489
333.0	Water Wheels, Turbines and Generators	26,988,169	32,026,461
334.0	Accessory Electric Equipment	2,039,345	2,033,157
335.2	Misc Power Plant Equipment - Other	2,077,414	2,073,713
335.4	Misc Power Plant Equipment - Rec Fac	95,362	105,994
336.0	Roads, Railroads and Bridges	<u>92,106</u>	<u>92,106</u>
	Subtotal -- Holtwood HES	50,517,668	56,473,094
	Subtotal -- Hydro Production	70,455,478	76,654,192
<u>Other Production</u>			
	<u>Allentown C/T</u>		
341.0	Structures and Improvements	603	603
342.0	Fuel Holders, Producers and Accessories	212,696	212,696
343.0	Prime Movers	3,005,110	3,201,444
344.0	Generators	1,217,141	1,248,096
345.0	Accessory Electric Equipment	520,126	520,126
346.0	Misc Power Plant Equipment	<u>46,931</u>	<u>26,455</u>
	Subtotal -- Allentown C/T	5,002,607	5,209,420
	<u>Harwood C/T</u>		
341.0	Structures and Improvements	8,531	8,531
342.0	Fuel Holders, Producers and Accessories	175,552	175,552
343.0	Prime Movers	1,646,312	1,646,312
344.0	Generators	752,663	746,663
345.0	Accessory Electric Equipment	319,723	319,723
346.0	Misc Power Plant Equipment	<u>20,351</u>	<u>20,351</u>
	Subtotal -- Harwood C/T	2,923,132	2,917,132

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>	<u>9/30/93</u>
	<u>Williamsport C/T</u>		
341.0	Structures and Improvements	22,716	46,704
342.0	Fuel Holders, Producers and Accessories	145,227	145,227
343.0	Prime Movers	1,691,383	1,814,931
344.0	Generators	547,020	704,438
345.0	Accessory Electric Equipment	300,197	300,197
346.0	Misc Power Plant Equipment	<u>20,621</u>	<u>8,445</u>
	Subtotal -- Williamsport C/T	2,727,164	3,019,942
	<u>Harrisburg C/T</u>		
341.0	Structures and Improvements	28,601	28,601
342.0	Fuel Holders, Producers and Accessories	203,567	193,317
343.0	Prime Movers	2,959,069	3,064,217
344.0	Generators	1,088,343	1,138,264
345.0	Accessory Electric Equipment	539,591	552,707
346.0	Misc Power Plant Equipment	<u>32,039</u>	<u>11,962</u>
	Subtotal -- Harrisburg C/T	4,851,210	4,989,068
	<u>Jenkins C/T</u>		
341.0	Structures and Improvements	79,010	101,988
342.0	Fuel Holders, Producers and Accessories	153,439	147,919
343.0	Prime Movers	1,654,734	2,022,293
344.0	Generators	550,388	817,878
345.0	Accessory Electric Equipment	294,373	328,014
346.0	Misc Power Plant Equipment	<u>20,789</u>	<u>9,354</u>
	Subtotal -- Jenkins C/T	2,752,733	3,427,446
	<u>Sunbury (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	1,292	1,292
343.0	Prime Movers	339,984	339,984
344.0	Generators	58,723	58,723
345.0	Accessory Electric Equipment	128,447	128,447
346.0	Misc Power Plant Equipment	<u>1,325</u>	<u>1,325</u>
	Subtotal -- Sunbury (D) C/T	529,771	529,771
	<u>Sunbury C/T</u>		
341.0	Structures and Improvements	116,907	116,907
342.0	Fuel Holders, Producers and Accessories	257,696	257,696
343.0	Prime Movers	49,032	49,032
345.0	Accessory Electric Equipment	76,722	76,722
346.0	Misc Power Plant Equipment	<u>8,352</u>	<u>8,352</u>
	Subtotal -- Sunbury C/T	508,709	508,709

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>West Shore C/T</u>			
341.0	Structures and Improvements	51,652		51,652
342.0	Fuel Holders, Producers and Accessories	160,319		160,319
343.0	Prime Movers	2,071,043		2,071,043
344.0	Generators	519,936		519,936
345.0	Accessory Electric Equipment	486,272		486,272
346.0	Misc Power Plant Equipment	<u>10,868</u>		<u>10,868</u>
	Subtotal -- West Shore C/T	3,300,090		3,300,090
	 <u>Lock Haven C/T</u>			
340.0	Land and Land Rights	17,777		17,777
341.0	Structures and Improvements	168,659		168,659
342.0	Fuel Holders, Producers and Accessories	118,486		118,486
343.0	Prime Movers	1,048,575		1,048,575
344.0	Generators	265,856		265,856
345.0	Accessory Electric Equipment	258,085		258,085
346.0	Misc Power Plant Equipment	<u>7,229</u>		<u>7,229</u>
	Subtotal -- Lock Haven C/T	1,884,667		1,884,667
	Subtotal -- Other Production	29,845,023		31,273,300
	 <u>Transmission</u>			
350.2	Land	2,608,559		2,577,203
350.4	Land Rights	20,390,244		20,860,919
352.0	Structures and Improvements	12,317,298		13,230,398
353.0	Station Equipment	178,785,960		195,506,507
354.0	Towers and Fixtures	105,665,426		106,417,221
354.2	Clearing Land and R/W - Towers	5,991,387		5,991,387
355.0	Poles and Fixtures	1,855,905		1,848,795
355.2	Clearing Land and R/W - Poles	211,587		211,587
356.0	Overhead Conductors and Devices	65,977,217		70,005,050
359.0	Roads and Trails	<u>5,471,740</u>		<u>5,484,990</u>
	Subtotal -- Transmission	399,275,323		422,134,057

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Distribution</u>			
360.2	Land	10,968,044	11,865,784
360.4	Land Rights	74,576,871	78,465,902
361.0	Structures and Improvements	26,108,568	28,582,013
362.0	Station Equipment	236,192,596	260,702,151
364.2	Towers and Fixtures	69,587,344	75,886,912
364.4	Poles and Fixtures	457,413,213	475,475,187
364.6	Clearing Land and R/W - Towers	3,176,829	3,574,658
364.8	Clearing Land and R/W - Poles	29,669,412	31,305,577
365.0	Overhead Conductors and Devices	385,160,882	408,346,155
366.0	Underground Conduit	59,124,501	67,350,754
367.0	Underground Conductors and Devices	123,187,265	139,588,840
368.2	Transformers - Overhead Type	178,545,238	183,824,373
368.4	Transformers - Submersible or Pad Mounted	75,219,809	81,984,244
368.6	Transformers - Non-Network Housing	1,724,085	1,736,718
369.0	Services	243,726,378	260,985,609
370.0	Meters	74,544,666	76,686,137
371.2	Installations on Customers Premises	691,426	692,032
371.4	Area Lighting Fixtures	3,043,489	3,145,775
373.2	Street Lighting and Signal Systems	<u>39,838,727</u>	<u>43,028,503</u>
	Subtotal -- Distribution	2,092,499,343	2,233,227,324
 <u>General Plant</u>			
389.0	Land and Land Rights	6,434,026	8,849,601
390.2	Structures and Improvements - Buildings	118,723,986	139,982,894
390.4	Structures and Improvements - Air Cond. Equip	11,387,971	11,937,349
390.6	Structures and Improvements - Holtwood Op.	674,183	0
391.2	Office Furniture and Equipment - Furniture	14,039,819	14,555,741
391.4	Office Furniture and Equipment - Mech Equip	2,157,299	2,157,285
391.6	Computer Equipment - General	2,222,323	2,354,427
391.8	Computer Equipment - Power Mgmt System	37,384,798	37,756,285
392.4	Transportation Equipment - Trailers	267,099	265,193
393.0	Stores Equipment	2,140,656	2,152,458
394.0	Tools & Work Equipment - L&S Line Crews	2,060,796	2,186,470
394.2	Shop Equipment -- Haz Serv Depot	66,869	66,869
394.4	Tools & Work Equipment - Const Dept	10,240,328	10,880,490
394.6	Tools & Work Equipment - Other	2,910,517	3,159,592
394.8	Transportation Equipment - Garage Equipmen	4,596,182	5,722,320
395.0	Laboratory Equipment	4,554,735	4,577,201
397.0	Communication Equipment	6,455,313	6,541,717
398.0	Miscellaneous Equipment	<u>3,178,005</u>	<u>3,310,112</u>
	Subtotal -- General Plant	229,494,905	256,456,004
	Total -- Electric Plant in Service	<u>8,445,452,041</u>	<u>8,729,647,118</u>

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Steam Production -- Leasehold Improvements</u>			
	<u>Sunbury SES</u>		
311.0	Structures and Improvements	<u>49,346</u>	<u>49,346</u>
	Subtotal -- Sunbury SES	<u>49,346</u>	<u>49,346</u>
	<u>Martins Creek #1 & #2 SES</u>		
312.0	Boiler Plant Equipment	79,141	79,141
316.0	Misc Power Plant Equipment	<u>6,427</u>	<u>6,427</u>
	Subtotal -- Martins Creek #1 & #2 SES	<u>85,568</u>	<u>85,568</u>
	<u>Martins Creek #3 & #4 SES</u>		
311.0	Structures and Improvements	137,124	277,620
312.0	Boiler Plant Equipment	676,360	695,260
315.0	Accessory Electric Equipment	12,517	12,517
316.0	Misc Power Plant Equipment	<u>5,039</u>	<u>5,039</u>
	Subtotal -- Martins Creek #3 & #4 SES	<u>831,040</u>	<u>990,436</u>
	<u>Montour SES</u>		
316.0	Misc Power Plant Equipment	<u>24,385</u>	<u>24,385</u>
	Subtotal -- Montour SES	<u>24,385</u>	<u>24,385</u>
	Subtotal -- Steam Production	<u>990,339</u>	<u>1,149,735</u>
 <u>Nuclear Production -- Leasehold Improvements</u>			
	<u>Susquehanna SES Common</u>		
325.0	Misc Power Plant Equipment	<u>276,490</u>	<u>451,364</u>
	Subtotal -- Susquehanna SES Common	<u>276,490</u>	<u>451,364</u>
	Subtotal -- Nuclear Production	<u>276,490</u>	<u>451,364</u>
 <u>Other Production -- Leasehold Improvements</u>			
	<u>Sunbury C/T</u>		
343.0	Prime Movers	696,478	748,918
344.0	Generators	382,105	381,764
345.0	Accessory Electric Equipment	<u>80,158</u>	<u>80,158</u>
	Subtotal -- Sunbury C/T	<u>1,158,741</u>	<u>1,210,840</u>

Pennsylvania Power & Light Company

Electric Plant in Service

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>Martins Creek (D) C/T</u>			
341.0	Structures and Improvements	1,450,101		0
342.0	Fuel Holders, Producers and Accessories	0		133,080
343.0	Prime Movers	0		1,475,033
344.0	Generators	172,131		134,356
345.0	Accessory Electric Equipment	<u>50,883</u>		<u>112,010</u>
	Subtotal -- Martins Creek (D) C/T	1,673,115		1,854,479
	Subtotal -- Other Production	2,831,856		3,065,319
	<u>General Plant -- Leasehold Improvements</u>			
390.2	Structures and Improvements - Buildings	1,272,862		1,170,121
390.4	Structures and Improvements - Air Cond. Equi	559,356		697,114
392.2	Transportation Equipment - Vehicles	1,189,448		1,189,448
392.4	Transportation Equipment - Trailers	82,705		82,705
394.4	Tools & Work Equipment - Const Dept	68,067		68,067
397.0	Communication Equipment	21,793		276,820
398.0	Miscellaneous Equipment	<u>22,263</u>		<u>22,263</u>
	Subtotal -- General Plant	3,216,494		3,506,538
	Total -- Electric Plant in Service -- Leasehold Improvements	<u>7,315,179</u>		<u>8,172,956</u>

Common Plant

Steam Production -- Common Plant

	<u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	103,255		103,255
312.0	Boiler Plant Equipment	451,354		451,354
314.0	Turbo-Generator Units	246,320		246,320
315.0	Accessory Electric Equipment	79,951		79,951
316.0	Misc Power Plant Equipment	<u>5,789</u>		<u>5,789</u>
	Subtotal -- Martins Creek #3 & #4 SES	886,669		886,669

Nuclear Production -- Common Plant

	<u>Susquehanna SES Common</u>			
321.0	Structures and Improvements	13,186,330		13,186,330
322.0	Reactor Plant Equipment	5,292,850		5,292,850
323.0	Turbo-Generator Units	1,280,402		1,280,402
324.0	Accessory Electric Equipment	5,952,606		5,952,606
325.0	Misc Power Plant Equipment	<u>2,790,134</u>		<u>2,790,134</u>
	Subtotal -- Susquehanna SES Common	28,502,322		28,502,322

Pennsylvania Power & Light Company

Electric Plant in Service

	<u>9/30/92</u>	<u>9/30/93</u>
<u>Transmission -- Common Plant</u>		
353.0 Station Equipment	12,296	12,296
Subtotal -- Transmission	12,296	12,296
Total -- Common Plant	<u>29,401,287</u>	<u>29,401,287</u>
Total -- Plant in Service	<u>8,482,168,507</u>	<u>8,767,221,361</u>

RECAP -- Electric Plant in Service

Intangible	15,036,990	15,005,541
Steam Production	1,673,563,419	1,733,361,638
Nuclear Production	3,965,937,380	3,992,525,152
Hydro Production	70,455,478	76,654,192
Other Production	32,676,879	34,338,619
Transmission	399,287,619	422,146,353
Distribution	2,092,499,343	2,233,227,324
General Plant	<u>232,711,399</u>	<u>259,962,542</u>
Total -- Electric Plant in Service	<u>8,482,168,507</u>	<u>8,767,221,361</u>

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Accumulated depreciation

A.1. Attachment VI-D provides Pennsylvania Power & Light Company's accumulated depreciation by account for the 12 month periods ending September 30, 1992 and September 30, 1993. Accumulated depreciation for the 12 month period ending September 30, 1994 and 1995 are provided in Attachment V-A-3.

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Intangible</u>			
301.0	Organization	Non-Depreciable	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable	Non-Depreciable
303.0	Misc Intang Plt - Other	Non-Depreciable	Non-Depreciable
303.2	Misc Intang Plt - Computer Software	<u>3,824,843</u>	<u>4,224,874</u>
	Subtotal -- Intangible	3,824,843	4,224,874
 <u>Steam Production</u>			
	<u>Sunbury SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	28,015,946	28,357,379
312.0	Boiler Plant Equipment	56,291,690	58,650,732
314.0	Turbo-Generator Units	16,496,420	17,727,403
315.0	Accessory Electric Equipment	8,403,004	9,278,567
316.0	Misc Power Plant Equipment	<u>1,442,931</u>	<u>1,556,331</u>
	Subtotal -- Sunbury SES	110,649,991	115,570,412
	 <u>Martins Creek #1 & #2 SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	8,494,575	8,337,601
312.0	Boiler Plant Equipment	27,188,013	29,120,480
314.0	Turbo-Generator Units	7,574,233	9,213,279
315.0	Accessory Electric Equipment	4,809,889	5,136,464
316.0	Misc Power Plant Equipment	<u>660,176</u>	<u>712,431</u>
	Subtotal -- Martins Creek #1 & #2 SES	48,726,886	52,520,255
	 <u>Martins Creek #3 & #4 SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	26,510,581	28,292,953
312.0	Boiler Plant Equipment	84,361,719	89,220,003
314.0	Turbo-Generator Units	45,243,767	48,740,324
315.0	Accessory Electric Equipment	16,638,071	17,730,202
316.0	Misc Power Plant Equipment	<u>2,183,531</u>	<u>2,359,101</u>
	Subtotal -- Martins Creek #3 & #4 SES	174,937,669	186,342,583
	 <u>Brunner Island SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	20,343,932	21,422,217
312.0	Boiler Plant Equipment	102,082,055	107,431,942
314.0	Turbo-Generator Units	35,748,821	36,610,046
315.0	Accessory Electric Equipment	11,617,925	12,210,716
316.0	Misc Power Plant Equipment	<u>1,515,446</u>	<u>1,597,383</u>
	Subtotal -- Brunner Island SES	171,308,179	179,272,304

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
	<u>Conemaugh SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	3,249,142	3,636,829
312.0	Boiler Plant Equipment	11,643,282	12,356,664
314.0	Turbo-Generator Units	5,929,926	6,341,062
315.0	Accessory Electric Equipment	1,389,152	1,459,583
316.0	Misc Power Plant Equipment	<u>202,545</u>	<u>237,591</u>
	Subtotal -- Conemaugh SES	22,414,047	24,031,729
	<u>Keystone SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	4,182,077	4,558,786
312.0	Boiler Plant Equipment	13,133,886	14,315,730
314.0	Turbo-Generator Units	4,968,275	5,492,206
315.0	Accessory Electric Equipment	1,689,152	1,770,297
316.0	Misc Power Plant Equipment	<u>193,448</u>	<u>232,474</u>
	Subtotal -- Keystone SES	24,166,838	26,369,493
	<u>Montour SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	18,749,096	19,233,534
312.0	Boiler Plant Equipment	86,159,610	89,000,085
314.0	Turbo-Generator Units	41,384,832	41,427,365
315.0	Accessory Electric Equipment	12,703,848	13,370,354
316.0	Misc Power Plant Equipment	<u>1,407,101</u>	<u>1,460,121</u>
	Subtotal -- Montour SES	160,404,487	164,491,459
	<u>Holtwood SES</u>		
310.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
311.0	Structures and Improvements	7,679,097	7,889,734
312.0	Boiler Plant Equipment	22,735,910	23,655,000
314.0	Turbo-Generator Units	3,706,644	3,889,137
315.0	Accessory Electric Equipment	2,680,670	2,727,114
316.0	Misc Power Plant Equipment	<u>504,885</u>	<u>546,019</u>
	Subtotal -- Holtwood SES	37,307,206	38,707,004
	Subtotal -- Steam Production	749,915,303	787,305,239

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Nuclear Production</u>			
	<u>Susquehanna SES Unit #1</u>		
321.0	Structures and Improvements	50,881,506	61,013,620
322.0	Reactor Plant Equipment	76,870,355	98,291,713
323.0	Turbo-Generator Units	24,450,832	30,450,614
324.0	Accessory Electric Equipment	27,818,175	33,407,054
325.0	Misc Power Plant Equipment	<u>5,697,577</u>	<u>6,853,458</u>
	Subtotal -- Susquehanna SES Unit #1	185,718,445	230,016,459
	 <u>Susquehanna SES Unit #2</u>		
321.0	Structures and Improvements	44,690,143	53,818,751
322.0	Reactor Plant Equipment	67,612,444	86,476,352
323.0	Turbo-Generator Units	27,881,356	34,449,016
324.0	Accessory Electric Equipment	24,483,997	30,027,583
325.0	Misc Power Plant Equipment	<u>5,104,566</u>	<u>6,231,516</u>
	Subtotal -- Susquehanna SES Unit #2	169,772,506	211,003,218
	 <u>Susquehanna SES Common</u>		
320.2	Land	Non-Depreciable	Non-Depreciable
320.4	Land Rights	954,988	1,274,185
321.0	Structures and Improvements	33,368,462	40,997,262
322.0	Reactor Plant Equipment	57,007,368	69,513,418
323.0	Turbo-Generator Units	17,902,552	21,775,365
324.0	Accessory Electric Equipment	17,296,970	21,524,568
325.0	Misc Power Plant Equipment	<u>262,113</u>	<u>(8,118,528)</u>
	Subtotal -- Susquehanna SES Common	126,792,453	146,966,270
	Subtotal -- Nuclear Production	482,283,404	587,985,947

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Hydro Production</u>			
<u>Wallenpaupack HES</u>			
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	657,172	679,906
331.4	Structures and Improvements - Rec Fac	879,678	956,269
332.2	Resv, Dam, Waterway - Flow Line	3,364,639	3,440,474
332.4	Resv, Dam, Waterway - Other	1,919,034	1,966,960
333.0	Water Wheels, Turbines and Generators	622,166	627,754
334.0	Accessory Electric Equipment	428,559	447,929
335.2	Misc Power Plant Equipment - Other	74,314	75,397
335.4	Misc Power Plant Equipment - Rec Fac	71,020	69,405
336.0	Roads, Railroads and Bridges	<u>40,631</u>	<u>43,356</u>
	Subtotal -- Wallenpaupack HES	8,057,213	8,307,450
 <u>Holtwood HES</u>			
330.2	Land and Land Rights - Other	Non-Depreciable	Non-Depreciable
330.4	Land and Land Rights - Rec Fac	Non-Depreciable	Non-Depreciable
331.2	Structures and Improvements - Other	1,103,409	1,133,360
331.4	Structures and Improvements - Rec Fac	926,332	960,919
332.4	Resv, Dam, Waterway - Other	5,132,593	5,217,985
333.0	Water Wheels, Turbines and Generators	4,455,030	4,981,093
334.0	Accessory Electric Equipment	1,093,658	1,129,286
335.2	Misc Power Plant Equipment - Other	330,682	350,491
335.4	Misc Power Plant Equipment - Rec Fac	67,659	65,829
336.0	Roads, Railroads and Bridges	<u>80,790</u>	<u>80,922</u>
	Subtotal -- Holtwood HES	13,190,153	13,919,885
	Subtotal -- Hydro Production	21,247,366	22,227,335
 <u>Other Production</u>			
<u>Allentown C/T</u>			
341.0	Structures and Improvements	215	2,835
342.0	Fuel Holders, Producers and Accessories	181,955	185,048
343.0	Prime Movers	2,380,503	2,553,432
344.0	Generators	1,029,408	1,048,279
345.0	Accessory Electric Equipment	446,971	454,520
346.0	Misc Power Plant Equipment	<u>36,274</u>	<u>16,771</u>
	Subtotal -- Allentown C/T	4,075,326	4,260,885
 <u>Harwood C/T</u>			
341.0	Structures and Improvements	7,477	7,576
342.0	Fuel Holders, Producers and Accessories	141,288	144,721
343.0	Prime Movers	1,483,632	1,499,002
344.0	Generators	447,225	456,132
345.0	Accessory Electric Equipment	270,347	275,288
346.0	Misc Power Plant Equipment	<u>17,680</u>	<u>17,919</u>
	Subtotal -- Harwood C/T	2,367,649	2,400,638

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>Williamsport C/T</u>			
341.0	Structures and Improvements	20,133		20,391
342.0	Fuel Holders, Producers and Accessories	122,692		128,457
343.0	Prime Movers	1,555,898		1,527,624
344.0	Generators	509,227		504,558
345.0	Accessory Electric Equipment	242,462		248,665
346.0	Misc Power Plant Equipment	<u>12,208</u>		<u>931</u>
	Subtotal -- Williamsport C/T	2,462,620		2,430,626
	<u>Harrisburg C/T</u>			
341.0	Structures and Improvements	22,398		23,009
342.0	Fuel Holders, Producers and Accessories	176,229		168,724
343.0	Prime Movers	2,681,371		2,701,383
344.0	Generators	1,005,082		1,013,327
345.0	Accessory Electric Equipment	479,026		483,255
346.0	Misc Power Plant Equipment	<u>26,952</u>		<u>(2,324)</u>
	Subtotal -- Harrisburg C/T	4,391,058		4,387,374
	<u>Jenkins C/T</u>			
341.0	Structures and Improvements	70,821		71,631
342.0	Fuel Holders, Producers and Accessories	127,469		124,558
343.0	Prime Movers	1,529,746		1,554,436
344.0	Generators	507,072		526,284
345.0	Accessory Electric Equipment	262,184		262,561
346.0	Misc Power Plant Equipment	<u>17,971</u>		<u>6,817</u>
	Subtotal -- Jenkins C/T	2,515,263		2,546,287
	<u>Sunbury (D) C/T</u>			
342.0	Fuel Holders, Producers and Accessories	1,286		1,296
343.0	Prime Movers	259,114		263,674
344.0	Generators	56,702		56,801
345.0	Accessory Electric Equipment	112,839		113,695
346.0	Misc Power Plant Equipment	<u>697</u>		<u>728</u>
	Subtotal -- Sunbury (D) C/T	430,638		436,194
	<u>Sunbury C/T</u>			
341.0	Structures and Improvements	100,341		101,262
342.0	Fuel Holders, Producers and Accessories	123,770		131,356
343.0	Prime Movers	44,238		44,494
345.0	Accessory Electric Equipment	64,071		64,779
346.0	Misc Power Plant Equipment	<u>5,993</u>		<u>6,128</u>
	Subtotal -- Sunbury C/T	338,413		348,019

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>Martins Creek (D) C/T</u>			
342.0	Fuel Holders, Producers and Accessories	2,140		2,149
343.0	Prime Movers	255,132		256,089
344.0	Generators	53,883		54,083
345.0	Accessory Electric Equipment	115,177		115,851
346.0	Misc Power Plant Equipment	<u>2,924</u>		<u>2,989</u>
	Subtotal -- Martins Creek (D) C/T	429,256		431,161
	<u>Martins Creek C/T</u>			
341.0	Structures and Improvements	191,239		193,281
342.0	Fuel Holders, Producers and Accessories	67,485		69,203
343.0	Prime Movers	67,993		68,606
345.0	Accessory Electric Equipment	111,562		112,569
346.0	Misc Power Plant Equipment	<u>14,166</u>		<u>14,495</u>
	Subtotal -- Martins Creek C/T	452,445		458,154
	<u>Brunner Island (D) C/T</u>			
342.0	Fuel Holders, Producers and Accessories	1,227		1,235
343.0	Prime Movers	337,436		340,876
344.0	Generators	71,646		72,382
345.0	Accessory Electric Equipment	134,356		135,079
346.0	Misc Power Plant Equipment	<u>633</u>		<u>662</u>
	Subtotal -- Brunner Island (D) C/T	545,298		550,234
	<u>Conemaugh (D) C/T</u>			
344.0	Generators	74,323		77,003
345.0	Accessory Electric Equipment	2,086		2,102
346.0	Misc Power Plant Equipment	<u>78</u>		<u>0</u>
	Subtotal -- Conemaugh (D) C/T	76,487		79,105
	<u>Keystone (D) C/T</u>			
342.0	Fuel Holders, Producers and Accessories	4,131		4,247
344.0	Generators	87,178		89,881
345.0	Accessory Electric Equipment	<u>8,046</u>		<u>8,338</u>
	Subtotal -- Keystone (D) C/T	99,355		102,466
	<u>Fishbach C/T</u>			
340.0	Land and Land Rights		Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	70,314		71,494
342.0	Fuel Holders, Producers and Accessories	111,104		106,778
343.0	Prime Movers	1,734,111		1,775,891
344.0	Generators	441,865		448,603
345.0	Accessory Electric Equipment	374,150		384,310
346.0	Misc Power Plant Equipment	<u>9,367</u>		<u>9,687</u>
	Subtotal -- Fishbach C/T	2,740,911		2,796,763

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>		<u>9/30/93</u>
	<u>West Shore C/T</u>			
341.0	Structures and Improvements	36,684		37,937
342.0	Fuel Holders, Producers and Accessories	123,493		128,720
343.0	Prime Movers	1,706,434		1,737,072
344.0	Generators	440,323		447,004
345.0	Accessory Electric Equipment	399,446		406,735
346.0	Misc Power Plant Equipment	<u>6,919</u>		<u>7,265</u>
	Subtotal -- West Shore C/T	2,713,299		2,764,733
	<u>Lock Haven C/T</u>			
340.0	Land and Land Rights		Non-Depreciable	Non-Depreciable
341.0	Structures and Improvements	142,474		144,661
342.0	Fuel Holders, Producers and Accessories	91,316		93,615
343.0	Prime Movers	867,678		882,871
344.0	Generators	225,565		228,810
345.0	Accessory Electric Equipment	208,991		213,058
346.0	Misc Power Plant Equipment	<u>4,728</u>		<u>4,944</u>
	Subtotal -- Lock Haven C/T	1,540,752		1,567,959
	<u>Suburban C/T</u>			
341.0	Structures and Improvements	(14,569)		0
342.0	Fuel Holders, Producers and Accessories	(63,126)		0
343.0	Prime Movers	(280,063)		0
344.0	Generators	(28,692)		0
345.0	Accessory Electric Equipment	(16,999)		0
346.0	Misc Power Plant Equipment	<u>(3,519)</u>		<u>0</u>
	Subtotal -- Suburban C/T	(406,968)		0
	Subtotal -- Other Production	24,771,802		25,560,598
	<u>Transmission</u>			
350.2	Land		Non-Depreciable	Non-Depreciable
350.4	Land Rights	5,099,527		5,360,187
352.0	Structures and Improvements	3,013,305		3,318,814
353.0	Station Equipment	45,665,633		43,704,308
354.0	Towers and Fixtures	43,548,377		45,778,378
354.2	Clearing Land and R/W - Towers	2,594,750		2,705,541
355.0	Poles and Fixtures	568,878		607,876
355.2	Clearing Land and R/W - Poles	62,572		67,761
356.0	Overhead Conductors and Devices	27,413,203		28,923,747
359.0	Roads and Trails	<u>1,096,499</u>		<u>1,248,790</u>
	Subtotal -- Transmission	129,062,744		131,715,402

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Distribution</u>			
360.2	Land	Non-Depreciable	Non-Depreciable
360.4	Land Rights	25,258,286	27,027,188
361.0	Structures and Improvements	11,842,794	12,255,545
362.0	Station Equipment	84,874,642	88,702,384
364.2	Towers and Fixtures	19,955,259	21,622,132
364.4	Poles and Fixtures	145,075,671	154,055,549
364.6	Clearing Land and R/W - Towers	1,072,252	1,158,386
364.8	Clearing Land and R/W - Poles	11,112,665	11,860,584
365.0	Overhead Conductors and Devices	142,458,083	153,691,684
366.0	Underground Conduit	9,791,997	10,832,042
367.0	Underground Conductors and Devices	25,885,394	29,143,022
368.2	Transformers - Overhead Type	66,194,404	70,708,559
368.4	Transformers - Submersible or Pad Mounted	22,706,307	25,987,758
368.6	Transformers - Non-Network Housing	783,781	825,708
369.0	Services	111,075,510	122,256,947
370.0	Meters	21,994,544	22,152,307
371.2	Installations on Customers Premises	47,059	63,949
371.4	Area Lighting Fixtures	2,088,964	2,163,476
373.2	Street Lighting and Signal Systems	<u>14,665,355</u>	<u>16,499,981</u>
	Subtotal -- Distribution	716,882,967	771,007,201
 <u>General Plant</u>			
389.0	Land and Land Rights	Non-Depreciable	Non-Depreciable
390.2	Structures and Improvements - Buildings	37,298,360	41,010,824
390.4	Structures and Improvements - Air Cond. Equip.	7,208,922	7,614,063
390.6	Structures and Improvements - Holtwood Op. Vill.	413,338	0
391.2	Office Furniture and Equipment - Furniture	4,262,386	4,538,153
391.4	Office Furniture and Equipment - Mech Equip	847,929	965,242
391.6	Computer Equipment - General	2,451,836	1,875,186
391.8	Computer Equipment - Power Mgmt System	17,229,835	22,608,526
392.4	Transportation Equipment - Trailers	214,991	214,493
393.0	Stores Equipment	910,155	976,376
394.0	Tools & Work Equipment - L&S Line Crews	303,693	352,597
394.2	Shop Equipment - Haz Serv Depot	58,004	59,062
394.4	Tools & Work Equipment - Const Dept	1,546,589	1,762,047
394.6	Tools & Work Equipment - Other	592,196	664,308
394.8	Transportation Equipment - Garage Equipment	1,343,617	706,966
395.0	Laboratory Equipment	962,922	944,348
397.0	Communication Equipment	2,532,081	2,756,404
398.0	Miscellaneous Equipment	<u>838,330</u>	<u>904,640</u>
	Subtotal -- General Plant	79,015,184	87,953,235
	Total -- Plant in Service	<u>2,207,003,613</u>	<u>2,417,979,831</u>

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

<u>Net Salvage</u>		<u>9/30/92</u>	<u>9/30/93</u>
	Steam Production	(15,135,939)	(17,054,346)
	Nuclear Production	(13,630,176)	(17,017,993)
	Hydro Production	(632,353)	(656,522)
	Other Production	(303,808)	(254,579)
	Transmission	(144,030)	(268,543)
	Distribution	(17,131,256)	(18,171,206)
	General Plant	<u>(249,153)</u>	<u>(308,374)</u>
	Total -- Net Salvage	(47,226,715)	(53,731,563)

Steam Production -- Leasehold Improvements

<u>Sunbury SES</u>			
311.0	Structures and Improvements	9,554	49,346
	Subtotal -- Sunbury SES	9,554	49,346
<u>Martins Creek #1 & #2 SES</u>			
311.0	Structures and Improvements	0	5,804
312.0	Boiler Plant Equipment	58,012	66,191
316.0	Misc Power Plant Equipment	<u>1,835</u>	<u>3,557</u>
	Subtotal -- Martins Creek #1 & #2 SES	59,847	75,552
<u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	79,085	92,571
312.0	Boiler Plant Equipment	476,496	518,466
315.0	Accessory Electric Equipment	3,905	5,599
316.0	Misc Power Plant Equipment	<u>2,351</u>	<u>2,880</u>
	Subtotal -- Martins Creek #3 & #4 SES	561,837	619,516
<u>Montour SES</u>			
316.0	Misc Power Plant Equipment	<u>2,127</u>	<u>5,786</u>
	Subtotal -- Montour SES	2,127	5,786
	Subtotal -- Steam Production	633,365	750,200

Nuclear Production -- Leasehold Improvements

<u>Susquehanna SES Common</u>			
325.0	Misc Power Plant Equipment	13,666	249,662
	Subtotal -- Susquehanna SES Common	13,666	249,662
	Subtotal -- Nuclear Production	13,666	249,662

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>	<u>9/30/93</u>
<u>Other Production -- Leasehold Improvements</u>			
	<u>Sunbury C/T</u>		
343.0	Prime Movers	45,292	235,141
344.0	Generators	24,912	124,504
345.0	Accessory Electric Equipment	<u>9,590</u>	<u>12,326</u>
	Subtotal -- Sunbury C/T	79,794	371,971
	<u>Martins Creek (D) C/T</u>		
342.0	Fuel Holders, Producers and Accessories	0	31,760
343.0	Prime Movers	321,116	646,724
344.0	Generators	31,123	59,932
345.0	Accessory Electric Equipment	<u>25,895</u>	<u>62,810</u>
	Subtotal -- Martins Creek (D) C/T	378,134	801,226
	Subtotal -- Other Production	457,928	1,173,197
 <u>General Plant -- Leasehold Improvements</u>			
390.2	Structures and Improvements - Buildings	484,369	672,648
390.4	Structures and Improvements - Air Cond. Equip.	258,452	390,340
392.2	Transportation Equipment - Vehicles	494,272	655,454
392.4	Transportation Equipment - Trailers	39,428	48,285
394.4	Tools & Work Equipment - Const Dept	9,470	16,573
397.0	Communication Equipment	12,897	241,895
398.0	Miscellaneous Equipment	<u>10,398</u>	<u>17,178</u>
	Subtotal -- General Plant	1,309,286	2,042,373
	Total -- Accumulated Amortization -- Leasehold Improvements	<u>2,414,245</u>	<u>4,215,432</u>

Pennsylvania Power & Light Company

Accumulated Depreciation and Amortization

		<u>9/30/92</u>		<u>9/30/93</u>
<u>Common Plant</u>				
<u>Steam Production -- Common Plant</u>				
	<u>Martins Creek #3 & #4 SES</u>			
311.0	Structures and Improvements	46,889		49,964
312.0	Boiler Plant Equipment	204,986		218,426
314.0	Turbo-Generator Units	111,842		119,177
315.0	Accessory Electric Equipment	36,279		38,660
316.0	Misc Power Plant Equipment	<u>2,601</u>		<u>2,773</u>
	Subtotal -- Martins Creek #3 & #4 SES	402,597		429,000
 <u>Nuclear Production -- Common Plant</u>				
	<u>Susquehanna SES Common</u>			
321.0	Structures and Improvements	1,771,767		2,152,149
322.0	Reactor Plant Equipment	711,210		863,891
323.0	Turbo-Generator Units	172,003		208,937
324.0	Accessory Electric Equipment	799,780		971,492
325.0	Misc Power Plant Equipment	<u>375,088</u>		<u>455,570</u>
	Subtotal -- Susquehanna SES Common	3,829,848		4,652,039
 <u>Transmission -- Common Plant</u>				
353.0	Station Equipment	<u>5,618</u>		<u>5,983</u>
	Subtotal -- Transmission	5,618		5,983
	Total -- Common Plant	4,238,063		5,087,022
	Total -- Accumulated Depreciation and Amortization	<u>2,166,429,206</u>		<u>2,373,550,722</u>

RECAP -- Accumulated Depreciation and Amortization

Intangible	3,824,843	4,224,874
Steam Production	735,815,326	771,430,093
Nuclear Production	472,496,742	575,869,655
Hydro Production	20,615,013	21,570,813
Other Production	24,925,922	26,479,216
Transmission	128,924,332	131,452,842
Distribution	699,751,711	752,835,995
General Plant	<u>80,075,317</u>	<u>89,687,234</u>
Total -- Accumulated Depreciation and Amortization	<u>2,166,429,206</u>	<u>2,373,550,722</u>

PENNSYLVANIA POWER & LIGHT COMPANY

Exhibit Regs. § 53.53

Part III - Rate of Return

Docket No. R-00943271

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This book contains responses to each of the pertinent items contained
in § 53.53, Part III (Rate of Return Statement) of the Commission's Regulations.

Q. 1. Provide a schedule showing the major components of claimed capitalization, and the derivation of the weighted costs of capital for the rate case claim. This schedule shall include a descriptive statement concerning the major elements of changes in claimed capitalization, cost rates and overall return from comparable historical data.

A. 1. See Exhibit Future 1 schedules B-6, B-7, B-8 and B-9 for the major components of claimed capitalization and derivation of the weighted cost of capital.

The major changes from the historical capitalization and cost rates are the following:

- The issuance of \$200 million of mortgage bonds at 7.7% (Oct. 1994).
- The expected refinancing of \$55 million of pollution control bonds with the retirement of the 9 3/8% series replaced with a series at 6 1/2% (June/July 1995).
- The expected retirement of \$95.5 million of mortgage bonds, series 9 1/4% (June-August 1995).
- The expected issuing of common stock as follows:

Employee Stock Ownership Plan (ESOP) – \$7 million (Dec. 1994)
Public Offering – \$100 million (August 1995)
Dividend Reinvestment Plan (DRIP) –\$78 million (throughout yr.)

- Q.2. Provide a schedule in the same format as Schedule 1, except for the omission of the descriptive statement, for the most immediate comparable annual historical period prior to the test year and the two calendar years most immediately preceding the rate of return claim period. Irrespective of whether the capitalization claimed on Schedule 1 includes short-term debt, Schedule 2 should reflect capital ratios with and without short-term debt.
- A.2. Attachment III-A-2 provides the capitalization data for the years 1992, 1993 and as of September 30, 1994.

PENNSYLVANIA POWER & LIGHT COMPANY

CAPITALIZATION & CAPITALIZATION RATIOS - YEAR END
(Thousands of Dollars)

	1992			1993			September 30, 1994		
	Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt
Long-Term Debt (a)	\$2,549,949	46.6%	46.0%	\$2,571,991	46.6%	45.6%	\$2,653,516	47.1%	45.4%
Preferred & Preference Stock	532,016	9.7%	9.6%	482,589	8.8%	8.6%	445,037	7.9%	7.6%
Common Equity (b)	2,396,104	43.7%	43.2%	2,460,527	44.6%	43.7%	2,531,309	45.0%	43.4%
Total Permanent Capital	5,478,069	100.0%	98.8%	5,515,107	100.0%	97.9%	5,629,862	100.0%	96.4%
Short-Term Debt	67,000		1.2%	117,000		2.1%	212,000		3.6%
Total Capitalization	\$5,545,069		100.0%	\$5,632,107		100.0%	\$5,841,862		100.0%

(a) Long-term debt includes amount due within one year and the unamortized loss on reacquired debt.

(b) Common equity includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

Q. 1. Provide a schedule showing the calculation of embedded cost of long-term debt by issue, supporting the related rate case claim. The schedule shall contain the following information:

- a. Date of issue
- b. Date of maturity
- c. Amount issued
- d. Amount outstanding
- e. Amount retired
- f. Amount reacquired
- g. Gain or loss on reacquisition
- h. Coupon rate
- i. Discount or premium at issuance
- j. Issuance expense
- k. Net proceeds
- l. Sinking fund requirements
- m. Effective cost rate
- n. Total average weighted effective cost rate

Projected new issues, retirements and other major changes from the comparable historic data should be clearly noted.

A. 1. Exhibit Future 1, Schedule B-6 provides the requested information.

- Q. 2. In the event that a claim made for a true or economic cost of debt exceeds that shown in the preceding nominal cost schedule because of convertible features, sale with warrants or for any other reason, a full statement of the basis for such a claim should be provided.
- A. 2. No claim is being made for a true or economic cost of debt that exceeds that shown in the preceding nominal cost schedule.

- Q.3. Provide the following information concerning bank notes payable for test year and for latest comparable annual historical period prior to the test year:
- a. Line of credit at each bank.
 - b. Average daily balances of notes to each bank, by name of bank.
 - c. Interest rate charged on each bank note (Prime rate, formula rate, or other).
 - d. Purpose of each bank note (for example, construction, fuel storage, working capital, debt retirement.)
 - e. Prospective future need for this type of financing.
- A.3.
- a&b. The requested information is provided in Attachments III-B-3a and III-B-3b.
 - c. The interest rate charged on bank notes outstanding would be subject to the terms of the Company's credit agreements which generally call for loans to be formula rates tied to certificate of deposit rates, Eurodollar deposit rates or the prime rate. The only loan made under this agreement occurred on December 15, 1994 in the amount of \$20,000,000 and was repaid on December 16, 1994 at an effective annual interest rate of 8.5%. The purpose of this transaction was to provide the ability to effect loans in the future on a same day basis without the need to provide the documentation needed for the initial loan.
 - d. The Company has established its credit facilities primarily as a means to provide liquidity back-up for the Company's commercial paper program and to ensure an investment grade rating on its commercial paper.
 - e. The Company expects to continue to utilize bank notes to support its commercial paper program in the future.

A \$250 million revolving credit arrangement is maintained with a group of banks in return for the payment of commitment fees. Any loans made under this credit arrangement would mature no later than September 22, 1999.

The Company has additional credit arrangements with another group of banks in return for the payment of commitment fees. The banks have committed to lend the Company up to \$45 million under these credit arrangements at interest rates based upon Eurodollar deposit rates or the prime rate. These credit arrangements mature on May 1, 1995 with provisions to extend every six months.

Pennsylvania Power & Light Company
Bank Note and Credit Line Data
Historical Year Ended September 30, 1994

Lines of Credit -

<u>Bank Name</u>	<u>Revolver</u>	<u>Other</u>	<u>Average Daily Balance</u>
Chase Manhattan Bank	\$35,000,000		0
Chemical Bank	50,000,000		0
Citibank	30,000,000		0
Bank of New York	35,000,000		0
J. P. Morgan Delaware	35,000,000		0
First National Bank of Chicago	35,000,000		0
Mellon Bank	30,000,000		0
Deutsche Bank		15,000,000	0
Union Bank of Switzerland		15,000,000	0
Sumitomo Bank		15,000,000	0
	<u>\$250,000,000</u>	<u>\$45,000,000</u>	<u>0</u>
Commitment Fee	0.125%	0.125%	
Total Annual Commitment Fee	<u>\$312,500</u>	<u>\$56,250</u>	

Pennsylvania Power & Light Company
Bank Note and Credit Line Data
Test Year Ended September 30, 1995

<u>Lines of Credit</u>			
<u>Bank Name</u>	<u>Revolver</u>	<u>Other</u>	<u>Average Daily Balance</u>
Chase Manhattan Bank	\$35,000,000		\$7,671
Chemical Bank	50,000,000		10,959
Citibank	30,000,000		6,575
Bank of New York	35,000,000		7,671
J. P. Morgan Delaware	35,000,000		7,671
First National Bank of Chicago	35,000,000		7,671
Mellon Bank	30,000,000		6,575
Deutsche Bank		15,000,000	0
Union Bank of Switzerland		15,000,000	0
Sumitomo Bank		15,000,000	0
	<u>\$250,000,000</u>	<u>\$45,000,000</u>	<u>\$54,795</u>
Commitment Fee	0.125%	0.125%	
Total Annual Commitment Fee	<u>\$312,500</u>	<u>\$56,250</u>	

Q.4. Provide detailed information concerning all other short-term debt outstanding.

A.4. PP&L's primary source of short-term financing is the sale of its commercial paper. A schedule showing the month-end balances of commercial paper and weighted average interest rate for the test year and historical year is shown below on Attachment III-B-4. PP&L had no other short-term debt outstanding.

Pennsylvania Power & Light Company
Commercial Paper Outstanding

Historical Year
October 1993 - September 1994

Test Year
October 1994 - September 1995

<u>Month-End</u>	<u>Amount</u>	<u>Weighted Average Rate</u>	<u>Month-End</u>	<u>Amount</u>	<u>Weighted Average Rate</u>
1993 October	\$ -0-	---- %	1994 October	\$51,000,000	5.00%
November	178,000,000	3.16	November	- 0 -	5.00
December	117,000,000	3.34	December	26,000,000	5.00
1994 January	178,000,000	3.10	1995 January	28,767,000	5.50
February	215,000,000	3.42	February	16,834,000	5.50
March	188,000,000	3.63	March	41,501,000	5.50
April	195,000,000	3.82	April	128,468,000	5.50
May	246,500,000	4.23	May	73,635,000	5.50
June	291,000,000	4.32	June	133,102,000	5.50
July	283,500,000	4.44	July	180,569,000	5.50
August	200,000,000	4.81	August	79,836,000	5.50
September	212,000,000	4.95	September	111,703,000	5.50

- Q.5. Describe long-term debt reacquisition by issue by Company and Parent as follows:
- a. Reacquisition by issue by year.
 - b. Total gain or loss on reacquisitions by issue by year.
 - c. Accounting for gain or loss for income tax and book purposes.
 - d. Proposed treatment of gain or loss on such reacquisition for ratemaking purposes.
- A.5. Attachment III-B-5 provides the requested information.

PENNSYLVANIA POWER & LIGHT COMPANY

Long-term Debt Reacquisition by Issue

Description	Amount	Net Gain on Reacquired Debt (2)	Total Loss on Reacquired Debt (3)	Unamortized Loss as of September 30, 1994
1983				
5-5/8% PC Series A due 1984-2003 (1)	\$1,000,000	\$ 325,465		N/A
1984				
5-5/8% PC Series A due 1984-2003 (1)	160,000	58,353		N/A
1985				
5-5/8% PC Series A due 1984-2003 (1)	1,540,000	357,402		N/A
1986				
14% Series due December 1, 1990	125,000,000		\$ 5,490,898	\$ 743,264
15-5/8% Series due 2010	100,000,000		14,022,898	9,991,155
5-5/8% PC Series A due 1984-2003 (1)	900,000	125,164		N/A
1987				
16-1/8% due 1992	100,000,000		5,249,827	0
13-1/4% Series due 2012	100,000,000		11,529,725	8,301,744
5-5/8% PC Series A due 1984-2003 (1)	840,000	138,794		N/A
1988				
16-1/2% Series due 1987-1991	31,200,000		1,197,550	0
13-1/8% Series due 2013	125,000,000		13,759,884	10,503,314
5-5/8% PC Series A due 1984-2003 (1)	2,565,000	249,210		N/A
1989				
13-1/2% Series due 1994	125,000,000		5,503,632	4,486,056
12-3/4% Series due 2014	125,000,000		13,787,793	11,553,900
5-5/8% PC Series A due 1984-2003 (1)	900,000	70,710		N/A
1990				
12-1/8% Series due 1991-1993	30,000,000		860,500	0
12% Series due 2015	125,000,000		13,037,869	10,951,920
5-5/8% PC Series A due 1984-2003 (1)	35,000	3,910		N/A
1991				
5-5/8% PC Series A due 1984-2003 (1)	1,060,000	58,125		N/A
1992				
9-5/8% Series due 1996	125,000,000		2,125,381	1,639,274
10-7/8% Series due 2016	125,000,000		10,585,931	9,787,339

PENNSYLVANIA POWER & LIGHT COMPANY**Long-term Debt Reacquisition by Issue**

Description	Amount	Net Gain on Reacquired Debt (2)	Total Loss on Reacquired Debt (3)	Unamortized Loss as of September 30, 1994
1993				
7-7/8%-8-1/8% PC Series C due 2000-2010	\$ 20,000,000		\$ 940,413	\$ 883,350
11-1/4%-11-1/2% PC Series D due 2002-2012	70,000,000		3,410,648	3,203,525
9-1/4% Series due 2004	80,000,000		459,626	435,200
9-3/4% Series due 2005	125,000,000		773,476	732,700
9-3/4% Series due November 1, 2005	100,000,000		444,903	374,200
9-1/2% Series due 2016	125,000,000		9,395,977	8,337,924
9-1/4% Series due 1998	125,000,000		3,925,076	2,843,652
9-5/8% Series due 1998	125,000,000		4,149,462	3,441,616
9% Series due 2016	125,000,000		8,993,234	8,742,108
1994				
5-5/8% PC Series A due 1984-2003 (1)	15,500,000		94,917	93,508
10-5/8% PC Series E due 2014	37,750,000		1,930,733	1,896,544
9% Series due 2000	50,000,000		249,252	238,654
8-1/2% Series due 2007	100,000,000		827,436	792,819
10% Series due 2019	125,000,000		10,533,430	10,357,728
8-1/4% Series due 2006	150,000,000		648,782	616,189
10-5/8% PC Series F due 2014	115,500,000		4,325,015	4,325,015

(1) These bonds were reacquired in the open market and were used to satisfy sinking fund requirements of this issue.

(2) The unamortized debt expense and discount/premium associated with bonds that were reacquired at a gain were netted against the gain. In accordance with General Instruction 17 of the Uniform System of Accounts, the net gain was credited to Account 429.1, Amortization of Gain on Reacquired Debt.

(3) The unamortized debt expense and discount/premium associated with bonds that are reacquired at a loss were added to the premium paid to reacquire the bonds. In accordance with General Instruction 17 of the Uniform System of Accounts, the loss is amortized over the remaining life of the bonds, or, if the bonds were refinanced, the life of the new issue.

Accounting for gains or losses for income taxes purposes:

Net gain on reacquired debt set forth on page 1 was included in gross income for income tax purposes. Loss on reacquired debt set forth above was deducted as incurred for income tax purposes.

Proposed treatment of gains and losses for ratemaking purposes:

The Company proposes that the current practice of adhering to General Instruction 17 of the Uniform System of Accounts be continued.

Q. 1. Provide a schedule showing the calculation of the embedded cost of preferred stock equity by issue, supporting the related rate case claim. The schedule shall contain the following information:

- a. Date of issue
- b. Date of maturity
- c. Amount issued
- d. Amount outstanding
- e. Amount retired
- f. Amount reacquired
- g. Gain or loss on reacquisition
- h. Dividend rate
- i. Discount or premium at issuance
- j. Issuance expenses
- k. Net proceeds
- l. Sinking fund requirements
- m. Effective cost rate
- n. Total average weighted effective cost rate

Projected new issues, retirement and other major changes from the comparable historical data should be clearly noted.

A. 1. Exhibit Future 1, Schedule B-7 provides the requested information.

Q.1. Provide complete support for claimed common equity rate of return.

A.2. See the Direct Testimony of Paul R. Moul.

- Q.2. Provide a summary statement of all stock dividends, splits or par value changes during the two calendar year period preceding the rate case filing.
- A.2. In December 1991, the Company's Board of Directors authorized a two-for-one split of the Company's common stock and an increase in the authorized number of shares from 85,000,000 to 170,000,000, subject to shareowner and Pennsylvania Public Utility Commission (PUC) approval. The PUC approved the issuance of common stock to effect a two-for-one stock split in an Order dated March 12, 1992 at Docket No. S-920204. On April 22, 1992, the Company's shareowners approved an increase in the number of authorized shares of common stock from 85,000,000 to 170,000,000 and the split of an outstanding share of common stock on a two-for-one basis.

- Q.3. Provide a schedule of all issuances of common stock, whether or not underwriters are used, for the most immediately available annual historical period and the two calendar years most immediately preceding the test year.
- A.3. Attachment III-D-3 provides the requested information.

Issuance of Common Stock

	<u>Shares Outstanding</u>	
<u>1992</u>		
Balance, January 1, 1992	151,655,268	*
Employee Stock Ownership Plan (ESOP) contributory portion, January 14, 1992	4,088	* A
ESOP dividend based tax contribution, December 21, 1992	225,979	A
Balance, December 31, 1992	<u>151,885,335</u>	
<u>1993</u>		
Balance, January 1, 1993	151,885,335	
ESOP dividend based tax contribution, December 21, 1993	248,754	A
Balance, December 31, 1993	<u>152,132,089</u>	
<u>12 Months Ended September 30, 1994</u>		
Balance, September 30, 1993	151,885,335	
ESOP dividend based tax contribution, December 21, 1993	248,754	A
Dividend Reinvestment Plan, April 4, 1994	720,369	B
Dividend Reinvestment Plan, May 2, 1994	115,788	B
Dividend Reinvestment Plan, June 1, 1994	105,758	B
Dividend Reinvestment Plan, July 1, 1994	828,145	B
Dividend Reinvestment Plan, August 1, 1994	139,521	B
Dividend Reinvestment Plan, September 1, 1994	97,612	B
Balance, September 30, 1994	<u>154,139,282</u>	

* Adjusted for the two-for-one common stock split

A Pursuant to PUC Order adopted July 19, 1990 at Docket S-00900038

B Pursuant to PUC Order adopted March 10, 1994 at Docket S-00940411

- Q.4. Submit details on Company or Parent common stock offerings--past 5 years to present--as follows:
- a. Date of Prospectus
 - b. Date of Offering
 - c. Record Date
 - d. Offering period--dates and numbers of days
 - e. Amount and number of shares offered
 - f. Offering ratio, if rights offering
 - g. Percent subscribed
 - h. Offering price
 - i. Gross proceeds per share
 - j. Expenses per share
 - k. Net proceeds per share (i-j)
 - l. Market price per share
 - 1. At record date
 - 2. At offering date
 - 3. One month after close
 - m. Average market price during offering
 - 1. Price per share
 - 2. Rights per share--average value of rights
 - n. Latest reported earnings per share at time of offering
 - o. Latest reported dividends at time of offering.
- A.4. The Company had no public offerings of common stock during the past 5 years.

- Q.1. If a claim of the utility filing is based on utilization of the capital structure or capital costs of the parent company and system - consolidated - the reasons for this claim must be fully stated and supported.
- A.2. PP&L's capital structure and capital costs claim in this filing are based on the Company's electric operation only.

III-E-2
R. E. Hill

- Q.2. Regardless of the claim made, provide the capitalization data requested at Item III-A-2 for parent company and system -- consolidated.
- A.2. Attachment III-E-2 provides the capitalization data for the years 1992, 1993 and as of September 30, 1994 for the parent company and system -- consolidated.

PENNSYLVANIA POWER & LIGHT COMPANY & SUBSIDIARIES

CAPITALIZATION & CAPITALIZATION RATIOS - YEAR END
(Thousands of Dollars)

	1992			1993			September 30, 1994		
	Amount	Excluding	Including	Amount	Excluding	Including	Amount	Excluding	Including
		Short-Term	Short-Term		Short-Term	Short-Term		Short-Term	Short-Term
Long-Term Debt (a)	\$2,567,549	46.7%	45.4%	\$2,585,591	46.8%	45.1%	\$2,653,516	47.1%	44.7%
Preferred & Preference Stock	532,016	9.7%	9.4%	482,589	8.7%	8.4%	445,037	7.9%	7.5%
Common Equity (b)	2,396,104	43.6%	42.4%	2,460,527	44.5%	43.0%	2,531,309	45.0%	42.7%
Total Permanent Capital	5,495,669	100.0%	97.2%	5,528,707	100.0%	96.5%	5,629,862	100.0%	94.9%
Short-Term Debt	159,348		2.8%	202,260		3.5%	303,362		5.1%
Total Capitalization	\$5,655,017		100.0%	\$5,730,967		100.0%	\$5,933,224		100.0%

(a) Long-term debt includes amount due within one year and the unamortized loss on reacquired debt.

(b) Common equity includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

III-E-3
R. J. Bernini

Q.3. Provide the latest available balance sheet and
income statement for the parent company and system
- consolidated.

A.3. Attachment III-E-3 provides the requested data.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (LATEST AVAILABLE)
SEPTEMBER 30, 1994
(THOUSANDS OF DOLLARS)

ASSETS**Property, Plant and Equipment**

Electric utility plant in service.....	\$9,174,717
Accumulated depreciation.....	(2,822,691)
Deferred depreciation.....	262,544
	<u>6,614,570</u>
Construction work in progress.....	242,347
Nuclear fuel owned and leased - net of amortization.....	146,447
Other leased property - net of amortization	80,265
Electric utility plant - net.....	<u>7,083,629</u>
Other property - net of depreciation, amortization and depletion.....	143,371
	<u>7,227,000</u>

Investments

Associated company - at equity.....	17,077
Nuclear plant decommissioning trust fund	86,438
Financial investments.....	126,015
Other - at cost or less.....	8,468
	<u>237,998</u>

Current Assets

Cash and cash equivalents (a).....	6,268
Marketable securities	95,264
Accounts receivable, less reserve Customers.....	177,317
Interconnection	4,236
Other.....	16,791
Unbilled revenues.....	85,797
Fuel (coal and oil) - at average cost.....	105,976
Materials and supplies - at average cost.....	122,433
Prepayments	28,734
Deferred income taxes.....	26,498
Other.....	17,157
	<u>686,471</u>

Deferred Debits

Utility plant carrying charges - net of amortization.....	23,381
Reacquired debt costs.....	115,273
Assessment for decommissioning uranium enrichment facilities.....	34,148
Retired miners' health care benefits.....	23,222
Taxes recoverable through future rates.....	1,024,676
Other.....	59,573
	<u>1,280,273</u>

(a) Cash equivalents are all highly liquid debt instruments purchased with original maturities of three months or less.

\$9,431,742

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (LATEST AVAILABLE)
SEPTEMBER 30, 1994
(THOUSANDS OF DOLLARS)

LIABILITIES

Capitalization ..

Common equity	
Common stock.....	\$1,413,856
Capital stock expense and other	(9,217)
Earnings reinvested.....	1,096,116
	<u>2,500,755</u>
Preferred stock	
With sinking fund requirements.....	295,000
Without sinking fund requirements.....	171,375
Long-term debt.....	2,741,490
	<u>5,708,620</u>

Current Liabilities

Commercial paper.....	212,000
Bank loans.....	91,362
Long-term debt due within one year.....	39
Capital lease obligations due within one year.....	77,773
Accounts payable.....	109,237
Taxes accrued.....	35,397
Interest accrued.....	59,318
Dividends payable.....	71,295
Accrued mine closing costs.....	8,914
Other.....	98,469
	<u>763,804</u>

Deferred Credits and Other Noncurrent Liabilities

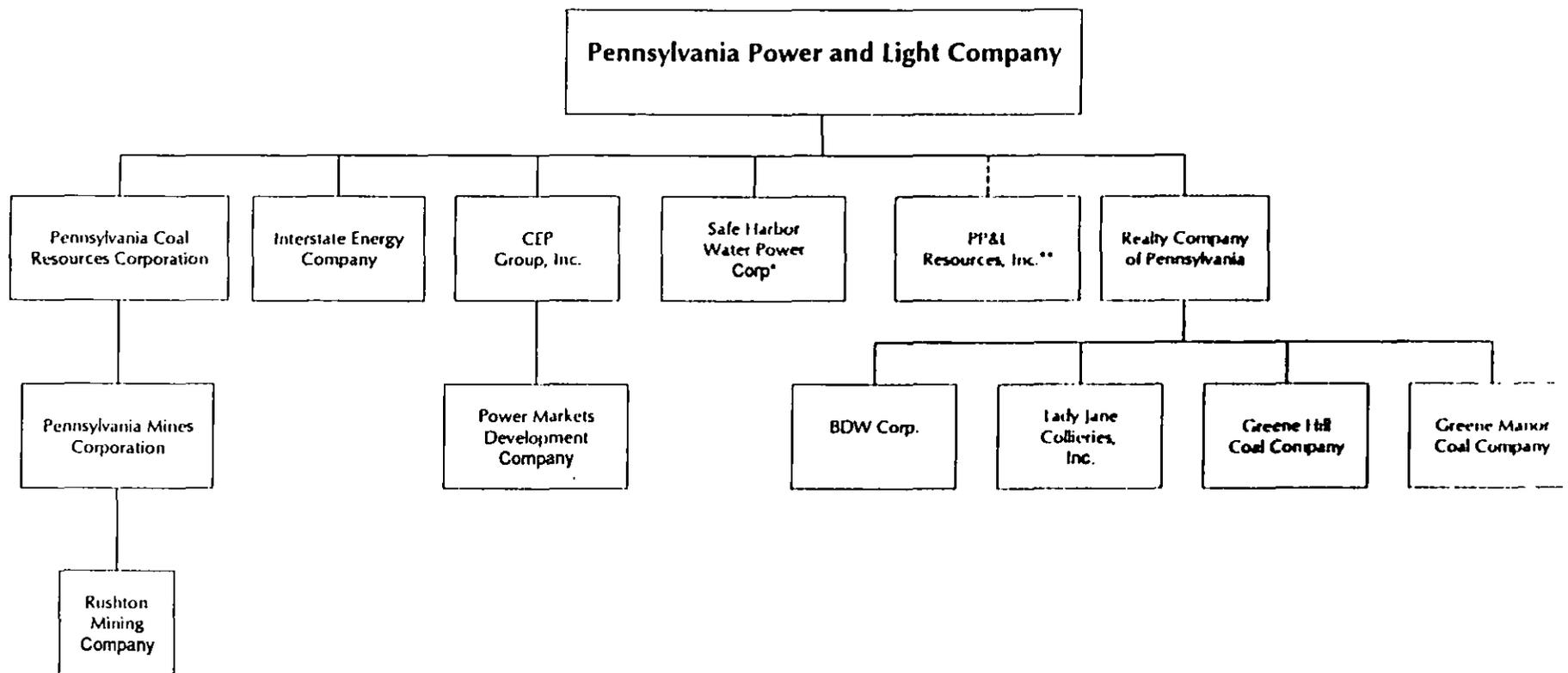
Deferred investment tax credits.....	233,127
Deferred income taxes.....	2,129,305
Capital lease obligations.....	143,814
Unamortized cost of power plant spare parts.....	32,456
Accrued nuclear plant decommissioning costs.....	88,609
Accrued mine closing costs.....	52,613
Contract settlement proceeds to be credited to customers.....	35,831
Accrued pension costs.....	104,401
Accrued assessment for decommissioning uranium enrichment facilities.....	31,522
Accrued retired miners' health care benefits.....	40,971
Accrued postretirement benefits other than pensions and postemployment benefits	16,054
Other.....	50,615
	<u>2,959,318</u>
	<u>\$9,431,742</u>

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME (LATEST AVAILABLE)
TWELVE MONTHS ENDED SEPTEMBER 30, 1994
(THOUSANDS OF DOLLARS)

Operating Revenues	<u>\$2,766,524</u>
Operating Expenses	
Operation	
Fuel.....	497,605
Power purchases.....	305,522
Other.....	485,738
Maintenance.....	186,439
Depreciation.....	281,980
Amortized depreciation.....	23,256
Income taxes.....	239,442
Taxes, other than income.....	203,570
	<u>2,223,552</u>
Operating Income	<u>542,972</u>
Other Income and (Deductions)	
Allowance for equity funds used during construction.....	4,696
Income tax credits	5,600
Other - net.....	(2,223)
	<u>8,073</u>
Income Before Interest Charges	<u>551,045</u>
Interest Charges	
Long-term debt.....	214,169
Short-term debt and other.....	19,183
Allowance for borrowed funds used during construction and interest capitalized.....	(7,661)
	<u>225,691</u>
Net Income	<u>325,354</u>
 Dividends on Preferred Stock.....	 29,220
Earnings Applicable to Common Stock	<u><u>\$296,134</u></u>

- Q.4. Provide an organizational chart explaining Company's corporate relationship to its affiliates (System Structure).
- A.4. The requested chart, together with explanatory text, is set forth in Attachment III-E-4.

AFFILIATES OF PP&L



*one-third owned.

**pending PUC approval (see page 3).

AFFILIATES OF PP&L*

1. PENNSYLVANIA COAL RESOURCES CORPORATION (PCRC)
 - a. PCRC owns all outstanding capital stock of:
 - (1) Pennsylvania Mines Corporation (PMC). PMC owns all outstanding capital stock of:

Rushton Mining Company (Rushton)

PMC and Rushton are inactive. PMC provides accounting and administrative services for Rushton and Lady Jane Collieries, Inc.
2. INTERSTATE ENERGY COMPANY (IEC), which is a Delaware corporation, owns an 84-mile-long oil pipeline and certain associated facilities. The pipeline originates at Marcus Hook, Pennsylvania, where oil is received and stored by Sun Oil Company. This oil is transported through the IEC pipeline to Jersey Central Power & Light Company and PP&L facilities at Martins Creek.
3. REALTY COMPANY OF PENNSYLVANIA (RCP)
 - a. RCP owns an interest in the Merrill Creek project (a reservoir located in New Jersey and jointly owned/leased by seven electric utilities).
 - b. RCP owns property in the State of New Jersey and Pennsylvania.
 - c. RCP also owns all outstanding capital stock of the following corporations:
 - (1) BDW Corp., a Delaware corporation, which owns property upon which certain oil storage facilities are situated. These facilities are used to store oil which eventually passes through the IEC pipeline described above.

* All affiliates listed are incorporated in Pennsylvania unless otherwise noted.

- (2) Greene Hill Coal Company and Greene Manor Coal Company, both of which own coal reserves at various locations in Greene County, Pennsylvania.
 - (3) Lady Jane Collieries, Inc. (Lady Jane) which operates cleaning and loading facilities near Penfield, Pennsylvania. PP&L purchases all coal processed by Lady Jane for use in its generating facilities.
4. CEP GROUP, INC. (CEP)
 - a. CEP invests in marketable securities, financial limited partnerships and venture capital entities.
 - b. CEP also owns all of the outstanding capital stock of Power Markets Development Company, which expects to invest in power projects worldwide.
 5. SAFE HARBOR WATER POWER CORPORATION (Safe Harbor) - Safe Harbor, in which PP&L holds a one-third ownership interest*, owns and operates a 417.5 MW hydroelectric facility located in Lancaster and York Counties. PP&L is entitled to one-third of this facility's capacity and output.
 6. PP&L RESOURCES, INC. - PP&L's acquisition of the capital stock of PP&L Resources, Inc. is conditioned upon PUC approval of the Company's pending application under 66 Pa. C.S. Section 1102, at Docket #A-110500F0206.

* The remaining interest is owned by Baltimore Gas and Electric Company.

III-F-1
R. E. Hill

- Q.1. Provide latest quarterly financial report,
Prospectus and Annual Report (Company and Parent).
- A.1. Attachment III-F-1a provides the latest 10-Q
issued by PP&L. Attachment III-F-1b provides the
latest Prospectus and III-F-1c provides the Annual
Report for the year ended December 31, 1993.

United States
Securities and Exchange Commission
Washington, DC 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1994

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-905

PENNSYLVANIA POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)

PENNSYLVANIA 23-0959590
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

TWO NORTH NINTH STREET, ALLENTOWN, PENNSYLVANIA 18101-1179
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code 610-774-5151

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

Yes X No _____

Common stock, no par, number of shares outstanding at October 31, 1994
154,933,566.

PENNSYLVANIA POWER & LIGHT COMPANY

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 1994

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PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

Part 1. FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(Thousands of Dollars)

	Three Ended 1994	Months Sept. 30, 1993
Operating Revenues	<u>\$661,142</u>	<u>\$683,466</u>
Operating Expenses		
Operation		
Fuel.....	117,798	135,199
Power purchases.....	66,067	66,067
Other.....	118,500	116,387
Maintenance.....	43,207	51,893
Depreciation.....	72,129	68,510
Amortized depreciation.....	6,564	3,562
Income taxes.....	57,952	57,840
Taxes, other than income.....	46,992	49,879
	<u>529,209</u>	<u>549,337</u>
Operating Income	<u>131,933</u>	<u>134,129</u>
Other Income and (Deductions)		
Allowance for equity funds used during construction.....		1,688
Income tax credits	1,916	208
Other - net.....	212	2,429
	<u>2,128</u>	<u>4,325</u>
Income Before Interest Charges	<u>134,061</u>	<u>138,454</u>
Interest Charges		
Long-term debt.....	52,445	54,429
Short-term debt and other.....	6,605	4,155
Allowance for borrowed funds used during construction and interest capitalized.....	(1,943)	(1,905)
	<u>57,107</u>	<u>56,679</u>
Net Income	76,954	81,775
Dividends on Preferred Stock.....	6,942	6,949
Earnings Applicable to Common Stock	<u>\$70,012</u>	<u>\$74,826</u>
Earnings Per Share of Common Stock (a)	\$0.46	\$0.49
Average Number of Shares Outstanding (thousands).....	153,789	151,885
Dividends Declared Per Share of Common Stock.....	\$0.4175	\$0.4125

(a) Based on average number of shares outstanding.
See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(Thousands of Dollars)

	Nine Ended 1994	Months Sept. 30, 1993
Operating Revenues	<u>\$2,070,813</u>	<u>\$2,031,291</u>
Operating Expenses		
Operation		
Fuel.....	365,154	374,439
Power purchases.....	221,916	195,193
Other.....	365,114	339,851
Maintenance.....	133,630	140,439
Depreciation.....	216,346	205,765
Amortized depreciation.....	19,693	10,687
Income taxes.....	186,059	181,784
Taxes, other than income.....	153,284	153,680
	<u>1,661,196</u>	<u>1,601,838</u>
Operating Income	<u>409,617</u>	<u>429,453</u>
Other Income and (Deductions)		
Allowance for equity funds used during construction.....	2,552	5,838
Income tax credits	4,461	144
Other - net.....	(2,258)	8,661
	<u>4,755</u>	<u>14,643</u>
Income Before Interest Charges	<u>414,372</u>	<u>444,096</u>
Interest Charges		
Long-term debt.....	159,823	171,454
Short-term debt and other.....	15,773	11,034
Allowance for borrowed funds used during construction and interest capitalized.....	(5,843)	(5,783)
	<u>169,753</u>	<u>176,705</u>
Net Income	<u>244,619</u>	<u>267,391</u>
Dividends on Preferred and Preference Stock.....	21,463	26,128
Earnings Applicable to Common Stock	<u>\$223,156</u>	<u>\$241,263</u>
Earnings Per Share of Common Stock (a)	\$1.46	\$1.59
Average Number of Shares Outstanding (thousands).....	152,951	151,885
Dividends Declared Per Share of Common Stock.....	\$1.2525	\$1.237

(a) Based on average number of shares outstanding.
See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(Thousands of Dollars)

	Twelve Ended 1994	Months Sept. 30, 1993
Operating Revenues	<u>\$2,766,524</u>	<u>\$2,717,573</u>
Operating Expenses		
Operation		
Fuel.....	497,605	489,735
Power purchases.....	305,522	274,537
Other.....	485,738	456,290
Maintenance.....	186,439	200,366
Depreciation.....	281,980	267,624
Amortized depreciation.....	23,256	11,577
Income taxes.....	239,442	237,520
Taxes, other than income.....	203,570	203,767
	<u>2,223,552</u>	<u>2,141,416</u>
Operating Income	<u>542,972</u>	<u>576,157</u>
Other Income and (Deductions)		
Allowance for equity funds used during construction.....	4,696	8,036
Income tax credits	5,600	158
Other - net.....	(2,223)	11,532
	<u>8,073</u>	<u>19,726</u>
Income Before Interest Charges	<u>551,045</u>	<u>595,883</u>
Interest Charges		
Long-term debt.....	214,169	231,191
Short-term debt and other.....	19,183	14,120
Allowance for borrowed funds used during construction and interest capitalized.....	(7,661)	(7,828)
	<u>225,691</u>	<u>237,483</u>
Net Income	<u>325,354</u>	<u>358,400</u>
Dividends on Preferred and Preference Stock.....	29,220	36,022
Earnings Applicable to Common Stock	<u>\$296,134</u>	<u>\$322,378</u>
Earnings Per Share of Common Stock (a)	\$1.94	\$2.12
Average Number of Shares Outstanding (thousands).....	152,705	151,833
Dividends Declared Per Share of Common Stock.....	\$1.665	\$1.6375

(a) Based on average number of shares outstanding.
See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Thousands of Dollars)

	September 30, 1994 (Unaudited)	December 31, 1993 (Audited)	September 30, 1993 (Unaudited)
ASSETS			
Property, Plant and Equipment			
Electric utility plant in service.....	\$9,174,717	\$8,912,473	\$8,770,274
Accumulated depreciation.....	(2,822,691)	(2,686,967)	(2,654,121)
Deferred depreciation.....	262,544	282,115	285,658
	<u>6,614,570</u>	<u>6,507,621</u>	<u>6,401,811</u>
Construction work in progress.....	242,347	238,600	279,106
Nuclear fuel owned and leased - net of amortization.....	146,447	174,979	180,521
Other leased property - net of amortization ...	80,265	75,630	74,381
Electric utility plant - net.....	<u>7,083,629</u>	<u>6,996,830</u>	<u>6,935,819</u>
Other property - net of depreciation, amortization and depletion.....	143,371	148,751	150,735
	<u>7,227,000</u>	<u>7,145,581</u>	<u>7,086,554</u>
Investments			
Associated company - at equity.....	17,077	17,069	17,074
Nuclear plant decommissioning trust fund	86,438	76,913	74,053
Financial investments.....	126,015	140,569	127,620
Other - at cost or less.....	8,468	31,249	38,911
	<u>237,998</u>	<u>265,800</u>	<u>257,658</u>
Current Assets			
Cash and cash equivalents(a).....	6,268	8,271	5,590
Marketable securities	95,264	3,164	8,201
Accounts receivable, less reserve			
Customers.....	177,317	183,364	180,452
Interconnection	4,236		8,001
Other.....	16,791	17,502	17,470
Unbilled revenues.....	85,797	120,589	61,436
Fuel (coal and oil) - at average cost.....	105,976	95,702	116,104
Materials and supplies - at average cost.....	122,433	125,676	128,767
Prepayments	28,734	9,257	27,515
Common stock held for dividend reinvestment plan - at cost.....		15,937	16,145
Deferred income taxes.....	26,498	12,688	31,717
Other.....	17,157	24,662	27,734
	<u>686,471</u>	<u>616,812</u>	<u>629,136</u>
Deferred Debits			
Utility plant carrying charges - net of amortization.....	23,381	24,097	24,314
Reacquired debt costs.....	115,273	101,836	94,393
Assessment for decommissioning uranium enrichment facilities.....	34,148	33,710	37,148
Retired miners' health care benefits.....	23,222	24,096	35,812
Taxes recoverable through future rates.....	1,024,676	1,166,118	1,163,775
Postretirement benefits other than pensions....		14,855	12,617
Other.....	59,573	61,208	55,736
	<u>1,280,273</u>	<u>1,425,920</u>	<u>1,423,795</u>
	<u>\$9,431,742</u>	<u>\$9,454,113</u>	<u>\$9,397,143</u>

(a) Cash equivalents are all highly liquid debt instruments purchased with original maturities of three months or less.

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Thousands of Dollars)

LIABILITIES	September 30, 1994 (Unaudited)	December 31, 1993 (Audited)	September 30, 1993 (Unaudited)
Capitalization			
Common equity			
Common stock.....	\$1,413,856	\$1,370,783	\$1,364,148
Capital stock expense and other	(9,217)	(10,906)	(10,841)
Earnings reinvested.....	1,096,116	1,065,958	1,059,666
	<u>2,500,755</u>	<u>2,425,835</u>	<u>2,412,973</u>
Preferred stock			
With sinking fund requirements.....	295,000	335,000	412,500
Without sinking fund requirements.....	171,375	171,375	86,375
Long-term debt.....	2,741,490	2,618,031	2,606,115
	<u>5,708,620</u>	<u>5,550,241</u>	<u>5,517,963</u>
Current Liabilities			
Commercial paper.....	212,000	117,000	176,000
Bank loans.....	91,362	85,260	87,953
Long-term debt due within one year.....	39	44,539	33,339
Capital lease obligations due within one year..	77,773	78,740	74,427
Accounts payable.....	109,237	156,992	118,967
Taxes accrued.....	35,397	62,721	43,179
Interest accrued.....	59,318	60,373	69,129
Dividends payable.....	71,295	70,410	69,601
Accrued mine closing costs.....	8,914	7,842	16,743
Other.....	98,469	88,791	81,665
	<u>763,804</u>	<u>772,668</u>	<u>771,003</u>
Deferred Credits and Other Noncurrent Liabilities			
Deferred investment tax credits.....	233,127	242,317	245,694
Deferred income taxes.....	2,129,305	2,269,648	2,262,700
Capital lease obligations.....	143,814	170,285	142,555
Unamortized cost of power plant spare parts....	32,456	51,147	57,363
Accrued nuclear plant decommissioning costs....	88,609	78,947	76,080
Accrued mine closing costs.....	52,613	55,876	58,004
Contract settlement proceeds to be credited to customers.....	35,831	43,894	46,509
Accrued pension costs.....	104,401	92,024	86,523
Accrued assessment for decommissioning uranium enrichment facilities.....	31,522	31,871	37,346
Accrued retired miners' health care benefits...	40,971	38,751	38,201
Accrued postretirement benefits other than pensions and postemployment benefits	16,054	9,862	12,649
Other.....	50,615	46,582	44,553
	<u>2,959,318</u>	<u>3,131,204</u>	<u>3,108,177</u>
Commitments and Contingent Liabilities			
See Note 14)			
	<u>\$9,431,742</u>	<u>\$9,454,113</u>	<u>\$9,397,143</u>

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Thousands of Dollars)

	Three Months Ended September 30,	
	<u>1994</u>	<u>1993</u>
Cash Flows From Operating Activities		
Net income.....	\$76,954	\$81,775
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation.....	79,246	72,611
Amortization of property under capital leases.....	23,556	19,289
Amortization of contract settlement proceeds and deferred cost of power plant spare parts.....	(9,138)	(9,060)
Deferred income taxes and investment tax credits.....	(14,586)	307
Equity component of AFUDC.....		(1,688)
Change in current assets and current liabilities		
Accounts receivable.....	26,732	11,151
Unbilled and refundable electric revenues.....	20,096	(3,804)
Fuel inventories.....	8,822	27,152
Materials and supplies.....	1,376	576
Prepayments	35,443	35,290
Accounts payable.....	(10,187)	3,850
Accrued interest and taxes.....	5,521	17,336
Other.....	6,207	(19,134)
Other operating activities - net.....	24,534	23,453
Net cash provided by operating activities.....	<u>274,576</u>	<u>259,104</u>
Cash Flows From Investing Activities		
Property, plant and equipment expenditures.....	(128,864)	(152,265)
Proceeds from sales of nuclear fuel to trust.....	659	20,300
Purchases of available-for-sale securities	(47,287)	
Sales and maturities of available-for-sale securities	36,327	
Other financial investments.....	6,258	(1,005)
Other investing activities - net.....	3,457	(4,814)
Net cash used in investing activities.....	<u>(129,450)</u>	<u>(137,784)</u>
Cash Flows From Financing Activities		
Issuance of long-term debt	115,500	
Issuance of common stock	21,297	
Issuance of preferred stock		115,000
Retirement of long-term debt.....	(115,500)	(125,000)
Retirement of preferred and preference stock		(229,837)
Payments on capital lease obligations.....	(25,038)	(20,465)
Dividends paid.....	(70,958)	(72,288)
Net increase(decrease) in short-term debt.....	(81,847)	132,874
Costs associated with issuance and retirement of securities	(3,883)	(10,551)
Net cash used in financing activities.....	<u>(160,429)</u>	<u>(210,267)</u>
Net Decrease In Cash and Cash Equivalents (a).....	(15,303)	(88,947)
Cash and Cash Equivalents at Beginning of Period (a).....	<u>21,571</u>	<u>94,537</u>
Cash and Cash Equivalents at End of Period (a).....	<u>\$6,268</u>	<u>\$5,590</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for		
Interest (net of amount capitalized).....	\$56,227	\$44,849
Income taxes.....	\$63,079	\$50,936

(a) Cash equivalents are all highly liquid debt instruments purchased with original maturities of three months or less.

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Thousands of Dollars)

	Nine Months Ended September 30,	
	1994	1993
Cash Flows From Operating Activities		
Net income.....	\$244,619	\$267,391
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation.....	237,732	219,256
Amortization of property under capital leases.....	57,762	67,924
Amortization of contract settlement proceeds and deferred cost of power plant spare parts.....	(28,527)	(29,166)
Deferred income taxes and investment tax credits.....	(22,831)	(9,495)
Equity component of AFUDC.....	(2,552)	(5,838)
Change in current assets and current liabilities		
Accounts receivable.....	2,522	(385)
Unbilled and refundable electric revenues.....	34,237	48,977
Fuel inventories.....	(10,274)	26,270
Materials and supplies.....	3,243	3,109
Prepayments	(19,477)	(20,380)
Accounts payable.....	(47,755)	(28,034)
Accrued interest and taxes.....	(28,379)	(10,188)
Other.....	17,780	(7,269)
Other operating activities - net.....	53,267	32,809
Net cash provided by operating activities.....	<u>491,367</u>	<u>554,981</u>
Cash Flows From Investing Activities		
Property, plant and equipment expenditures.....	(363,983)	(353,770)
Proceeds from sales of nuclear fuel to trust.....	13,551	25,511
Purchases of available-for-sale securities	(124,164)	
Sales and maturities of available-for-sale securities	66,842	
Other financial investments.....	6,531	6,791
Other investing activities - net.....	19,641	(3,298)
Net cash used in investing activities.....	<u>(381,582)</u>	<u>(324,766)</u>
Cash Flows From Financing Activities		
Issuance of long-term debt.....	718,750	700,000
Issuance of common stock.....	43,073	
Issuance of preferred stock	80,000	215,000
Retirement of long-term debt.....	(637,350)	(684,000)
Retirement of preferred and preference stock	(120,000)	(265,337)
Payments on capital lease obligations.....	(61,419)	(71,142)
Dividends paid.....	(212,354)	(215,040)
Net increase in short-term debt.....	101,102	104,605
Costs associated with issuance and retirement of securities	(23,551)	(23,782)
Other financing activities - net.....	(39)	(39)
Net cash used in financing activities.....	<u>(111,788)</u>	<u>(239,735)</u>
Net Decrease In Cash and Cash Equivalents (a).....	(2,003)	(9,520)
Cash and Cash Equivalents at Beginning of Period (a).....	8,271	15,110
Cash and Cash Equivalents at End of Period (a).....	<u>\$6,268</u>	<u>\$5,590</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for		
Interest (net of amount capitalized).....	\$151,887	\$144,608
Income taxes.....	\$212,145	\$190,905

(a) Cash equivalents are all highly liquid debt instruments purchased with original maturities of three months or less.

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Thousands of Dollars)

	Twelve Months Ended September 30,	
	1994	1993
Cash Flows From Operating Activities		
Net income.....	\$325,354	\$358,400
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation.....	307,531	282,363
Amortization of property under capital leases.....	69,275	87,808
Amortization of contract settlement proceeds and deferred cost of power plant spare parts.....	(37,963)	(38,159)
Deferred income taxes and investment tax credits.....	(1,106)	(3,072)
Equity component of AFUDC.....	(4,696)	(8,036)
Change in current assets and current liabilities		
Accounts receivable.....	7,579	(11,543)
Unbilled and refundable electric revenues.....	(25,031)	27,433
Fuel inventories.....	10,128	11,586
Materials and supplies.....	4,675	9,431
Prepayments	(1,219)	(937)
Accounts payable.....	(9,730)	(5,136)
Accrued interest and taxes.....	(17,593)	(3,163)
Other.....	28,801	380
Other operating activities - net.....	50,113	24,325
Net cash provided by operating activities.....	<u>706,118</u>	<u>731,680</u>
Cash Flows From Investing Activities		
Property, plant and equipment expenditures.....	(498,049)	(470,209)
Proceeds from sales of nuclear fuel to trust.....	51,471	34,323
Purchases of available-for-sale securities	(124,164)	
Sales and maturities of available-for-sale securities	66,842	
Other financial investments.....	(965)	15,092
Other investing activities - net.....	29,764	(3,100)
Net cash used in investing activities.....	<u>(475,101)</u>	<u>(423,894)</u>
Cash Flows From Financing Activities		
Issuance of long-term debt.....	868,750	790,000
Issuance of common stock.....	49,708	6,056
Issuance of preferred stock	165,000	215,000
Retirement of long-term debt.....	(762,350)	(776,400)
Retirement of preferred and preference stock	(197,500)	(273,837)
Payments on capital lease obligations.....	(74,145)	(91,914)
Dividends paid.....	(281,955)	(285,780)
Net increase in short-term debt.....	39,409	126,430
Costs associated with issuance and retirement of securities	(37,217)	(25,751)
Other financing activities - net.....	(39)	(39)
Net cash used in financing activities.....	<u>(230,339)</u>	<u>(316,235)</u>
Net Increase (Decrease) In Cash and Cash Equivalents (a)....	678	(8,449)
Cash and Cash Equivalents at Beginning of Period (a).....	5,590	14,039
Cash and Cash Equivalents at End of Period (a).....	<u>\$6,268</u>	<u>\$5,590</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the period for		
Interest (net of amount capitalized).....	\$212,326	\$223,177
Income taxes.....	\$242,289	\$234,052

(a) Cash equivalents are all highly liquid debt instruments purchased with original maturities of three months or less.

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREOWNERS' COMMON EQUITY
(Unaudited)
(Thousands of Dollars)

	Three Months Ended <u>1994</u>	Months September 30, <u>1993</u>
Balance, Beginning of Period	\$2,474,090	\$2,408,095
Net Income	76,954	81,775
Cash dividends declared		
Preferred stock	(6,942)	(6,949)
Common stock	(64,353)	(62,653)
Common stock issued	21,297	
Stock redemption costs		(8,078)
Net unrealized securities losses	(291)	
Other.....		783
Balance, End of Period	<u>\$2,500,755</u>	<u>\$2,412,973</u>
	Nine Months Ended <u>1994</u>	Months September 30, <u>1993</u>
Balance, Beginning of Period	\$2,425,835	\$2,366,939
Net Income	244,619	267,391
Cash dividends declared		
Preferred stock	(21,463)	(21,308)
Preference stock		(4,820)
Common stock	(191,776)	(187,958)
Common stock issued	43,073	
Stock redemption costs	(1,222)	(8,399)
Net unrealized securities gains	1,281	
Other.....	408	1,128
Balance, End of Period	<u>\$2,500,755</u>	<u>\$2,412,973</u>
	Twelve Months Ended <u>1994</u>	Months September 30, <u>1993</u>
Balance, Beginning of Period	\$2,412,973	\$2,340,437
Net Income	325,354	358,400
Cash dividends declared		
Preferred stock	(29,220)	(28,792)
Preference stock		(7,230)
Common stock	(254,429)	(248,622)
Common stock issued	49,708	6,056
Stock redemption costs	(5,255)	(8,440)
Net unrealized securities gains	1,281	
Other.....	343	1,164
Balance, End of Period	<u>\$2,500,755</u>	<u>\$2,412,973</u>

See accompanying Financial Notes.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

FINANCIAL NOTES

1. Interim Financial Statements

The accompanying unaudited interim financial statements should be read in conjunction with the financial statements and notes included in the Company's Annual Report to the Securities and Exchange Commission (SEC) on Form 10-K for the year ended December 31, 1993.

Certain amounts in the September 30, 1993 financial statements have been reclassified to conform to the presentation in the September 30, 1994 statements.

2. Rate Matters

Energy Cost Rate Issues

On April 7, 1994, the Pennsylvania Public Utility Commission (PUC) reduced the Company's 1994-95 Energy Cost Rate (ECR) for the period from April 7, 1994 through March 31, 1995 by approximately \$15.7 million. This reduction represents the PUC staff's computation of costs associated with the purchase of replacement power during a portion of the period that Unit 1 of the Company's Susquehanna nuclear plant was out of service for refueling and repairs.

As a result of the PUC's action, the Company recorded a charge against income in the first quarter of 1994 for the \$15.7 million of unrecovered replacement power costs which adversely affected net income by about \$9.0 million or 6 cents per share of common stock.

The Company filed a complaint with the PUC objecting to the decision to exclude these replacement power costs from the 1994-95 ECR. This complaint was consolidated with complaints filed against the 1994-95 ECR by the Pennsylvania Office of Consumer Advocate (OCA) and a group of industrial customers.

The Company has reached an agreement in principle with the complainants and the PUC's Office of Trial Staff to settle the 1994-95 ECR proceeding. The general terms of this settlement are as follows: (a) the ECR disallowance will be \$6 million rather than the \$15.7 million disallowance originally imposed by the PUC; (b) the Company will recover the \$9.7 million differential through its 1995-96 ECR beginning on April 1, 1995, without interest; and (c) all complaints against the Company's 1994-95 ECR will be withdrawn.

The settlement agreement must be executed by the parties and approved by the presiding Administrative Law Judge and the PUC. Upon PUC approval of the settlement agreement, which is currently expected in early 1995, the Company will record a credit to income of \$9.7 million to partially reverse the charge recorded in the first quarter of 1994. This credit would increase net income by about \$5.5 million or about 3.6 cents per share of common stock.

In early 1994, the Company reached a settlement agreement with the OCA and certain industrial customers concerning the issues raised by the OCA and those customers in complaints filed with the PUC with respect to the 1990-91 ECR through the 1993-94 ECR. The settlement agreement, which resolves all pending complaints against these ECRs, provides for crediting the 1994-95 ECR with a one-time adjustment for a portion of the receipts from installed capacity credit sales made from April 1990 through December 31, 1993 and also provides that about one-third of the receipts from installed capacity credit sales made after December 31, 1993 will be credited through the ECR in the future. These capacity credit sales are discussed in Note 3. Under the terms of the settlement agreement, a portion of the PUC-jurisdictional amount of deferred retired miners' health care benefits costs, which the Company sought to recover through the ECR, will not be recoverable. The settlement agreement was approved by the PUC on October 28, 1994.

As a result of the settlement agreement, in the fourth quarter of 1993 the Company recorded a charge to expense of \$17.1 million, which after income taxes, reduced net income by approximately \$9.7 million or 6.4 cents per share of common stock. In accordance with the settlement agreement, approximately \$6.3 million of receipts from installed capacity credit sales for the nine months ended September 30, 1994 were credited to the ECR.

For a discussion of the Energy Policy Act of 1992 (Energy Act) pertaining to the liability imposed on the Company or its coal-mining subsidiaries for the cost of health care for retired coal miners previously employed by those subsidiaries, see Note 7.

Postretirement Benefits Other Than Pensions

In March 1993, the PUC approved the Company's petition to defer the increase in retiree benefits costs arising from adoption of Statement of Financial Accounting Standards (SFAS) 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." Under the PUC order, the increased costs applicable to PUC-jurisdictional customers would be deferred from January 1, 1993 until such costs are included in customer rates in the Company's next retail base rate proceeding. Accounting rules permit deferral of the costs for about five years.

In June 1993, the OCA appealed the PUC's decision permitting deferral and future recovery of the increased retiree benefits costs to the Commonwealth Court of Pennsylvania. On May 26, 1994, the Commonwealth Court reversed the PUC order and held that the Company could not defer these costs. As a result, in the second quarter of 1994, the Company began expensing the increased costs applicable to operations that would have otherwise been deferred and wrote-off such costs deferred from January 1, 1993. See Note 12 for additional information.

In January 1993, the Company also began to defer the increased retiree benefits costs applicable to Federal Energy Regulatory Commission (FERC)-jurisdictional service pursuant to a FERC policy statement. However, in the fourth quarter of 1993 the Company charged the increased costs of \$2.3 million to expense due to a settlement agreement reached with small utilities served under FERC tariffs. As a result of this agreement, the Company will be unable to file for recovery of the increased costs within

the time period specified in the FERC policy statement. See "FERC Wholesale Rates" for more information.

Uranium Enrichment Decontamination and Decommissioning Fund

The Energy Act also provides for an assessment, over a 15-year period, on utilities with nuclear power operations, including the Company, to provide funds for the ultimate decontamination and decommissioning of the Department of Energy's (DOE's) uranium enrichment facilities.

As of September 30, 1994, the Company's recorded liability for its total assessment amounted to about \$34.1 million. The liability is subject to adjustment for inflation. The corresponding charge to expense was deferred and is being amortized as the Company includes its annual payments to DOE in the ECR which is in the Company's PUC tariffs and in the fuel adjustment clause which is in the Company's FERC tariffs. As a result, the assessment does not affect net income.

Special Base Rate Credit Adjustment

The Special Base Rate Credit Adjustment (SBRCA) has been in effect since April 1, 1991 and currently reduces retail customers' bills for the effects of three nonrecurring items. The first item is the annual amortization of a credit to income associated with the Company's using an inventory method of accounting for power plant spare parts beginning January 1, 1991. The amortization of the cost of spare parts on hand at January 1, 1991 is being included in the SBRCA over a five-year period.

The second relates to costs that are being recovered from Atlantic City Electric Company (Atlantic) pursuant to the sale of 125,000 kilowatts of capacity (summer rating) and related energy from the Company's wholly owned coal-fired stations beginning October 1, 1991. The costs recovered from Atlantic are currently reflected in retail base rate tariffs. Accordingly, the Company included a credit in the SBRCA for the costs, except energy costs, recovered from the sale of coal-fired capacity and related energy to Atlantic. The change in energy costs associated with the sale is reflected in the ECR.

The third relates to the proceeds from the settlement of outstanding contract claims arising from construction of the Susquehanna station. In accordance with approval of the settlement by the PUC, the Company began on April 1, 1992 to return the settlement proceeds to retail customers through the SBRCA at the rate of \$11 million per year for five years. In addition, the proceeds from the settlement applicable to wholesale and bulk power customers are being credited to those customers.

The SBRCA reduced revenues from retail customers by about \$10.9 million, \$34.3 million and \$45.8 million for the three, nine and twelve months ended September 30, 1994, respectively. The reductions in revenues due to the SBRCA do not affect the Company's net income.

Refund of State Tax Decrease

In June 1994, legislation was enacted that decreased the state corporate net income tax rate from 12.25% to 11.99% retroactive to January 1, 1994, with further reductions to 10.99%, 10.75% and 9.99% in 1995, 1996

and 1997, respectively. In accordance with the terms of its tariffs, the Company filed with the PUC a recomputation of its State Tax Adjustment Surcharge (STAS) to reflect the decrease in state income taxes for 1994. The application of the STAS reflecting the 1994 tax decrease began in July 1994 and is expected to reduce customer bills through March 1995 by about \$1.5 million.

FERC Wholesale Rates

The Company entered into new five-year, lower-priced sales contracts with certain small utilities it currently serves. The contracts, which have been accepted for filing by FERC, will reduce rates to these small utilities by about \$3.6 million in 1994 and by about an additional \$4.1 million in 1996. In connection with these agreements, in the fourth quarter of 1993 the Company wrote-off the deferred portions of retired miners' health care benefits costs and postretirement benefits other than pensions applicable to FERC-jurisdictional services. The charge to expense amounted to \$8.9 million, which after income taxes, reduced net income by \$5.1 million or 3.4 cents per share of common stock.

3. Sales to Other Major Electric Utilities

The Company provided Atlantic with 126,000 kilowatts of the Company's share of capacity and related energy from the Susquehanna station from 1983 through September 30, 1991. Another agreement provides Atlantic with 125,000 kilowatts of capacity (summer rating) and related energy from the Company's wholly owned coal-fired stations from October 1, 1991 through September 2000.

On October 1, 1991, immediately following the expiration of the agreement with Atlantic, the Company began providing Baltimore Gas & Electric (BG&E) with 126,000 kilowatts or 6.6 percent of the Company's share of capacity and related energy from the Susquehanna station. Effective June 11, 1994, the capability of the Susquehanna station was increased as a result of the upgrading of Unit 2, increasing the sale to BG&E to 129,000 kilowatts. Sales to BG&E will continue through May 2001.

The Company provides Jersey Central Power and Light Company (JCP&L) with 945,000 kilowatts of capacity and related energy from all the Company's generating units. Sales to JCP&L began in 1985 and will continue at the 945,000 kilowatt level through 1995, with the amount then declining uniformly each year until the end of the agreement on December 31, 1999.

These agreements provide that sales are to be made at a price equal to the Company's cost of providing service, which includes a return on the Company's investment in generating capacity. Revenues from these sales for the three, nine and twelve months ended September 30, 1994 totaled \$69.3 million, \$211.2 million and \$283.7 million, respectively.

In addition to these bulk power contractual sales, the Company has entered into several agreements with other electric utilities in the Pennsylvania-New Jersey-Maryland Interconnection Association (PJM) for the sale of capacity credits from the Company's system capacity. These capacity credits are used by the other utilities to meet their installed capacity obligation in the PJM. The price received for these sales is based on a percentage of the rate the utilities would have paid to purchase

installed capacity under the PJM agreement. The length of these agreements and the amount of capacity credits sold vary. The longest agreement currently in effect is scheduled to terminate in May 1995. The Company includes as a credit to the ECR about one-third of the receipts from these sales.

The Company has entered into arrangements with several utilities both inside and outside the PJM for the reservation of output from either the oil-fired or coal-fired units at the Company's Martins Creek station during certain periods of time. Specific deliveries of energy are requested by the purchasing utility as needed during the reservation period. One utility has agreed to purchase a maximum of 10 megawatt hours per hour of the output the Company purchases from non-utility generating companies for the period June 1990 through May 1995. The Company includes as a credit to the ECR the revenue received for deliveries of energy under reservation of output sales agreements from Martins Creek, the revenue received for deliveries of output from non-utility generating companies and the foregone PJM energy savings that were not realized when PJM energy sales are reduced because of reservation agreements.

Arrangements also have been entered into whereby PJM utilities can purchase a portion of the Company's entitlement to use the PJM transmission system to import energy from utilities outside the PJM. These transactions are made through negotiated prices for various periods of time. The Company includes, as a credit to the ECR, the foregone PJM energy savings that are not realized when the sale of transmission entitlements reduces the amount of energy the Company imports and sells to other utilities.

Revenues from the sale of capacity credits, the reservation of output from the Martins Creek units and the sale of transmission entitlements (net of the amount that is credited to customers through the ECR) for the three, nine and twelve months ended September 30, 1994 totaled \$7.3 million, \$21.4 million and \$19.6 million, respectively. For information relating to proceedings pending before the PUC with regard to the ECR and a settlement agreement between the Company and complainants with respect to capacity-related sales, see Note 2.

4. Taxes

Details of the components of income tax expense are as follows (thousands of dollars):

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,		Twelve Months Ended Sept. 30,	
	1994	1993	1994	1993	1994	1993
Income Tax Expense						
Included in operating expenses						
Provision	\$71,882	\$58,961	\$208,615	\$192,212	\$242,706	\$241,641
Provision-state tax rate change	(285)		(822)		(822)	
Deferred	(10,603)	2,256	(12,554)	(299)	10,114	9,493
Deferred-state tax rate change	21		10		10	
Investment tax credit, net	<u>(3,063)</u>	<u>(3,377)</u>	<u>(9,190)</u>	<u>(10,129)</u>	<u>(12,566)</u>	<u>(13,614)</u>
	<u>57,952</u>	<u>57,840</u>	<u>186,059</u>	<u>181,784</u>	<u>239,442</u>	<u>237,520</u>
Included in other income and deductions						
Provision	(978)	(1,636)	(3,366)	(1,077)	(6,938)	(1,207)
Provision-state tax rate change	3		2		2	
Deferred	(945)	1,428	(1,102)	933	1,331	1,049
Deferred-state tax rate change	4		5		5	
	<u>(1,916)</u>	<u>(208)</u>	<u>(4,461)</u>	<u>(144)</u>	<u>(5,600)</u>	<u>(158)</u>
Total Income Tax Expense	\$56,036	\$57,632	\$181,598	\$181,640	\$233,842	\$237,362

In June 1994, legislation was enacted that decreased the state corporate net income tax rate from 12.25% to 11.99% retroactive to January 1, 1994, with further reductions to 10.99%, 10.75% and 9.99% in 1995, 1996 and 1997, respectively. For the nine months ended September 30, 1994, the Company recorded a decrease in income tax expense of \$805,000 and a decrease in deferred income tax liabilities and taxes recoverable through future rates of \$128,398,000 as a result of the newly enacted state income tax rates. The Company estimates that the decrease in the state income tax rate for 1994 will reduce income taxes expense by about \$1.1 million. Substantially all of this amount will be reflected in lower customer rates through the STAS.

The valuation allowance related to deferred tax assets at September 30, 1994 amounted to \$8,777,000, an increase of \$83,000 from \$8,694,000 at December 31, 1993. The valuation allowance at September 30, 1993 amounted to \$9,549,000.

5. Financial Instruments

Effective January 1, 1994, the Company adopted SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities." SFAS 115 addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. The adoption of SFAS 115 did not have a material effect on the Company's net income.

The fair value of investments including securities subject to the requirements of SFAS 115 at September 30, 1994 was (thousands of dollars):

	<u>Aggregate</u>	<u>Marketable Securities (a)</u>	<u>Financial Investments (b)</u>	<u>Nuclear Decommissioning Trust Fund (c)</u>
Trading securities	\$ 11,123	\$11,123		
Available-for-sale securities:				
Equity securities	9,681	7,453	\$ 2,228	
Debt securities	<u>220,005</u>	<u>76,688</u>	<u>59,251</u>	\$84,066
Total available-for-sale	<u>229,686</u>	<u>84,141</u>	<u>61,479</u>	<u>84,066</u>
Total trading and available-for-sale	240,809	95,264	61,479	84,066
Other investments	<u>66,908</u>		<u>64,536</u>	<u>2,372</u>
	<u>\$307,717</u>	<u>\$95,264</u>	<u>\$126,015</u>	<u>\$86,438</u>

Available-for-sale debt securities at amortized cost at September 30, 1994 totaled \$218.8 million and were comprised principally of municipal bonds. Maturities of such securities are as follows: \$79.9 million within one year, \$28.9 million after one year through five years, \$59.4 million after five years through ten years and \$50.6 million after ten years.

(a) Included in the amount shown as Current Assets-Marketable Securities on the Consolidated Balance Sheet.

(b) Included in the amount shown as Investments-Financial Investments on the Consolidated Balance Sheet.

(c) Included in the amount shown as Nuclear Decommissioning Trust Fund on the Consolidated Balance Sheet.

Net unrealized gains on available-for-sale securities included in common equity at September 30, 1994 amounted to \$1.3 million after applicable income taxes. The net unrealized gain(loss) on trading securities included in income for the three and nine months ended September 30, 1994 was \$0.7 million and \$(0.3) million, respectively.

The carrying amount of the Company's long-term debt increased \$79 million and the estimated fair value decreased \$260 million between December 31, 1993 and September 30, 1994. The carrying amount and the estimated fair value of the Company's preferred stock decreased \$40 million and \$62 million, respectively, for the same period. The change in the carrying amounts of the long-term debt and preferred stock was due primarily to new issuances less retirements. The decline in the fair value of the Company's long-term debt and preferred stock was attributed principally to increased interest rates which produced a general downturn in the bond and preferred stock markets. The carrying amount and fair value of the Company's commercial paper increased \$95 million between December 31, 1993 and September 30, 1994, providing funds for the Company's construction program and for the increases in financial investments. The carrying amounts and the estimated fair value of the Company's other financial instruments did not significantly change between the December 31, 1993 and the September 30, 1994 reporting periods.

Financial investments as shown on the Consolidated Balance Sheet consisted of the following (thousands of dollars):

	Sept. 30, <u>1994</u>	December 31, <u>1993</u>	Sept. 30, <u>1993</u>
Marketable equity securities	\$ 20,804(a)	\$ 10,854(b)	\$ 14,780(b)
Marketable debt securities	135,939(a)	61,294(c)	71,061(c)
Financial limited partnerships	58,798	65,378	43,742
Venture capital investments	<u>5,738</u>	<u>6,207</u>	<u>6,242</u>
	221,279	143,733	135,825
Less marketable securities included in current assets	<u>95,264(a)</u>	<u>3,164(d)</u>	<u>8,205(d)</u>
Total	<u>\$126,015</u>	<u>\$140,569</u>	<u>\$127,620</u>

(a) At fair value

(b) At cost

(c) At amortized cost

(d) At the lower of amortized cost or market value

The fair value of marketable equity securities was (thousands of dollars) \$12,995 at December 31, 1993 and \$17,337 at September 30, 1993. The fair value of marketable debt securities was (thousands of dollars) \$65,562 at December 31, 1993 and \$75,408 at September 30, 1993.

6. Interest on Capital Lease Obligations

Interest on capital lease obligations was included in operating expenses on the Consolidated Statement of Income as follows (thousands of dollars):

Three Months		Nine Months		Twelve Months	
<u>Ended Sept. 30,</u>		<u>Ended Sept. 30,</u>		<u>Ended Sept. 30,</u>	
<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
\$2,909	\$2,297	\$7,854	\$6,916	\$9,997	\$9,322

7. Regulatory Assets

The Company has deferred certain costs in accordance with the rate actions of the PUC and FERC and is recovering or expects to recover such costs in electric rates charged to customers. Regulatory assets consist of the following (thousands of dollars):

	Sept. 30, <u>1994</u>	December 31, <u>1993</u>	Sept. 30, <u>1993</u>
Deferred depreciation	\$ 262,544	\$ 282,115	\$ 285,658
Deferred operating and carrying costs-Susquehanna	39,215	39,215	39,215
Utility plant carrying charges-net of amortization	23,381	24,097	24,314
Deferred refueling outage costs-Susquehanna	20,356	16,027	7,301
Reacquired debt costs	115,273	101,836	94,393
Taxes recoverable through future rates	1,024,676	1,166,118	1,163,775
Postretirement benefits other than pensions		14,855	12,617
Retired miners' health care benefits	23,222	24,096	35,812
Assessment for decommissioning uranium enrichment facilities	<u>34,148</u>	<u>33,710</u>	<u>37,148</u>
	<u>\$1,542,815</u>	<u>\$1,702,069</u>	<u>\$1,700,233</u>

Deferred depreciation is the accumulated difference between the straight-line depreciation that would have been recorded on property placed in service at the Susquehanna station prior to January 1, 1989 and the amount of depreciation on such property provided for financial reporting purposes and included in rates, and is the result of a rate phase-in plan meeting the criteria of SFAS 92, "Regulated Enterprises-Accounting for Phase-in Plans." The difference in annual depreciation expense is shown as amortized depreciation on the Consolidated Statement of Income.

Deferred operating and carrying costs - Susquehanna consist of certain operating and capital costs, net of energy savings, associated with Units 1 and 2 at the Susquehanna station. The costs, deferred in accordance with orders from the PUC, were incurred from the date the units were placed in commercial operation until the effective dates of the rate increases reflecting operation of the units. The deferred costs include related

deferred income taxes. Recovery of these costs will be subject to PUC review. No return is being accrued on the deferred costs.

Utility plant carrying charges are carrying charge accruals that were reclassified from electric utility plant in service to a deferred debit in accordance with a FERC order. Such charges are being amortized over the remaining depreciable life of the related property and are included in PUC electric service rates.

Deferred refueling outage costs - Susquehanna represent incremental maintenance costs incurred during refueling and inspection outages which are deferred and subsequently amortized over the period of time that begins upon the cessation of the outage and ends with the start of the next scheduled refueling and inspection outage.

Reacquired debt costs represent premiums and expenses incurred in the redemption of long-term debt. In accordance with FERC regulations, reacquired debt costs are amortized over either the life of the refunding issue or the remaining life of the redeemed issue, as appropriate.

The Energy Act imposed a new liability on the Company or its coal-mining subsidiaries for the health care of retired coal miners previously employed by those subsidiaries. The estimated liability amounts to approximately \$68 million on a net present value basis. At the time coal-mining operations ceased, subsidiary mining companies had accrued \$32 million for anticipated payments to the miners' health care trust funds to provide for health care benefits for retired miners. Under the Energy Act, the Company or its coal-mining subsidiaries will be directly liable for these benefits and the \$32 million will not have to be paid to the trust funds. The Company intends to use the amount accrued by its subsidiary mining companies to partially offset the liability.

In December 1992, the Company recorded an additional liability of approximately \$36 million representing the balance of the liability imposed by the Energy Act for health care benefits for retired coal miners. The charge to expense was deferred and recorded as a regulatory asset. The deferral was subsequently written down to the amount to be recovered through the ECR. See Note 2 for information concerning the write-down.

For a discussion of assessment for decommissioning uranium enrichment facilities, taxes recoverable through future rates and postretirement benefits other than pensions, see Notes 2, 4 and 12, respectively.

8. Common Stock

Common Stock - no par at September 30, 1994 consisted of 170,000,000 authorized shares of which 154,139,282 shares were outstanding. In October 1994, the Company issued 794,284 shares of common stock through the Dividend Reinvestment Plan to shareowners who reinvest their dividends or remit optional cash payments.

9. Preferred and Preference Stock

The authorized Preferred and Preference Stock (all cumulative) of the Company is divided into three classes, 4-1/2% Preferred Stock, Seri

Preferred Stock and Preference Stock, consisting of the following at September 30, 1994 (thousands of dollars):

	Par Value	Shares		Amount Outstanding
		Authorized	Outstanding	
Preferred				
4-1/2%	\$100	629,936	530,189	\$ 53,019
Series	\$100	10,000,000	4,133,556	<u>413,356</u>
Total				<u>\$466,375</u>
Preference	no par	5,000,000	None	

Details of increases (decreases) in Preferred Stock during the nine months ended September 30, 1994 are as follows (thousands of dollars):

	Shares Outstanding	Amount Outstanding
Issues With Sinking Fund Requirements		
Outstanding at December 31, 1993 (a)	3,350,000	\$335,000
Increases:		
5.95% Series Preferred (b)	300,000	30,000
6.05% Series Preferred (b)	250,000	25,000
6.15% Series Preferred (b)	250,000	25,000
Decreases:		
7.00% Series Preferred (c)	(200,000)	(20,000)
6.875% Series Preferred (c)	(200,000)	(20,000)
6.875% Series Preferred (d)	(200,000)	(20,000)
7.00% Series Preferred (d)	<u>(600,000)</u>	<u>(60,000)</u>
Outstanding, September 30, 1994	<u>2,950,000</u>	<u>\$295,000</u>
Issues Without Sinking Fund Requirements		
Outstanding at December 31, 1993 and September 30, 1994	<u>1,713,745</u>	<u>\$171,375</u>

- (a) Details of shares outstanding at December 31, 1993 are shown in the Company's Annual Report to the SEC on Form 10-K for the year ended December 31, 1993.
- (b) Proceeds from this sale together with other funds provided by the Company were used to redeem the two series of preferred stock referred to in Note (d) below through their respective optional redemption provisions.
- (c) Redeemed through sinking fund provisions at \$100 per share.
- (d) Redeemed through optional redemption provisions as follows:
- | Series Redeemed | Redemption Price Per Share |
|-------------------------|----------------------------|
| 6.875% Series Preferred | \$100.573 |
| 7.00% Series Preferred | \$100.584 |

After giving effect to the changes in Preferred Stock as described above, the Company does not have any Preferred Stock sinking fund redemption requirements through 2000.

10. Long-Term Debt

Long-term debt outstanding consisted of the following at September 30, 1994 and December 31, 1993 (thousands of dollars):

Company	September 30, <u>1994</u>	December 31, <u>1993</u>
First mortgage bonds	\$2,768,750	\$2,673,750
Miscellaneous promissory notes	39	77
Unamortized (discount) and premium - net	<u>(27,260)</u>	<u>(24,857)</u>
Total	2,741,529	2,648,970
Less amount due within one year	<u>39</u>	<u>30,939</u>
	<u>2,741,490</u>	<u>2,618,031</u>
Subsidiaries		
Notes due 1994		13,600
Less amount due within one year		<u>13,600</u>
Total long-term debt	<u>\$2,741,490</u>	<u>\$2,618,031(a)</u>

First mortgage bonds issued and retired during the nine months ended September 30, 1994 were as follows (thousands of dollars):

Outstanding, December 31, 1993	\$2,673,750	
Issued:		
5.50% Pollution Control Series I due 2027	53,250	(b)
6.55% Series due 2006	150,000	(c)
7.30% Series due 2024	150,000	(c)
6-7/8% Series due 2004	150,000	(d)
7-3/8% Series due 2014	100,000	(d)
6.40% Pollution Control Series J due 2029	115,500	(e)
Retired:		
4-5/8% Series due 1994	(30,000)	
5-5/8% Pollution Control Series A due 1994-2003	(15,500)	(b)
10-5/8% Pollution Control Series E due 2014	(37,750)	(b)
10% Series due 2019	(125,000)	(c)
9% Series due 2000	(50,000)	(c)
8-1/2% Series due 2007	(100,000)	(c)
8-1/4% Series due 2006	(150,000)	(d)
10-5/8% Pollution Control Series F due 2014	<u>(115,500)</u>	(e)
	<u>\$2,768,750</u>	

- (a) Details of outstanding long-term debt at December 31, 1993 are presented in the Company's Annual Report to the SEC on Form 10-K for the year ended December 31, 1993.
- (b) Proceeds from the sale, together with other funds provided by the Company, were used to redeem the 5-5/8% Pollution Control Series A First Mortgage Bonds at the optional redemption price of 100% and the 10-5/8% Pollution Control Series E First Mortgage Bonds at the optional redemption price of 103%.
- (c) Proceeds from the sale were used to redeem the 10% Series First Mortgage Bonds at the general redemption price of 107.01% and were

deposited with the trustee pursuant to the maintenance and replacement fund provisions of the Mortgage and thereafter used to redeem the 9% Series First Mortgage Bonds at the special redemption price of 100.46% and the 8-1/2% Series First Mortgage Bonds at the special redemption price of 100%.

- (d) A portion of the proceeds from the sale was deposited with the trustee pursuant to the maintenance and replacement fund provisions of the Mortgage and thereafter used to redeem the 8-1/4% Series First Mortgage Bonds at the special redemption price of 100%.
- (e) Proceeds from the sale, together with other funds provided by the Company, were used to redeem the 10-5/8% Pollution Control Series F First Mortgage Bonds at the optional redemption price of 102%.

In October 1994, the Company issued \$200 million principal amount of First Mortgage Bonds, 7.70% Series due 2009. Any registered owner of the bonds has the right to require the Company to redeem such owner's bonds on October 1, 1999 at a price of 100% of the principal amount. The net proceeds were used to retire short-term debt.

During the nine months ended September 30, 1994, a subsidiary company retired \$13.6 million of long-term notes.

As of September 30, 1994, the amounts of long-term debt maturing in each calendar year through 1999 are (thousands of dollars):

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
\$0	\$39	\$30,000	\$30,000	\$150,000	\$80,000

The maximum aggregate annual sinking fund requirement for First Mortgage Bonds outstanding at September 30, 1994 does not exceed \$6 million per year through 1999. The Company has the right to meet sinking fund requirements with property additions or bonds.

Substantially all owned electric utility plant is subject to the lien of the Company's Mortgage.

11. Credit Arrangements

The Company issues commercial paper and, from time to time, borrows from banks to provide short-term funds required for general corporate purposes. In addition, certain subsidiaries also borrow from banks to obtain short-term funds. Bank borrowings generally bear interest at rates negotiated at the time of the borrowing.

In September 1994, the Company entered into a \$250 million revolving credit arrangement with a group of banks in return for the payment of commitment fees. The line of credit replaced a similar credit arrangement totaling \$140 million. The line of credit is maintained principally as a back-up for the Company's commercial paper. Any loans made under this credit arrangement would mature in September 1999 and, at the option of the Company, interest rates would be based upon certificate of deposit rates, Eurodollar deposit rates or the prime rate. The Company has additional credit arrangements with another group of banks in return for the payment of commitment fees. The banks have committed to lend the Company up to \$45 million under these credit arrangements which mature on May 1, 1995 at interest rates based upon Eurodollar deposit rates or the prime rate. These

credit arrangements produce a total of \$295 million of lines of credit to provide back-up for the Company's commercial paper and short-term borrowings of certain subsidiaries. No borrowings were outstanding at September 30, 1994 under these credit arrangements.

The Company leases its nuclear fuel from a trust funded by sales of commercial paper. The maximum financing capacity of the trust under existing credit arrangements is \$200 million.

12. Postretirement Benefits Other Than Pensions

The net periodic postretirement benefit cost for the three, nine and twelve months ended September 30, 1994 and the three and nine months ended September 30, 1993 included the following components (thousands of dollars):

	Three Months Ended <u>Sept. 30, 1994</u>	Nine Months Ended <u>Sept. 30, 1994</u>	Twelve Months Ended <u>Sept. 30, 1994</u>
Service cost-benefits attributed to service during the period	\$1,071	\$ 3,214	\$4,139
Interest cost on accumulated postretirement benefit obligation	3,547	10,641	13,893
Expected return on assets	(374)	(1,122)	(1,122)
Amortization of transition obligation	<u>2,177</u>	<u>6,530</u>	<u>8,702</u>
Net periodic benefit cost	<u>\$6,421</u>	<u>\$19,263</u>	<u>\$25,612</u>

	Three Months Ended <u>Sept. 30, 1993</u>	Nine Months Ended <u>Sept. 30, 1993</u>
Service cost-benefits attributed to service during the period	\$ 925	\$ 2,774
Interest cost on accumulated postretirement benefit obligation	3,252	9,756
Amortization of transition obligation	<u>2,173</u>	<u>6,519</u>
Net periodic benefit cost	<u>\$6,350</u>	<u>\$19,049</u>

As a result of a decision of the Commonwealth Court of Pennsylvania in the second quarter of 1994 the Company began expensing the increased costs applicable to operations that would have otherwise been deferred and wrote-off such costs deferred from January 1, 1993. In the second quarter of 1994, the Company charged to expense \$17.0 million which reduced net income by approximately \$9.7 million or 6.4 cents per share of common stock. The charge to expense for the nine months ended September 30, 1994 amounted to

\$19.5 million which reduced net income by approximately \$11.1 million or 7.3 cents per share of common stock.

Retiree benefits costs charged to operating expenses, including the costs associated with SFAS 106 as discussed above, were \$4.0 million, \$22.8 million and \$26.0 million for the three months, nine months and twelve months ended September 30, 1994, respectively. Such costs were \$1.1 million and \$3.6 million for the three months and nine months ended September 30, 1993, respectively. The balance was charged to construction and other accounts.

In June 1994, the PUC and the Company requested the Pennsylvania Supreme Court to hear an appeal of the Commonwealth Court decision. The Company cannot predict the outcome of this appeal.

13. Reorganization and Workforce Reductions

The Company has initiated a restructuring of its utility operations, to better position itself for the competitive future. The Company has reorganized operations along functional, instead of geographic, lines to enhance customer service and reduce costs. The new organization replaces the Company's five geographic operating divisions with three new departments, based on services provided to customers. Electrical Systems will be responsible for designing, maintaining and operating the facilities that transmit and deliver electricity to customers; Customer Services will be responsible for customer inquiries and billing; and Marketing and Economic Development will market electric heat and other applications to residential customers, will provide energy services to industrial and commercial customers, and will be responsible for community activities.

As a result of this reorganization, four officers of the Company have elected to retire -- the Senior Vice President - Division Operations and three division Vice Presidents.

The Company intends to continue to re-engineer operations at all levels to reduce costs and increase efficiency.

As part of its continuing effort to reduce costs and improve operating efficiency as it moves toward a more competitive environment, the Company has offered an early retirement program to 850 eligible employees who will be age 55 by December 31, 1994. The Company currently has about 7,600 employees. The early retirement program provides for a lump sum payment based on an employee's years of service, no reduction in retirement benefits for age and supplemental monthly payments.

Eligible employees will have until December 15, 1994 to make a decision about the retirement offer. Until that time, the Company will not be able to determine the annual payroll savings or the exact cost to the Company for this early retirement program. To the extent that the costs associated with the early retirement program are not recoverable in customers rates, the Company would be required to charge such amount to earnings.

Additionally, the Company's Construction Department will reduce its workforce by about 225 jobs over the next few months in light of a declining work load and the need to reduce costs. The elimination of these

positions will improve the efficiency of the Construction Department to help the Company compete more effectively in the new energy marketplace.

Ongoing department-level re-engineering efforts will continue to impact the size of the Company's workforce. The redesigned work is expected to require fewer employees. Although no specific targets have been set, the Company currently expects that employment levels may decline by 1,000 to 1,500 employees within the next three years. The Company may incur additional costs as a result of these workforce reductions.

14. Commitments and Contingent Liabilities

For discussion pertaining to the Company's construction and financing matters, see Management's Discussion and Analysis of Financial Condition and Results of Operations under the caption "Financial Condition - Construction and Financing Programs."

Nuclear Operations

The Company is a member of certain insurance programs which provide coverage for property damage to members' nuclear generating stations. Facilities at the Susquehanna station are insured against property damage losses up to \$2.7 billion under these programs. The Company is also a member of an insurance program which provides insurance coverage for the cost of replacement power during prolonged outages of nuclear units caused by specified conditions. Under the property and replacement power insurance programs, the Company could be assessed retrospective premiums in the event the insurers' losses exceed their reserves. The maximum amount the Company could be assessed under these programs at September 30, 1991 was about \$20.3 million.

Nuclear Regulatory Commission regulations require that in the event of an accident, where the estimated cost of stabilization and decontamination exceeds \$100 million, proceeds of property damage insurance be segregated and used, first, to place and maintain the reactor in a safe and stable condition and, second, to complete required decontamination operations before any insurance proceeds would be made available to the Company or the trustee under the Mortgage. The Company's on-site property damage insurance policies for the Susquehanna station conform to these regulations.

The Company's public liability for claims resulting from a nuclear incident at the Susquehanna station is limited to about \$9.0 billion under provisions of The Price Anderson Amendments Act of 1988 (the Act). The Company is protected against this liability by a combination of commercial insurance and an industry assessment program. A utility's liability under the assessment program will be indexed not less than once during each five-year period for inflation and will be subject to an additional surcharge of 5% in the event the total amount of public claims and costs exceeds the basic assessment. In the event of a nuclear incident at any of the reactors covered by the Act, the Company could be assessed up to \$151 million per incident, payable at a rate of \$20 million per year, plus the additional 5% surcharge, if applicable.

Fuel Oil Dealers' Litigation

In August 1991, a group of 21 fuel oil dealers in the Company's service area filed a complaint against the Company in United States District Court for the Eastern District of Pennsylvania (District Court) alleging that the Company's promotion of electric heat pumps and off-peak thermal storage systems, through the use of a special customer rate (Rate RTS) and incentives to builders and developers, had violated and continues to violate the federal antitrust laws. The complaint also alleged that the Company's use of incentives for the installation of high efficiency heat pumps violated and continues to violate the Racketeer Influenced and Corrupt Organizations Act (RICO).

The complaint requested judgment against the Company for a sum in excess of \$10 million for the alleged antitrust violations, treble the damages alleged to have been sustained by the plaintiffs. Separately, the complaint requested judgment for a sum in excess of \$10 million for the alleged RICO violations, treble the damages alleged to have been sustained by the plaintiffs. Finally, the complaint requested a permanent injunction against all activities found to be illegal.

In April 1992, a fuel oil dealer in the Company's service area filed a class action complaint against the Company in the District Court alleging, as did the August 1991 complaint, that the Company's promotion of electric heat pumps and off-peak thermal storage systems had violated and continues to violate the federal antitrust laws. The complaint did not allege any violation of RICO, but did allege that the Company engaged in a civil conspiracy and unfair competition in violation of Pennsylvania law.

The plaintiff sought to represent as a class all fuel oil dealers in the Company's service area. The complaint requested a permanent injunction against all activities found to be illegal and treble the damages alleged to have been sustained by the class. No specific damage amount was set forth in the complaint. This second antitrust complaint was consolidated with the August 1991 complaint for pre-trial purposes.

In September 1992, the District Court granted the Company's motion for summary judgment and dismissed both suits filed against the Company. The plaintiffs appealed the decision to the United States Court of Appeals for the Third Circuit (Court of Appeals).

In April 1994, the Court of Appeals affirmed in part and reversed in part the District Court's decision. The Court of Appeals affirmed the District Court's grant of summary judgment for the Company as to the Company's use of Rate RTS and the Company's builder and developer incentives, but reversed and remanded as to plaintiffs' claims regarding the Company's alleged agreements with developers that their developments consist of only electrically heated units (all-electric agreements). The Court of Appeals also reversed and remanded the grant of summary judgment as to the state law claims related to such agreements.

The case is now proceeding in the District Court on the issue of the all-electric agreements and the related state law claims. In addition, in June 1994 plaintiffs filed an amended complaint in District Court alleging that the Company's former residential conversion program - under which cash grants were offered to contractors and homeowners to convert from fossil

fuel heating systems to electric systems - also violated the federal antitrust laws.

The Company cannot predict the outcome of this litigation.

Clean Air Legislation and Other Environmental Matters

The Federal Clean Air Act Amendments of 1990 deal, in part, with acid rain, attainment of federal ambient ozone standards and toxic air emissions. The acid rain provisions, which are contained in Title IV of the legislation, specify Phase I sulfur dioxide emission limits for about 55% of the Company's coal-fired generating capacity by January 1, 1995, and more stringent Phase II sulfur dioxide emission limits for all of the Company's fossil-fueled generating units by January 1, 2000.

The Company expects to meet the 1995 Phase I sulfur dioxide standards by the use of lower sulfur coal, additional processing of coal through cleaning plants, and the installation of scrubbers at the Conemaugh station, in which the Company has an 11.39% ownership interest. The Company may also choose to limit the generation of certain units and to bank or trade emission allowances among its generating units or with other utilities to the extent permitted by the legislation.

The acid rain provisions also require installation of low nitrogen oxide burners on each unit by the same date that sulfur dioxide limits apply to that unit. In addition, the ambient ozone attainment provisions contained in Title I of the legislation specify other nitrogen oxide emission reductions. In this regard, the legislation defines a Northeast Ozone Transport Region that includes all of Pennsylvania in addition to all states in the Northeast from northern Virginia to Maine. All major stationary sources within the region must install reasonably available control technology (RACT) for nitrogen oxide emissions by May 1995.

The Company expects to meet this RACT requirement by installing low nitrogen oxide burners on the Phase I units as required by the acid rain title and by advancing the installation of low nitrogen oxide burners on certain Phase II units, where technically feasible, that would have been required in 2000 by the acid rain title.

The Company currently estimates that the cost of compliance with the Phase I sulfur dioxide standards and installation of the low nitrogen oxide burners will require capital expenditures of about \$200 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 1.5% of 1993 revenues. As of September 30, 1994, the Company has expended \$141 million of the estimated capital cost.

To meet the Phase II acid rain sulfur dioxide emission standards, the Company may install flue gas desulfurization (FGD) on up to 60% of its coal-fired generating capacity, purchase lower sulfur coal, and bank or trade emission allowances among its generating units or with other utilities to the extent permitted by the legislation. The exact mix of lower sulfur fuel, emission allowance purchases, sales or trades, and the amount and timing of FGD will be determined based on FGD installation costs, fuel cost and availability, and emission allowance prices.

The Company currently estimates that the cost of compliance with the Phase II sulfur dioxide standards may require additional capital expenditures in the later half of the 1990s of \$300 million to \$500 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 3% of the 1993 revenues.

The ambient ozone attainment provisions also require modeling of nitrogen oxide and volatile organic compound emissions in the Northeast Ozone Transport Region to determine what further reductions are needed beyond the RACT requirements to achieve ambient ozone attainment. A two-phase nitrogen oxide reduction from pre-Clean Air Act levels has been proposed for the area where the Company's plants are located -- a 55% reduction by May 1999 and a 75% reduction by 2003 -- unless scientific studies to be completed by 1997 indicate a different reduction. The reductions would be required from May 1 to September 30 during a five-month ozone season. The Company's preliminary estimates indicate that the cost of compliance could require additional capital expenditures of up to \$80 million (in estimated 1994 dollars) by 1999 and up to an additional \$150 million (in estimated 1994 dollars) by 2003. The additional revenues required to recover the increased costs are estimated to be about 2% of 1993 revenues.

In addition to acid rain and ambient ozone attainment provisions, the legislation requires the Environmental Protection Agency (EPA) to conduct a study of hazardous air emissions from power plants. EPA is also studying the health effects of fine particulates which are emitted from power plants and other sources. Adverse findings from either study could cause the EPA to mandate additional ultra high efficiency particulate removal baghouses or specialized flue gas scrubbing to remove certain vaporous trace metals and certain gaseous emissions. If it is determined that the installation of such additional equipment is required, the Company's preliminary estimates indicate that the cost of compliance could require additional capital expenditures of up to \$310 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 2% of 1993 revenues.

Recovery of the additional revenues required to comply with the provisions of the Federal Clean Air Act Amendments of 1990 may require increases in customer rates.

Under current Pennsylvania law, construction work in progress for certain non-revenue producing assets, such as capital expenditures for pollution control equipment, can be claimed in rate base.

In February 1993, the PUC adopted a policy statement regarding the trading and usage of, and the ratemaking treatment for, emission allowances by Pennsylvania electric utilities. The policy statement determines, among other things, that the PUC will not require approval of specific transactions and the cost of allowances will be recognized as energy-related power production expenses and recoverable through the ECR.

The Pennsylvania Air Pollution Control Act implements the Federal Clean Air Act Amendments of 1990. The state legislation essentially requires that new state air emission standards be no more stringent than

federal standards. This legislation has no effect on the Company's plans for compliance with the Federal Clean Air Act Amendments of 1990.

Until action has been taken by the appropriate regulatory bodies, the Company will not be able to determine the exact method of compliance with the acid rain, ambient ozone and hazardous air emission provisions of the legislation, or the cost thereof and its impact on customer rates.

The Pennsylvania Department of Environmental Resources (DER) regulations governing the handling and disposal of industrial (or residual) solid waste require the Company to submit detailed information on waste generation, minimization and disposal practices. They also require the Company to upgrade and repermit existing ash basins at all of its coal-fired generating stations by applying updated standards for waste disposal. Ash basins that cannot be repermited are required to close by July 1997. Any groundwater contamination caused by the basins must also be addressed. Any new ash disposal facility must meet the rigid site and design standards set forth in the regulations. In addition, the siting of future facilities at Company facilities could be affected.

The fly ash basin at the Martins Creek station and the dry fly ash disposal area at the Montour station are expected to comply with the DER regulations. However, the fly ash basins at other fossil-fueled generating stations, bottom ash basins at all fossil-fueled generating stations and the coal refuse basin at the Brunner Island station do not meet the new requirements and must be retired by July 1997.

To address the DER regulations, the Company plans to install dry fly ash handling systems at the Brunner Island, Sunbury and Holtwood stations. The Company, with siting assistance from a public advisory group, plans to use the dry fly ash from the Sunbury and Holtwood stations to reclaim strip mines in the anthracite coal region. In addition, the Company is exploring opportunities to beneficially use coal ash from Brunner Island in various roadway construction projects in the vicinity of the plant that may delay or preclude the need for a new disposal facility.

Groundwater degradation related to fuel oil leakage from underground facilities and to seepage from coal refuse disposal areas and coal storage piles has been identified at several generating stations. Many requirements of the DER regulations address these groundwater degradation issues. The Company has reviewed its remedial action plans with the DER. Remedial work is substantially completed at one generating station, and remedial work may be required at others.

The DER regulations to implement the toxic control provisions of the Federal Water Quality Act of 1987 and to advance Pennsylvania's toxic control program authorize the DER to use both biomonitoring and a water quality based chemical-specific approach in National Pollutant Discharge Elimination System (NPDES) permits to control toxics. In the third quarter of 1993, the Company received new NPDES permits for the Montour and Holtwood stations. The Montour permit contains very stringent limits for certain toxic metals and increased monitoring requirements. More toxic reduction studies will be conducted at Montour before the permit limits become effective. Additional water treatment facilities may be needed at Montour, depending on the results of the studies. At Holtwood, toxics are required to be monitored at the fly ash basin until its closure in 1997.

No limits have been set at this time. The Company will therefore comply with an implementation schedule for such closure and for construction of a new dry ash handling system at Holtwood. The closure of the Holtwood fly ash basin will require changes to the facility's existing waste water treatment system. Improvements and upgrades are being planned for the Sunbury and Brunner Island waste water treatment systems to meet the anticipated permit requirements.

The Company currently estimates that about \$166 million of capital expenditures could be required to comply with the residual waste regulations, correct groundwater degradation at fossil-fueled generating stations and address waste water control at Company facilities. Of this amount, \$89 million is included in the Company's estimate of future construction expenditures through 1999. Actions taken to correct groundwater degradation, to comply with the DER's regulations and to address waste water control are also expected to result in increased operating costs in amounts which are not now determinable but could be material.

The Company has been discussing with the DER the issue of potential polychlorinated biphenyl (PCB) contamination at certain of the Company's substations and pole sites. In addition, the Company at one time owned and operated a number of coal gas manufacturing facilities, all of which were later sold. During their operation, these gas plants produced waste byproducts, some amount of which may still remain at the plant sites. Finally, oil and/or other contamination may exist at some of the Company's former generating facilities. As a current or past owner/operator of these sites, the Company may be liable under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (Superfund), or other laws for the costs associated with addressing any hazardous substances at these sites.

The Company is currently negotiating with the DER to develop a comprehensive, long-term strategy for addressing a number of these sites where remediation may be necessary or desirable. The sites will be prioritized and addressed based upon a number of factors, including any human health or environmental risk posed by the site, the public's interest in the site and the Company's plans for the site. DER and the Company are negotiating a ten-year Consent Order to cover the remediation strategy. This Consent Order is expected to be signed during 1994. Under the proposed Consent Order, the Company will not be required by DER to spend more than \$5 million per year on investigation and remediation at those sites covered by the Consent Order.

At September 30, 1994, the Company had accrued \$8.5 million, representing the minimum amount the Company at this time can reasonably estimate it will have to spend to remediate sites involving the removal of hazardous or toxic substances. The Company is involved in several other sites where it may be required, along with other parties, to contribute to such remediation. Some of these sites have been listed by the EPA under Superfund, and others may be candidates for listing at a future date. Future cleanup or remediation work at sites currently under review, or at sites currently unknown, may result in material additional operating costs which the Company cannot estimate at this time. In addition, certain federal and state statutes, including Superfund and the Pennsylvania Hazardous Sites Cleanup Act, empower certain governmental agencies, such as

the EPA and the DER, to seek compensation from the responsible parties for the lost value of irreparably damaged natural resources. The EPA and the DER may file such compensation claims against the parties, including the Company, held responsible for cleanup of such sites. Such natural resource damage claims against the Company could result in material additional liabilities.

Concerns have been expressed by some members of the scientific community and others regarding the potential health effects of electric and magnetic fields (EMF). These fields are emitted by all devices carrying electricity, including electric transmission and distribution lines and substation equipment. Federal, state and local officials are focusing increased attention on this issue. The Company is actively participating in the current research effort to determine whether or not EMF causes any human health problems and is taking steps to reduce EMF, where practical, in the design of new transmission and distribution facilities. The Company is unable to predict what effect the EMF issue might have on Company operations and facilities.

In complying with statutes, regulations and actions by regulatory bodies involving environmental matters, including the areas of water and air quality, hazardous and solid waste handling and disposal and toxic substances, the Company may be required to modify, replace or cease operating certain of its facilities. The Company may also incur material capital expenditures and operating expenses in amounts which are not now determinable.

Investment in Coal Reserves

In connection with a review of the Company's non-core business assets, a subsidiary of the Company is currently in the process of evaluating the carrying value of its investment in undeveloped coal reserves. The Company has concluded that it would not expect to develop such reserves as a source of fuel for its generating stations. Accordingly, if the evaluation indicates an impairment has occurred, the subsidiary would be required to write down the carrying amount of its investment to fair value. Any such write down would reduce the Company's consolidated net income for the fourth quarter of 1994. The investment in such coal reserves amounted to \$83.5 million at September 30, 1994.

Other

At September 30, 1994, the Company had guaranteed \$11.7 million of obligations of Safe Harbor Water Power Corporation, an associated company. The Company does not expect to fund the guarantee and has concluded that it is impractical to determine the fair value of the guarantee.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion explains material changes in results of operations as reflected on the Consolidated Statement of Income and also focuses on recent trends and events affecting the Company's financial condition. This discussion should be read in conjunction with the section entitled "Review of the Company's Financial Condition and Results of Operations" in the Company's Annual Report to the Securities and Exchange Commission (SEC) on Form 10-K for the year ended December 31, 1993.

Results of Operations

The following explains material changes in principal items on the Consolidated Statement of Income comparing the three months, nine months and twelve months ended September 30, 1994 to the comparable periods ended September 30, 1993.

The Consolidated Statement of Income reflects the results of past operations and is not intended as any representation of the results of future operations. Future results of operations will necessarily be affected by various and diverse factors and developments. Because results for interim periods can be disproportionately influenced by various factors and developments and by seasonal variations, the results of operations for interim periods are not necessarily indicative of results or trends for the year.

Earnings

Earnings per share of common stock for the third quarter of 1994 were 46 cents, a decrease of 3 cents per share from the 49 cents earned during the third quarter of 1993. For the nine months and the twelve months ended September 30, 1994, earnings per share were \$1.46 and \$1.94, respectively, a decrease of 13 cents per share and 18 cents per share, respectively, over the comparable periods in 1993.

Earnings per share for the nine months ended September 30, 1994 were adversely affected by one-time charges amounting to 12 cents as a result of (i) a decision of the Commonwealth Court of Pennsylvania which reversed a Pennsylvania Public Utility Commission (PUC) order and resulted in the Company expensing the cost of postretirement benefits other than pensions and (ii) a PUC decision that the Company should not be allowed to recover through its Energy Cost Rate (ECR) replacement power costs incurred during an extended outage at the Susquehanna station, as more fully discussed below in the Rate Matters section under the captions "Postretirement Benefits Other Than Pensions" and "Energy Cost Rate Issues", respectively.

Earnings per share for the twelve months ended September 30, 1994 were adversely affected by about 24 cents as a result of the items described in the preceding paragraph and several one-time charges that occurred in the fourth quarter of 1993. In the fourth quarter of 1993, earnings were reduced by about 12 cents per share as a result of (i) an ECR settlement agreement which credited cumulatively and credits currently a portion of receipts from capacity credit sales to the ECR, (ii) the wholesale rate reduction agreements with certain small utilities the Company currently

serves, and (iii) the adoption of Statement of Financial Accounting Standards (SFAS) 112, "Employers' Accounting for Postemployment Benefits." See "Energy Cost Rate Issues" and "Federal Energy Regulatory Commission Wholesale Rates" in the Rate Matters section for additional information regarding the ECR settlement agreement and the wholesale rate reduction agreements.

The adverse effects on earnings described above were partially offset by a 4.2% increase in sales to service area customers during the twelve months ended September 30, 1994 reflecting, in part, the effects of colder-than-normal weather in the winter months. Other positive effects on earnings included the Company's continuing efforts to control operating and maintenance costs, reduce employment levels and refinance higher-cost bonds and preferred stock to take advantage of favorable market conditions.

Weather conditions affect sales and earnings as heating and cooling demands change. A hotter-than-normal summer increased sales for the twelve months ended September 30, 1993, while a colder-than-normal winter increased sales in the comparable 1994 period. Weather-adjusted earnings per share for the twelve months ended September 30, 1994 were \$1.84, a decrease of 25 cents per share from weather-adjusted earnings for the comparable period in 1993, primarily due to the one-time charges previously described.

Electric Energy Sales

Electric energy sales for the three, nine and twelve months ended September 30, 1994 compared with the same periods in 1993 were (millions of kwh):

	Three Months Ended Sept. 30			Nine Months Ended Sept. 30			Twelve Months Ended Sept. 30		
	1994	1993	Percent Change	1994	1993	Percent Change	1994	1993	Percent Change
Residential	2,463	2,452	0.4 %	8,939	8,437	5.9 %	11,545	11,096	4.0 %
Commercial	2,500	2,450	2.0	7,421	7,141	3.9	9,653	9,356	3.2
Industrial	2,438	2,355	3.5	7,088	6,801	4.2	9,386	9,022	4.0
Other	367	365	0.5	1,237	1,116	10.8	1,656	1,473	12.4
System Sales	7,768	7,622	1.9	24,685	23,495	5.1	32,240	30,947	4.2
Contractual sales to other									
major utilities	1,762	1,855	(5.0)	4,657	5,766	(19.2)	6,033	7,399	(18.5)
PJM energy sales	1,537	1,160	32.5	2,477	3,726	(33.5)	2,893	4,543	(36.3)
Total electric energy sales billed	11,067	10,637	4.0	31,819	32,987	(3.5)	41,166	42,889	(4.0)

The extremes in the weather in the first quarter of 1994 and the increased economic activity in Central Eastern Pennsylvania were the primary reasons for the increases in system sales. Sales in all major customer categories were higher in the 1994 periods than the comparable periods in 1993. Industrial sales, which are not affected by weather conditions, increased in each quarter of 1994 and 1993. Industrial sales are an important indicator of the economic health of the Company's service area.

The Company currently anticipates weather-normalized system sales of approximately 32.0 billion kwh for 1994. This represents an increase of 1.0 billion kwh, or 3.3%, over 1993 weather-normalized sales. Weather-normalized system sales totaled 31.7 billion kwh for the twelve months ended September 30, 1994. This represents an increase of 964 million kwh, or 3.1%, over the same period in 1993.

The decreases in contractual sales to other major utilities for the three, nine and twelve months ended September 30, 1994 were primarily due to lower sales of energy on a short-term basis to other electric utilities as a result of reduced output from the Company's generating units.

The increase in energy sales to the Pennsylvania-New Jersey-Maryland Interconnection Association (PJM) for the three months ended September 30, 1994 was due primarily to higher output from the Susquehanna station partially offset by lower output from coal-fired generation. In the 1993 period lower output from the Susquehanna station resulted from an outage of one unit at the station from early July through late August 1993.

The decreases in energy sales to PJM for the nine and twelve months ended September 30, 1994 were due primarily to lower output from the Susquehanna station caused by an outage of one unit at the station from September 1993 through late January 1994 and an outage of the second unit from mid-March 1994 through mid-June 1994, increased system sales and a decrease in the availability and output of the Company's fossil-fueled plants.

Capacity-Related and Transmission Entitlement Transactions

The Company's strong generating capacity position has enabled it to enter into a number of capacity-related transactions with other electric utilities. These transactions include: (i) the sale of capacity credits but no energy to other utilities in the PJM to enable them to satisfy their PJM contractual capacity obligations; (ii) agreements with both PJM and non-PJM utilities for the reservation of output during certain periods from the Company's Martins Creek units with the option to purchase energy from those units; and (iii) arrangements whereby other PJM utilities can purchase the Company's entitlements to use the PJM transmission system to import energy from utilities outside the PJM.

Revenues from the sale of capacity credits, the reservation of output from the Martins Creek units and the sale of transmission entitlements, net of foregone PJM energy savings which are included in the Company's ECR, for the three, nine and twelve months ended September 30, 1994 totaled \$7.3 million, \$21.4 million and \$19.6 million, respectively. These revenues exclude approximately \$2.1 million, \$6.3 million and \$17.1 million of receipts from installed capacity credit sales for the three, nine and twelve months ended September 30, 1994, respectively, which are credited to the ECR. The Company currently expects about \$27.9 million of revenues from these transactions during 1994, exclusive of credits to be applied to the ECR. Increased competition in capacity credit transactions has reduced the price received for such sales.

The Company is continuing to look for opportunities to derive additional revenues due to its strong generating capacity position. The amount of revenues from these types of transactions depends on many factors, and the Company cannot predict the amount of revenues it will ultimately realize from these transactions.

The Company, the Pennsylvania Office of Consumer Advocate (OCA) and certain industrial customers have reached a settlement agreement resolving all complaints pending against the 1990-91 ECR through 1993-94 ECR relative to capacity-related transactions. The agreement provides, among other things, for crediting the 1994-95 ECR with a portion of the receipts from

capacity credit sales. See "Rate Matters" below for additional information.

Rate Matters

Energy Cost Rate Issues

On April 7, 1994, the PUC reduced the Company's 1994-95 ECR for the period from April 7, 1994 through March 31, 1995 by approximately \$15.7 million. The PUC removed from the 1994-95 ECR a PUC staff computation of costs associated with the purchase of replacement power during a portion of the period that Unit 1 of the Company's Susquehanna nuclear plant was out of service for refueling and repairs. As a result of the PUC's action, the Company recorded a charge against income in the first quarter of 1994 for the \$15.7 million of unrecovered replacement power costs which adversely affected net income by about \$9.0 million or 6 cents per share of common stock.

The Company filed a complaint with the PUC objecting to the decision to exclude these replacement power costs from the 1994-95 ECR. This complaint was consolidated with complaints filed against the 1994-95 ECR by the OCA and a group of industrial customers.

The Company has reached an agreement in principle with the complainants and the PUC's Office of Trial Staff to settle the 1994-95 ECR proceeding. The general terms of this settlement are as follows: (a) the ECR disallowance will be \$6 million rather than the \$15.7 million disallowance originally imposed by the PUC; (b) the Company will recover the \$9.7 million differential through its 1995-96 ECR beginning on April 1, 1995, without interest; and (c) all complaints against the Company's 1994-95 ECR will be withdrawn.

The settlement agreement must be executed by the parties and approved by the presiding Administrative Law Judge and the PUC. Upon PUC approval of the settlement agreement, which is currently expected in early 1995, the Company will record a credit to income of \$9.7 million to partially reverse the charge recorded in the first quarter of 1994. This credit would increase net income by about \$5.5 million or about 3.6 cents per share of common stock.

In early 1994, the Company reached a settlement agreement with the OCA and certain industrial customers concerning the issues raised by the OCA and those customers in complaints filed with the PUC with respect to the 1990-91 ECR through the 1993-94 ECR. The settlement agreement, which settles all pending complaints against these ECRs, provides for crediting the 1994-95 ECR with a one-time adjustment for a portion of the receipts from installed capacity credit sales made from April 1990 through December 31, 1993 and also provides that about one-third of the receipts from installed capacity credit sales made after December 31, 1993 will be credited through the ECR in the future. These capacity credit sales are discussed in Note 3. Under the terms of the settlement agreement a portion of the PUC-jurisdictional amount of deferred retired miners' health care benefits costs, which the Company sought to recover through the ECR, will not be recoverable. The settlement agreement was approved by the PUC on October 28, 1994.

As a result of the settlement agreement, in the fourth quarter of 1993 the Company recorded a charge to expense of \$17.1 million, which after

income taxes, reduced net income by approximately \$9.7 million or 6.4 cents per share of common stock.

The Company estimates that about \$8.4 million of 1994 capacity credit sales will be credited to the ECR. Approximately \$6.3 million of the receipts from installed capacity credit sales for the nine months ended September 30, 1994 were credited to the ECR.

Postretirement Benefits Other Than Pensions

In March 1993, the PUC approved the Company's petition to defer the increase in retiree benefits costs arising from adoption of SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." Under the PUC order, the increased costs applicable to PUC-jurisdictional customers would be deferred from January 1, 1993 until such costs are included in customer rates in the Company's next retail base rate proceeding. Accounting rules permit deferral of the costs for about five years.

In June 1993, the OCA appealed the PUC's decision permitting deferral and future recovery of the increased retiree benefits costs to the Commonwealth Court of Pennsylvania. On May 26, 1994, the Commonwealth Court reversed the PUC order and held that the Company could not defer these costs.

As a result of the Commonwealth Court decision, the Company began expensing the increased costs applicable to operations that would have otherwise been deferred and wrote-off such costs deferred from January 1, 1993. The charge to expense for the nine months ended September 30, 1994 amounted to \$19.5 million, which reduced net income by approximately \$11.1 million or 7.3 cents per share of common stock. The Company will continue to charge expense on a current basis for retiree benefits costs in accordance with the provisions of SFAS 106.

In June 1994, the PUC and the Company requested the Pennsylvania Supreme Court to hear an appeal of the Commonwealth Court decision. The Company cannot predict the outcome of this proceeding.

Federal Energy Regulatory Commission Wholesale Rates

The Company has negotiated new five-year, lower-priced sales contracts with certain small utilities it currently serves. The contracts were accepted for filing by the Federal Energy Regulatory Commission (FERC) in July 1994 and will reduce rates to these small utilities by about \$3.6 million in 1994 and by about an additional \$4.1 million in 1996.

In connection with the new contracts, in the fourth quarter of 1993, the Company wrote off \$6.6 million of deferred retired miners' health care benefits costs and \$2.3 million of postretirement benefits other than pensions applicable to FERC-jurisdictional services. The charge to expense amounted to \$8.9 million, which after income taxes, reduced net income by \$5.1 million or 3.4 cents per share of common stock.

Operating Revenues

Changes in total operating revenues were attributable to the following (thousands of dollars):

-Sept. 30, 1994 vs. Sept. 30, 1993-

Three Months <u>Ended</u>	Nine Months <u>Ended</u>	Twelve Months <u>Ended</u>
Increase (Decrease)		

Recovery of fuel and energy costs	\$(13,979)	\$ 45,762	\$ 65,884
ECR credits to be applied in 1994 and 1995		(1,998)	(14,744)
FERC base rate reduction	(966)	(2,365)	(2,365)
Change in customer usage	(1,942)	39,721	55,656
Roll-in of state taxes into base rates		11,834	21,255
State tax adjustment surcharge	(1,391)	(12,252)	(21,011)
Special base rate credit adjustment	244	(1,120)	(1,766)
Capacity-related and transmission entitlement transactions net of ECR credits	(1,857)	(2,636)	(3,416)
Contractual sales to other major utilities	(8,326)	(16,589)	(19,403)
PJM energy sales	6,035	(22,521)	(32,600)
Other	(142)	1,686	1,461
Total	<u>\$(22,324)</u>	<u>\$ 39,522</u>	<u>\$ 48,951</u>

Fuel Expense

Due to a substantial increase in the output of the Susquehanna nuclear steam station in the third quarter of 1994, fuel expense for the Company decreased \$17.4 million, or 12.9%, from the third quarter of 1993 even though generation increased 1.8%. Susquehanna output, which has lower fuel costs than coal or oil-fired generating stations, increased 1.5 billion kw in the third quarter of 1994 compared to 1993 when two outages at the plant occurred in the third quarter of 1993.

For the nine and twelve months ended September 30, 1994 fuel costs decreased \$9.3 million and \$3.1 million (excluding the write-off in December 1993 of \$11 million of the deferred cost of retired miners' health care benefits), respectively from comparable periods in 1993. These decreases were primarily due to lower availability of coal-fired and nuclear generation during the first half of 1994 which resulted in reduced sales to PJM and other major utilities. Lower fuel costs for off-system sales were partially offset by higher cost oil-fired generation for base load during the first quarter of 1994.

Power Purchases

For the three months ended September 30, 1994 power purchases were unchanged, while for the nine months and twelve months ended September 30, 1994 they increased \$26.7 million and \$31.0 million, respectively, from the comparable periods in 1993. The increases were due to greater quantities of power purchased from PJM and other electric utilities, partially offset by lower purchases from non-utility generating companies.

Other Operation, Maintenance and Depreciation Expenses

The reduction in revenues resulting from flowing the benefits of a settlement of certain claims arising from construction of the Susquehanna station through to customers in the Special Base Rate Credit Adjustment (SBRCA) is offset by a credit to other operation expense on the Consolidated Statement of Income (see Note 2). The credit was \$3.2

million, \$9.8 million and \$13.1 million, respectively, for the three, nine and twelve months ended September 30, 1994, and \$3.1 million, \$11.1 million and \$14.1 million, respectively, for the three, nine and twelve months ended September 30, 1993.

At September 30, 1994, the Company had accrued an estimated minimum liability of \$8.5 million for the cost of environmental remediation at several sites. The Company's share of actual remediation costs may be greater than the minimum amounts accrued, but the Company at this time cannot reasonably estimate either its maximum exposure or its expected cost.

During the nine months ended September 30, 1994, the Company charged to expense \$19.5 million of postretirement benefits other than pensions as discussed in Note 12.

Excluding the credits associated with the SBRCA, the accruals for the environmental remediation costs and the expensing of the cost of postretirement benefits other than pensions discussed above for the periods ended in 1994 and 1993, other operation expense for the three, nine and twelve months ended September 30, 1994, remained essentially unchanged from the comparable periods in 1993.

For a discussion of the Company's on-going efforts to reduce costs, see the caption "Increasing Competition."

The amortization of the deferred income effect of adopting the inventory method of accounting for power plant spare parts is credited to maintenance expense on the Consolidated Statement of Income. This amortization amounted to \$6.0 million, \$18.7 million and \$24.9 million, respectively, for the three, nine and twelve months ended September 30, 1994, and \$6.0 million, \$18.1 million and \$24.0 million, respectively, for the three, nine and twelve months ended September 30, 1993.

Excluding the credits associated with power plant spare parts and the accrual for the recognition of obsolete and excess materials and supplies, maintenance expense decreased by \$3.4 million, or 6.5%, \$0.9 million, or 0.6%, and \$9.4 million or 4.3%, respectively, for the three, nine and twelve months ended September 30, 1994 compared to the same periods in 1993. The decreases in maintenance expense resulted from lower costs associated with maintaining the Company's coal-fired generating stations and distribution facilities and, for the twelve months ended September 30, 1994, the Company's nuclear-fueled station.

Higher depreciation in 1994 reflects the scheduled annual increase associated with the method of depreciating the Susquehanna station and the depreciation of new property, plant and equipment placed in service. As approved by the PUC and the FERC, depreciation expense for the Susquehanna station will increase annually through the year 1998. During 1994, the amount of depreciation expense applicable to the Susquehanna station exceeds the amount that would be recorded using the straight-line method, resulting in an amortization of previously deferred depreciation. Beginning in 1999, depreciation is scheduled to change to the straight-line method at a level substantially less than the amount expected to be recorded in 1998.

Taxes

In June 1994, Pennsylvania enacted legislation that decreased the Company's state corporate net income tax rate from 12.25% to 11.99% retroactive to January 1, 1994 with further reductions to 10.99%, 10.75% and 9.99% in 1995, 1996 and 1997, respectively. This resulted in a decrease of \$257,000 in income tax expense for the three months ended September 30, 1994, and a decrease of \$805,000 in income tax expense for the nine and twelve months ended September 30, 1994. Also, the Company recorded a decrease in deferred income tax liabilities and taxes recoverable through future rates of \$128,398,000 as a result of the newly enacted state income tax rates. The Company estimates that the decrease in the State income tax rate for 1994 will reduce income tax expense by about \$1.1 million. Substantially all of this amount will be reflected in lower customer rates through the STAS.

In accordance with the terms of its tariff, the Company filed with the PUC a recomputation of its State Tax Adjustment Surcharge (STAS) to reflect the decrease in state income taxes. The application of the STAS reflecting the 1994 tax decrease began in July 1994 and is expected to reduce customer bills through March 1995 by about \$1.5 million.

Other Income and (Deductions) - Other Net

Other-net decreased by \$2.2 million, \$10.9 million and \$13.8 million, respectively, for the three months, nine months and twelve months ended September 30, 1994.

The decreases were attributable to (i) reduced earnings of financial limited partnerships in which a subsidiary of the Company is a limited partner, (ii) losses on marketable equity securities owned by a subsidiary and (iii) a charge to offset interest income recorded by a subsidiary formerly engaged in underground coal mining operations.

Financing Costs

Interest charges for the three months ended September 30, 1994 increased by \$0.5 million while interest charges for the nine and twelve months ended September 30, 1994 decreased by \$6.9 million and \$12.0 million, respectively, from the comparable periods in 1993. The decreases were attributable to lower interest on long-term debt partially offset by higher interest on short-term debt. The decrease in interest charges on long-term debt is a result of the Company's continuing efforts to reduce the cost of financing through the replacement of higher cost securities with securities having lower interest rates.

Dividends on preferred and preference stock remained about the same for the three months ended September 30, 1994, but decreased for the nine and twelve months ended September 30, 1994 by \$4.7 million and \$6.8 million, respectively, from the comparable periods in 1993. The decreases are a result of the redemption of shares through sinking fund provisions and the refinancing of outstanding series preferred and preference stock with series preferred stock having lower dividend rates.

Financial Condition

Construction and Financing Programs

Electric plant construction expenditures are currently estimated to aggregate \$471 million in 1994 and about \$1.29 billion during the three years 1994-1996. Electric plant construction expenditures during the years 1991-1993 totaled \$1.16 billion.

After the payment of dividends, internally generated funds during the years 1994-1996 are currently expected to provide approximately 86% of the Company's construction expenditures.

Sales of securities will be undertaken during the 1994-1996 period as needed to meet the Company's capital requirements, to meet a total of \$166 million of long-term debt maturities and to provide funds for the early retirement of high-cost securities if such retirements are determined to be appropriate in the light of market conditions and other factors.

As part of this program, through October 1994 the Company issued a total of \$919 million principal amount of bonds at interest rates ranging from 5.50% to 7.70%. The proceeds from the sales of these bonds were used primarily to redeem \$624 million of higher cost securities and retire short-term debt.

Through October 1994, the Company issued a total of \$80 million of preferred stock. The proceeds were used to redeem \$80 million of outstanding preferred stock.

The Company also redeemed \$40 million of preferred stock through sinking fund provisions through October 1994.

The Company expects to issue \$63 million of common stock in 1994 through its Dividend Reinvestment Plan. Through October 1994, the Company issued \$59.0 million of Common Stock through its Dividend Reinvestment Plan.

The Company's ability to issue securities during the 1994-1996 period is not expected to be limited by earnings or other issuance tests. To enhance financing flexibility, the Company has credit arrangements aggregating \$295 million with various banks to provide back-up for the Company's commercial paper and short-term borrowings of certain subsidiaries. No borrowings were outstanding at September 30, 1994 under these arrangements.

Allowance for Funds Used During Construction

The allowance for funds used during construction (AFUDC), a non-cash credit to income, accounted for about 2.8% of earnings for the three months ended September 30, 1994, 3.8% for the nine months ended September 30, 1994 and 4.2% for the twelve months ended September 30, 1994. In 1994, AFUDC is expected to increase as the Company makes capital expenditures to comply with clean air legislation. The amount of AFUDC recorded will depend on the timing and level of construction work in progress as well as the rate treatment afforded the capital expenditures required to comply with the clean air legislation. Under current Pennsylvania law, construction work in progress for certain non-revenue producing assets, such as capital expenditures for pollution control equipment, can be claimed in rate base.

Financial Indicators

The Company earned a 12.04% return on average common equity for the twelve months ended September 30, 1994. The ratio of the Company's pretax income to interest charges was 3.3 times for the twelve months ended September 30, 1994. The Company increased common stock dividends from an annual per share rate of \$1.65 in 1993 to \$1.67 in 1994. The book value per share of common stock increased 2.1% from \$15.89 at September 30, 1993 to \$16.22 at September 30, 1994. The ratio of the market price to book value of common stock was 123% at September 30, 1994 compared with 190% at September 30, 1993 reflecting the general decline in electric utility common stock prices, including the Company's stock, over the past twelve months.

Clean Air Legislation and Other Environmental Matters

The Federal Clean Air Act Amendments of 1990 deal, in part, with acid rain, attainment of federal ambient ozone standards and toxic air emissions. The acid rain provisions, which are contained in Title IV of the legislation, specify Phase I sulfur dioxide emission limits for about 55% of the Company's coal-fired generating capacity by January 1, 1995, and more stringent Phase II sulfur dioxide emission limits for all of the Company's fossil-fueled generating units by January 1, 2000.

The Company expects to meet the 1995 Phase I sulfur dioxide standards by the use of lower sulfur coal, additional processing of coal through cleaning plants, and the installation of scrubbers at the Conemaugh station, in which the Company has an 11.39% ownership interest. The Company may also choose to limit the generation of certain units and to bank or trade emission allowances among its generating units or with other utilities to the extent permitted by the legislation.

The acid rain provisions also require installation of low nitrogen oxide burners on each unit by the same date that sulfur dioxide limits apply to that unit. In addition, the ambient ozone attainment provisions contained in Title I of the legislation specify other nitrogen oxide emission reductions. In this regard, the legislation defines a Northeast Ozone Transport Region that includes all of Pennsylvania in addition to all states in the Northeast from northern Virginia to Maine. All major stationary sources within the region must install reasonably available control technology (RACT) for nitrogen oxide emissions by May 1995.

The Company expects to meet this RACT requirement by installing low nitrogen oxide burners on the Phase I units as required by the acid rain title and by advancing the installation of low nitrogen oxide burners on certain Phase II units, where technically feasible, that would have been required in 2000 by the acid rain title.

The Company currently estimates that the cost of compliance with the Phase I sulfur dioxide standards and installation of the low nitrogen oxide burners will require capital expenditures of about \$200 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 1.5% of 1993 revenues. As of September 30, 1994, the Company has expended \$141 million of the estimated capital cost.

To meet the Phase II acid rain sulfur dioxide emission standards, the Company may install flue gas desulfurization (FGD) on up to 60% of its coal-fired generating capacity, purchase lower sulfur coal, and bank or trade emission allowances among its generating units or with other utilities to the extent permitted by the legislation. The exact mix of lower sulfur fuel, emission allowance purchases, sales or trades, and the amount and timing of FGD will be determined based on FGD installation costs, fuel cost and availability, and emission allowance prices.

The Company currently estimates that the cost of compliance with the Phase II sulfur dioxide standards may require additional capital expenditures in the later half of the 1990s of \$300 million to \$500 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 3% of the 1993 revenues.

The ambient ozone attainment provisions also require modeling of nitrogen oxide and volatile organic compound emissions in the Northeast Ozone Transport Region to determine what further reductions are needed beyond the RACT requirements to achieve ambient ozone attainment. A two-phase nitrogen oxide reduction from pre-Clean Air Act levels has been proposed for the area where the Company's plants are located -- a 55% reduction by May 1999 and a 75% reduction by 2003 -- unless scientific studies to be completed by 1997 indicate a different reduction. The reductions would be required from May 1 to September 30 during a five-month ozone season. The Company's preliminary estimates indicate that the cost of compliance could require additional capital expenditures of up to \$80 million (in estimated 1994 dollars) by 1999 and up to an additional \$150 million (in estimated 1994 dollars) by 2003. The additional revenues required to recover the increased costs are estimated to be about 2% of 1993 revenues.

In addition to acid rain and ambient ozone attainment provisions, the legislation requires the Environmental Protection Agency (EPA) to conduct a study of hazardous air emissions from power plants. EPA is also studying the health effects of fine particulates which are emitted from power plants and other sources. Adverse findings from either study could cause the EPA to mandate additional ultra high efficiency particulate removal baghouses or specialized flue gas scrubbing to remove certain vaporous trace metals and certain gaseous emissions. If it is determined that the installation of such additional equipment is required, the Company's preliminary estimates indicate that the cost of compliance could require additional capital expenditures of up to \$310 million (in estimated 1994 dollars) and additional operating expenses. The additional revenues required to recover the increased costs are estimated to be about 2% of 1993 revenues.

Recovery of the additional revenues required to comply with the provisions of the Federal Clean Air Act Amendments of 1990 may require increases in customer rates.

Under current Pennsylvania law, construction work in progress for certain non-revenue producing assets, such as capital expenditures for pollution control equipment, can be claimed in rate base.

In February 1993, the PUC adopted a policy statement regarding the trading and usage of, and the ratemaking treatment for, emission allowances by Pennsylvania electric utilities. The policy statement determines, among other things, that the PUC will not require approval of specific

transactions and the cost of allowances will be recognized as energy-related power production expenses and recoverable through the ECR.

The Pennsylvania Air Pollution Control Act implements the Federal Clean Air Act Amendments of 1990. The state legislation essentially requires that new state air emission standards be no more stringent than federal standards. This legislation has no effect on the Company's plans for compliance with the Federal Clean Air Act Amendments of 1990.

Until action has been taken by the appropriate regulatory bodies, the Company will not be able to determine the exact method of compliance with the acid rain, ambient ozone and hazardous air emission provisions of the legislation, or the cost thereof and its impact on customer rates.

The Pennsylvania Department of Environmental Resources (DER) regulations governing the handling and disposal of industrial (or residual) solid waste require the Company to submit detailed information on waste generation, minimization and disposal practices. They also require the Company to upgrade and repermit existing ash basins at all of its coal-fired generating stations by applying updated standards for waste disposal. Ash basins that cannot be repermited are required to close by July 1997. Any groundwater contamination caused by the basins must also be addressed. Any new ash disposal facility must meet the rigid site and design standards set forth in the regulations. In addition, the siting of future facilities at Company facilities could be affected.

The fly ash basin at the Martins Creek station and the dry fly ash disposal area at the Montour station are expected to comply with the DER regulations. However, the fly ash basins at other fossil-fueled generating stations, bottom ash basins at all fossil-fueled generating stations and the coal refuse basin at the Brunner Island station do not meet the new requirements and must be retired by July 1997.

To address the DER regulations, the Company plans to install dry fly ash handling systems at the Brunner Island, Sunbury and Holtwood stations. The Company, with siting assistance from a public advisory group, plans to use the dry fly ash from the Sunbury and Holtwood stations to reclaim strip mines in the anthracite coal region. In addition, the Company is exploring opportunities to beneficially use coal ash from Brunner Island in various roadway construction projects in the vicinity of the plant that may delay or preclude the need for a new disposal facility.

Groundwater degradation related to fuel oil leakage from underground facilities and to seepage from coal refuse disposal areas and coal storage piles has been identified at several generating stations. Many requirements of the DER regulations address these groundwater degradation issues. The Company has reviewed its remedial action plans with the DER. Remedial work is substantially completed at one generating station, and remedial work may be required at others.

The DER regulations to implement the toxic control provisions of the Federal Water Quality Act of 1987 and to advance Pennsylvania's toxic control program authorize the DER to use both biomonitoring and a water quality based chemical-specific approach in National Pollutant Discharge Elimination System (NPDES) permits to control toxics. In the third quarter of 1993, the Company received new NPDES permits for the Montour and Holtwood stations. The Montour permit contains very stringent limits for certain toxic metals and increased monitoring requirements. More toxic

reduction studies will be conducted at Montour before the permit limits become effective. Additional water treatment facilities may be needed at Montour, depending on the results of the studies. At Holtwood, toxics are required to be monitored at the fly ash basin until its closure in 1997. No limits have been set at this time. The Company will therefore comply with an implementation schedule for such closure and for construction of a new dry ash handling system at Holtwood. The closure of the Holtwood fly ash basin will require changes to the facility's existing waste water treatment system. Improvements and upgrades are being planned for the Sunbury and Brunner Island waste water treatment systems to meet the anticipated permit requirements.

The Company currently estimates that about \$166 million of capital expenditures could be required to comply with the residual waste regulations, correct groundwater degradation at fossil-fueled generating stations and address waste water control at Company facilities. Of this amount, \$89 million is included in the Company's estimate of future construction expenditures through 1999. Actions taken to correct groundwater degradation, to comply with the DER's regulations and to address waste water control are also expected to result in increased operating costs in amounts which are not now determinable but could be material.

The Company has been discussing with the DER the issue of potential polychlorinated biphenyl (PCB) contamination at certain of the Company's substations and pole sites. In addition, the Company at one time owned and operated a number of coal gas manufacturing facilities, all of which were later sold. During their operation, these gas plants produced waste byproducts, some amount of which may still remain at the plant sites. Finally, oil and/or other contamination may exist at some of the Company's former generating facilities. As a current or past owner/operator of these sites, the Company may be liable under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (Superfund), or other laws for the costs associated with addressing any hazardous substances at these sites.

The Company is currently negotiating with the DER to develop a comprehensive, long-term strategy for addressing a number of these sites where remediation may be necessary or desirable. The sites will be prioritized and addressed based upon a number of factors, including any human health or environmental risk posed by the site, the public's interest in the site and the Company's plans for the site. DER and the Company are negotiating a ten-year Consent Order to cover the remediation strategy. This Consent Order is expected to be signed during 1994. Under the proposed Consent Order, the Company will not be required by DER to spend more than \$5 million per year on investigation and remediation at those sites covered by the Consent Order.

At September 30, 1994, the Company had accrued \$8.5 million, representing the minimum amount the Company at this time can reasonably estimate it will have to spend to remediate sites involving the removal of hazardous or toxic substances. The Company is involved in several other sites where it may be required, along with other parties, to contribute to such remediation. Some of these sites have been listed by the EPA under Superfund, and others may be candidates for listing at a future date. Future cleanup or remediation work at sites currently under review, or at sites currently unknown, may result in material additional operating costs which the Company cannot estimate at this time. In addition, certain

federal and state statutes, including Superfund and the Pennsylvania Hazardous Sites Cleanup Act, empower certain governmental agencies, such as the EPA and the DER, to seek compensation from the responsible parties for the lost value of irreparably damaged natural resources. The EPA and the DER may file such compensation claims against the parties, including the Company, held responsible for cleanup of such sites. Such natural resource damage claims against the Company could result in material additional liabilities.

Concerns have been expressed by some members of the scientific community and others regarding the potential health effects of electric and magnetic fields (EMF). These fields are emitted by all devices carrying electricity, including electric transmission and distribution lines and substation equipment. Federal, state and local officials are focusing increased attention on this issue. The Company is actively participating in the current research effort to determine whether or not EMF causes any human health problems and is taking steps to reduce EMF, where practical, in the design of new transmission and distribution facilities. The Company is unable to predict what effect the EMF issue might have on Company operations and facilities.

In complying with statutes, regulations and actions by regulatory bodies involving environmental matters, including the areas of water and air quality, hazardous and solid waste handling and disposal and toxic substances, the Company may be required to modify, replace or cease operating certain of its facilities. The Company may also incur material capital expenditures and operating expenses in amounts which are not now determinable.

Postretirement Benefits Other Than Pensions

Reference is made to the Rate Matters section under the caption "Postretirement Benefits Other Than Pensions" for information concerning a decision of the Commonwealth Court of Pennsylvania that requires the Company to expense postretirement costs other than pensions.

Retiree benefits costs charged to operating expenses, including the write-off and subsequent increases in expense discussed under the caption "Postretirement Benefits Other Than Pensions", were \$4.0 million, \$22.8 million and \$26.0 million for the three months, nine months and twelve months ended September 30, 1994 respectively. Such costs were \$1.1 million and \$3.6 million for the three months and nine months ended September 30, 1993 respectively. The balance was charged to construction and other accounts.

Uranium Enrichment Decontamination and Decommissioning Fund

The Energy Act established the Uranium Enrichment Decontamination and Decommissioning Fund (Fund) and provides for an assessment on domestic utilities with nuclear power operations, including the Company. Assessments are based on the amount of uranium a utility had processed for enrichment prior to enactment of the Energy Policy Act of 1992 (Energy Act) and are expected to be paid to the Fund by such utilities over a 15-year period. Amounts paid to the Fund are to be used for the ultimate decontamination and decommissioning of the Department of Energy's uranium enrichment facilities. The Energy Act states that the assessment shall be deemed a necessary and reasonable current cost of fuel and shall be fully

recoverable in rates in all jurisdictions in the same manner as the utility's other fuel costs.

As of September 30, 1994, the Company's recorded liability for its total assessment amounted to about \$34.1 million. The liability is subject to adjustment for inflation. The corresponding charge to expense was deferred because the Company includes its annual payments to the Fund in the ECR which is in the Company's PUC tariffs and in the fuel adjustment clause which is in the Company's FERC tariffs. As a result, the assessment does not affect net income.

Investment in Coal Reserves

In connection with a review of the Company's non-core business assets, a subsidiary of the Company is currently in the process of evaluating the carrying value of its investment in undeveloped coal reserves. The Company has concluded that it would not expect to develop such reserves as a source of fuel for its generating stations. Accordingly, if the evaluation indicates an impairment has occurred, the subsidiary would be required to write down the carrying amount of its investment to fair value. Any such write down would reduce the Company's consolidated net income for the fourth quarter of 1994. The investment in such coal reserves amounted to \$83.5 million at September 30, 1994.

Increasing Competition

The Energy Act will have a significant impact on the Company and the electric utility industry, primarily as a result of amendments to the Public Utility Holding Company Act of 1935 that create a new class of independent wholesale power producers and amendments to the Federal Power Act that open access to electric transmission systems for wholesale transactions. These changes are expected to increase competition in the energy supply market. In response to the increased competition, the Company has undertaken initiatives to strengthen its position in the market.

Market Initiatives

The Company entered into new five-year supply agreements at reduced prices with its existing wholesale customers. These agreements have been accepted for filing by the FERC. In addition, the Company is actively participating in negotiations and proceedings involving the sale of electricity to wholesale customers currently served by other electric utilities. These wholesale customers are generally small utilities that do not have their own generating capability and purchase electricity from others.

While there is currently no comparable competition in the retail electric market, the Company anticipates that it will face similar competitive pressures in the industrial and large commercial sectors of that market in the future, and has put into place specific industry rates to meet the expected competition.

In addition, the Company has filed with the PUC proposed flexible rates and real time pricing rates. The Company proposed that these rates be implemented on a three-year experimental basis, effective December 6, 1994. The flexible rate initiative will enable the Company to negotiate rates with new and existing commercial and industrial customers that have

competitive alternatives to purchasing electricity from the Company. Rates could be negotiated between a ceiling of full costs and a floor of variable costs of production. The real time pricing initiative will enable the Company to offer to large commercial and industrial customers rates based upon the Company's hourly cost of generation. The Company will select a maximum of 25 large industrial customers to participate in the real time pricing project.

As the electric utility industry moves toward increased competition, the Company has developed initiatives that would make its steam electric stations more efficient and better able to operate as a business for the Company as competition increases. Included in the proposed initiatives are measures to decrease annual operation and maintenance costs and reduce annual capital expenditures. In addition, the Company has developed initiatives to achieve longer refueling cycles and reduce the duration of refueling outages at the Susquehanna nuclear plant.

Reorganization

The Company also has initiated a restructuring of its utility operations, to better position itself for the competitive future. The Company has reorganized operations along functional, instead of geographic, lines to enhance customer service and reduce costs. The new organization replaces the Company's five geographic operating divisions with three new departments, based on services provided to customers. Electrical Systems will be responsible for designing, maintaining and operating the facilities that transmit and deliver electricity to customers; Customer Services will be responsible for customer inquiries and billing; and Marketing and Economic Development will market electric heat and other applications to residential customers, will provide energy services to industrial and commercial customers, and will be responsible for community activities.

As a result of this reorganization, four officers of the Company have elected to retire -- the Senior Vice President - Division Operations and three division Vice Presidents.

The Company intends to continue to re-engineer operations at all levels to reduce costs and increase efficiency.

Workforce Reductions

As part of its continuing effort to reduce costs and improve operating efficiency as it moves toward a more competitive environment, the Company has offered an early retirement program to 850 eligible employees who will be age 55 by December 31, 1994. The Company currently has about 7,600 employees. The early retirement program provides for a lump sum payment based on an employee's years of service, no reduction in retirement benefits for age and supplemental monthly payments.

Eligible employees will have until December 15, 1994 to make a decision about the retirement offer. Until that time, the Company will not be able to determine the annual payroll savings or the exact cost to the Company for this early retirement program. To the extent that the costs associated with the early retirement program are not recoverable in customers rates, the Company would be required to charge such amount to earnings.

Additionally, the Company's Construction Department will reduce its workforce by about 225 jobs over the next few months in light of a declining work load and the need to reduce costs. The elimination of these positions will improve the efficiency of the Construction Department to help the Company compete more effectively in the new energy marketplace.

Ongoing department-level re-engineering efforts will continue to impact the size of the Company's workforce. The redesigned work is expected to require fewer employees. Although no specific targets have been set, the Company currently expects that employment levels may decline by 1,000 to 1,500 employees within the next three years. The Company may incur additional costs as a result of these workforce reductions.

New Markets

The Company's strategic initiatives also include an assessment of entering power-related businesses outside of the Company's service territory, both domestically and in foreign countries. Any expansion by the Company into these areas would be methodical and deliberate. To take advantage of these new business opportunities, in February 1994 the Company's Board of Directors approved a plan to (i) make an initial investment of \$50 million in these new businesses; and (ii) pursue the formation of a holding company structure to facilitate such investment, subject to the receipt of appropriate regulatory approvals and, ultimately, shareowner approval at the 1995 annual meeting.

In March 1994, the Company incorporated a new subsidiary, named Power Markets Development Company (PMD), and made an initial investment of \$50 million in this new subsidiary. The focus of PMD will be investment in and development of projects throughout the world which relate to the Company's core business -- the generation, transmission and distribution of electric energy. In connection with the formation of the holding company structure, the Company has filed the requisite applications for approval with the PUC, the FERC, the SEC and the Nuclear Regulatory Commission. In May 1994, the OCA filed a protest with the PUC against the Company's application to form a holding company pending determination of what conditions, if any, will be necessary for ratepayer protection.

Regulatory Developments

In light of the increased competition in the electric utility market, in June 1994 FERC issued a Notice of Proposed Rulemaking (NOPR) regarding recovery of stranded costs. In general, the FERC has proposed that utilities should address stranded cost recovery in all of their contracts with wholesale customers and that the states should address the issue of retail stranded costs. The NOPR also provides different treatment for stranded costs related to wholesale contracts which were existing prior to the date of the proposed rule and those executed after that date. The proposed rule defines wholesale stranded costs as "...any legitimate, prudent and verifiable costs incurred by a public utility or a transmitting utility to provide service to a wholesale requirements customer that subsequently becomes, in whole or in part, an unbundled transmission services customer of that public utility or transmitting utility." For contracts executed after the date of the proposed rule, utilities will not be allowed to seek recovery of stranded costs except through explicit stranded cost provisions, such as exit fee provisions, contained in their contracts and may not seek recovery of stranded costs through any transmission rates. For contracts executed prior to the date of issuance

of the proposed rule, the FERC has proposed a three-year transition period in which utilities are required to renegotiate their wholesale requirements contracts which do not already contain stranded cost provisions, to include such provisions. The NOPR also provides guidance on the conditions utility must demonstrate to the FERC in order to be allowed recovery of stranded costs.

In addition, in May 1994 the PUC ordered an investigation to examine the role of competition in Pennsylvania's electric utility industry. The investigation will allow the PUC to solicit input regarding the potential impact of competition on the state's electric utilities and their customers. The investigation, which will gather and analyze data at both the wholesale and retail levels of the electric utility industry, will be a paper proceeding conducted over approximately one year. Interested parties will have the opportunity to file written comments addressing the following specific topics: wheeling - issues and impact, consumer issues, safety and reliability, the impact of market structure changes and legal issues.

The Company expects to respond to the FERC NOPR and the PUC order.

PENNSYLVANIA POWER & LIGHT COMPANY AND SUBSIDIARIES

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Note 2 for information concerning rate matters.

Reference is made to Note 14 for information concerning two complaints filed against the Company by fuel oil dealers alleging that the Company's promotion of electric heat pumps and off-peak storage systems had violated and continues to violate the federal antitrust laws.

In August 1991, the Company and 35 other unrelated parties received an Environmental Protection Agency (EPA) order under Section 106 of the federal Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (Superfund), requiring that certain remedial actions be taken at a former oil recovery site in Berks County, Pennsylvania, which has been included on the federal Superfund list. The Company had been identified by the EPA as a potentially responsible party, along with over 100 other parties. The EPA order required remediation by the 36 named parties of four specific areas of the site. Remedial action under this order has essentially been completed at a cost of approximately \$2 million, of which the Company's initial share was approximately \$50,000.

The EPA at the same time filed a complaint under Section 107 of Superfund in the United States District Court for the Eastern District of Pennsylvania (District Court) against the Company and the same 35 unrelated parties. The complaint asks the District Court to hold the parties jointly and severally liable for all past and future EPA costs of remediating some of the remaining areas of the site. The EPA claims it has spent approximately \$20 million to date. The Company and a group of the other named parties have sued in District Court approximately 460 other parties that have contributed waste to the site, demanding that these companies contribute to the clean-up costs.

In July 1993, the Company and 33 of the 35 unrelated parties received an EPA order under Section 106 of Superfund requiring remediation of the remaining areas of the site identified by EPA. Although the Company initially believed its contribution was very small because most of its oil sent to the site had been recycled, later allegations by a waste oil hauler indicated that the Company may have sent substantially more oil to the site during earlier years when waste from treatment of the oil was disposed of on-site. Current estimates of remediating the remainder of the site range from \$50 million to \$200 million. These costs would be shared among the responsible parties. The Company is negotiating with the federal government to settle both the Section 107 and Section 106 actions, for an amount which currently is not expected to be material.

In October 1993, the Pennsylvania Department of Environmental Resources (DER) moved to intervene in the EPA suit, seeking to hold 16 of the originally named parties, including the Company, liable for all past and future DER costs of remediating the site and for any natural resource damages at the site. According to the complaint, the DER has spent at least \$800,000 to date.

The Company may incur material costs for this matter in amounts which are not now determinable.

In April 1991, the U.S. Department of Labor through its Mine Safety and Health Administration (MSHA) issued citations to one of the Company's coal-mining subsidiaries for alleged coal-dust sample tampering at one of the subsidiary's mines. The MSHA at the same time issued similar citations to more than 500 other coal-mine operators. Based on a review of its dust sampling procedures, the subsidiary is contesting all of the citations. It is believed at this time, based on the information available, that the MSHA allegations are without merit. Citations were also issued against the independent operator of another subsidiary mine, who is also contesting the citations issued with respect to that mine. The Administrative Law Judge (Judge) assigned to the proceedings ordered that one case be tried against a single mine operator unrelated to the Company to determine whether the MSHA could prove its general allegations regarding sample tampering. In April 1994, the Judge ruled in favor of the mine operator and vacated the 75 citations against it. The MSHA is appealing the Judge's decision to the Mine Safety & Health Review Commission. The other cases, including those involving the Company's subsidiaries, have been stayed pending the outcome of the appeal.

The Company cannot predict the eventual outcome of this matter. If violations are found, it is currently estimated that potential administrative penalties could range from approximately \$90,000 to approximately \$4.6 million.

On July 25, 1994, Mon Valley Steel Company, Inc. (Mon Valley), filed suit in the Court of Common Pleas of Fayette County, Pennsylvania, against the Company and two of its subsidiaries, claiming that the Company and those subsidiaries made fraudulent misrepresentations during negotiations for the 1992 sale to Mon Valley of Tunnelton Mining Company (Tunnelton). Tunnelton was a coal-mining operation formerly owned by the Company's subsidiary, Pennsylvania Mines Corporation. Specifically, Mon Valley alleges that the Company and those subsidiaries misrepresented Tunnelton's capability to produce coal, as well as the amount of funding Tunnelton would receive for mine closing costs. Mon Valley is claiming about \$6 million to cover mine closing costs as well as punitive damages. In July 1994, the Company and those subsidiaries filed a legal action in the Court of Common Pleas of Allegheny County, Pennsylvania, requesting a judicial determination that they had not breached any of their contractual obligations to Mon Valley. The Company cannot predict the outcome of these proceedings.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 - Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed for the three months ended September 30, 1994.

\$200,000,000
Pennsylvania Power & Light Company
First Mortgage Bonds, 7.70% Series due 2009

Interest Payable April 1 and October 1

Due October 1, 2009

The First Mortgage Bonds, 7.70% Series due 2009 (Offered Bonds) are not redeemable prior to maturity, except as hereinafter provided. Any registered owner of the Offered Bonds shall have the right to require the Company to redeem all or any portion (in integral multiples of \$1,000) of such registered owner's Offered Bonds on October 1, 1999 (Redemption Date) at a price of 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date. The right to require the Company to redeem such registered owner's Offered Bonds, which is irrevocable when exercised, must be exercised in compliance with the applicable requirements of the Mortgage (as defined in the accompanying Prospectus) within the period commencing on August 1, 1999 and ending at 5:00 PM, New York City time, on September 1, 1999. See "Certain Terms of the Offered Bonds" herein.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	<u>Price to Public(1)</u>	<u>Underwriting Discounts</u>	<u>Proceeds to Company(1)(2)</u>
Per Bond	100.000%	.625%	99.375%
Total	\$200,000,000	\$1,250,000	\$198,750,000

(1) Plus accrued interest, if any, from the date of first authentication of the Offered Bonds.

(2) Before deduction of expenses payable by the Company estimated at \$250,000.

The Offered Bonds are offered by the Underwriters when, as and if issued by the Company, delivered to and accepted by the Underwriters, and subject to their right to accept or reject orders in whole or in part. It is expected that the Offered Bonds will be ready for delivery on or about October 6, 1994. The Offered Bonds will be issued only in fully registered form.

CS First Boston

Goldman, Sachs & Co.

Morgan Stanley & Co.
Incorporated

Salomon Brothers Inc

The date of this Prospectus Supplement is September 29, 1994.

APPLICATION OF PROCEEDS

The net proceeds from the sale of the Offered Bonds will be added to the Company's general funds and will be used for corporate purposes, including the retirement of short-term debt incurred to provide interim financing. At September 29, 1994, the Company had \$210 million of short-term debt outstanding at interest rates of approximately 4.90%.

RECENT DEVELOPMENTS

Early Retirement Program

As part of its continuing efforts to reduce the size of its work force, the Company is offering early retirement to 354 management employees who will be age 55 by December 31, 1994. Inclusion in this program of an additional 493 bargaining unit employees who will be age 55 by the end of the year is being negotiated. The Company currently has about 7,600 employees. The early retirement program provides for a lump sum payment based on an employee's years of service, no reduction in retirement benefits for age and supplemental monthly payments.

Eligible employees will have until December 15, 1994 to make a decision about the retirement offer. Until that time, the Company will not be able to determine the annual payroll savings or the exact cost to the Company for this early retirement program. To the extent that the costs associated with the early retirement program are not recoverable in customer rates, the Company would be required to charge such amount to earnings.

Regulatory Matters

In April 1994, the Pennsylvania Public Utility Commission (PUC) reduced the Company's proposed 1994-95 Energy Cost Rate (ECR) for the period from April 7, 1994 through March 31, 1995 by approximately \$15.7 million. The reduction represents the PUC's calculation of costs associated with the purchase of replacement power during a portion of the period that Unit 1 of the Company's Susquehanna nuclear plant was out of service for refueling and repairs.

As a result of the PUC's action, the Company recorded a charge against income in the first quarter of 1994 for the \$15.7 million of unrecovered replacement power costs which adversely affected net income by about \$9.0 million or 6 cents per share of common stock.

The Company filed a complaint with the PUC objecting to the decision to exclude these replacement power costs from the 1994-95 ECR. This complaint was consolidated with complaints filed against the 1994-95 ECR by the Pennsylvania Office of Consumer Advocate and a group of industrial customers.

The Company has reached an agreement in principle with the complainants and the PUC's Office of Trial Staff to settle the 1994-95 ECR proceeding. The general terms of this settlement are as follows: (a) the ECR disallowance will be \$6 million rather than the \$15.7 million disallowance originally imposed by the Commission; (b) the Company will recover the \$9.7 million differential through the 1995-96 ECR beginning on April 1, 1995, without interest; and (c) all complaints against the Company's 1994-95 ECR will be withdrawn.

A settlement agreement must be executed by the parties and approved by the presiding Administrative Law Judge and the PUC. Upon PUC approval of the settlement agreement, the Company will record a credit to income of \$9.7 million to partially reverse the charge recorded in the first quarter of 1994. This credit would increase net income by about \$5.5 million or 3.6 cents per share of common stock.

SELECTED FINANCIAL INFORMATION

The following material summarizes the results of operations of the Company for the year 1993 and the twelve months ended June 30, 1994:

	1993	Twelve Months Ended June 30, 1994
Operating Revenues (thousands)	\$2,727,002	\$2,788,849
Operating Income (thousands)	562,808	545,168
Total Allowance for Funds Used During Construction and Interest Capitalized (thousands)	15,581	14,008
Net Income—Before Dividends on Preferred and Preference Stock (thousands)	348,126	330,175
Earnings Applicable to Common Stock (thousands)	314,241	300,948
Earnings Per Share of Common Stock	2.07	1.98
Property, Plant and Equipment (Owned and Leased)—Net—at End of Period (thousands)	7,145,581	7,197,526
Capital Lease Obligations, Including Capital Lease Obligations Due Within One Year (Not Included in Capitalization) (thousands)	\$ 249,025	\$ 238,654
Ratio of Earnings to Fixed Charges—Total Enterprise Basis (a)	3.31	3.28
Electric Energy Sales (millions of kwh)	42,334	40,735

Comparative information for the years 1991 and 1992 and the twelve months ended June 30, 1993 is set forth on page 3 of the accompanying Prospectus.

	As of June 30, 1994		
	Actual	As Adjusted (b)	
Capitalization (thousands)			
Long-Term Debt (including current maturities)	\$2,740,375	\$2,940,375	50.0%
Preferred Stock			
With Sinking Funds	295,000	295,000	5.0
Without Sinking Funds	171,375	171,375	2.9
Common Equity	<u>2,474,090</u>	<u>2,474,090</u>	<u>42.1</u>
Total	<u>\$5,680,840</u>	<u>\$5,880,840</u>	<u>100.0%</u>

- (a) The ratios for 1989 through 1992 are set forth on page 3 of the accompanying Prospectus.
- (b) As adjusted to give effect to: (i) the issuance in September 1994 of \$115.5 million principal amount of Series J Pollution Control First Mortgage Bonds; (ii) the planned redemption on September 30, 1994 of \$115.5 million principal amount of Series F Pollution Control First Mortgage Bonds; and (iii) the planned sale of the Offered Bonds.

CERTAIN TERMS OF THE OFFERED BONDS

The following information concerning the Offered Bonds supplements and should be read in conjunction with the statements under "DESCRIPTION OF BONDS" in the accompanying Prospectus.

Maturity, Interest Rate and Payment Dates. The Offered Bonds will mature on October 1, 2009 and will bear interest from the date of first authentication at the rate of 7.70% per annum. Interest will be payable semiannually on April 1 and October 1 in each year, commencing April 1, 1995.

Redemption of the Offered Bonds. The Offered Bonds are not redeemable prior to maturity, except at the option of the registered owner as hereinafter provided.

Redemption at the Option of the Registered Owner. Any registered owner of the Offered Bonds shall have the right, by complying with the applicable requirements of the Mortgage, to require the Company to redeem all or any portion (in integral multiples of \$1,000) of such registered owner's Offered Bonds on October 1, 1999 (Redemption Date) at a price of 100% of the principal amount thereof plus accrued interest, if any, to the Redemption Date.

Any registered owner of the Offered Bonds electing to have all or any portion (in integral multiples of \$1,000) of such Offered Bonds redeemed by the Company shall deliver (directly or through a duly authorized agent or attorney) to the Trustee, at its office in The City of New York, not earlier than August 1, 1999 and not later than 5:00 PM, New York City time, on September 1, 1999, the certificate or certificates representing the Offered Bonds to be redeemed, together with the appropriately completed "Redemption Notice" printed on the reverse side of the certificate representing such Offered Bonds.

The exercise of the redemption option by the registered owner of an Offered Bond may not, without the consent of the Company, be revoked following receipt by the Trustee of the "Redemption Notice". The Company shall deposit with the Trustee before the Redemption Date funds sufficient to redeem Offered Bonds validly delivered for redemption.

Concerning the Trustee. Effective August 5, 1994, Bankers Trust Company was designated as Trustee under the Mortgage, as successor to Morgan Guaranty Trust Company of New York.

Certain Tax Matters. In the opinion of Michael A. McGrail, Esq., Senior Counsel of the Company, Offered Bonds owned by individuals residing in Pennsylvania are subject to the 4 mills (\$4.00 on each \$1,000 of principal amount) Pennsylvania corporate loans tax. Such tax will be withheld from interest payments to such individuals. Mr. McGrail is also of the opinion that the Offered Bonds are exempt from existing personal property taxes in Pennsylvania.

EXPERTS

Statements made in this Prospectus Supplement, in the accompanying Prospectus and in the documents incorporated by reference in the Prospectus as to matters of law and legal conclusions have been reviewed by Michael A. McGrail, Esq., Senior Counsel of the Company, and have been made in reliance upon his authority as an expert.

LEGAL OPINIONS

The validity of the Offered Bonds will be passed upon for the Company by Michael A. McGrail, Esq., Senior Counsel of the Company, and Reid & Priest, New York, NY, and for the Underwriters by Sullivan & Cromwell, New York, NY. However, all matters pertaining to the organization of the Company and titles and the lien of the Mortgage will be passed upon only by Mr. McGrail. As to matters involving the law of the Commonwealth of Pennsylvania, Reid & Priest and Sullivan & Cromwell will rely on the opinion of Mr. McGrail. Mr. McGrail is a full-time employee of the Company.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement between the Company and the Underwriters named below, the Underwriters have severally agreed to purchase, and the Company has agreed to sell to them, severally, the respective principal amounts of the Offered Bonds set forth below:

<u>Underwriter</u>	<u>Principal Amount</u>
CS First Boston Corporation	\$ 50,000,000
Goldman, Sachs & Co.	50,000,000
Morgan Stanley & Co. Incorporated	50,000,000
Salomon Brothers Inc	50,000,000
Total	<u>\$200,000,000</u>

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent. The nature of the underwriting commitment is such that the Underwriters purchasing the Offered Bonds will be obligated to purchase all of the Offered Bonds if any of the Offered Bonds are purchased.

The Company has been advised by the Underwriters that the Underwriters propose to offer the Offered Bonds to the public initially at the public offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession of .375% of the principal amount of the Offered Bonds; that the Underwriters and such dealers may allow a discount of .250% of such principal amount on sales to certain other dealers; and that the public offering price and concessions and discounts to dealers may be changed by the Underwriters.

The Company has been advised by the Underwriters that one or more of them initially intend to make a market in the Offered Bonds, but there can be no assurance that they will continue to do so. While the Company's First Mortgage Bonds normally trade in the secondary market, such trading in the Offered Bonds will depend upon, among other factors, the nature and extent of the distribution by the Underwriters or dealers and prevailing market conditions.

The Company has agreed to indemnify the several Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

Pennsylvania Power & Light Company

First Mortgage Bonds

The Company expects to offer from time to time up to \$900,000,000 aggregate principal amount of its First Mortgage Bonds (Bonds) at prices and on terms to be determined at the time of each sale. For each series of Bonds for which this Prospectus is delivered (Offered Bonds), there will be an accompanying Prospectus Supplement (Prospectus Supplement) that will set forth the aggregate principal amount, interest rate and payment dates, maturity date, initial public offering price, if any, the net proceeds to the Company, redemption provisions and other specific terms of the Offered Bonds.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Bonds will be sold in accordance with the plan of distribution described in "Plan of Distribution" herein.

The date of this Prospectus is September 15, 1993.

IN CONNECTION WITH THIS OFFERING, THE PURCHASERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AND OTHER FIRST MORTGAGE BONDS OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission. Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Suite 1400, 500 West Madison Street, Chicago, IL 60661; and Seven World Trade Center, Suite 1306, New York, NY 10048. Copies of this material can also be obtained at prescribed rates from the Public Reference Section of the Commission at its principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. Certain securities of the Company are listed on the New York and Philadelphia Stock Exchanges. Reports, proxy statements and other information concerning the Company can be inspected and copied at the respective offices of those exchanges at 20 Broad Street, New York, NY, and at 1900 Market Street, Philadelphia, PA. In addition, reports, proxy statements and other information concerning the Company can be inspected at the offices of the Company, Two North Ninth Street, Allentown, PA.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

1. The Company's Annual Report on Form 10-K for the year ended December 31, 1992.
2. The Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993 and June 30, 1993.
3. The Company's Current Reports on Form 8-K filed since December 31, 1992.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents (such documents, and the documents enumerated above, being hereinafter referred to as "Incorporated Documents"). Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed Incorporated Document or in the accompanying Prospectus Supplement modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

COPIES OF THE DOCUMENTS REFERRED TO ABOVE (OTHER THAN EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE THEREIN) WILL BE FURNISHED UPON REQUEST WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED. WRITTEN OR TELEPHONE REQUESTS SHOULD BE DIRECTED TO PENNSYLVANIA POWER & LIGHT COMPANY, TWO NORTH NINTH STREET, ALLENTOWN, PA 18101, ATTENTION: INVESTOR SERVICES DEPARTMENT (800/345-3085).

SUMMARY INFORMATION

The following material is qualified in its entirety by, and should be read in conjunction with, the detailed information appearing elsewhere in this Prospectus and in the Incorporated Documents, including financial statements and other information, incorporated in this Prospectus by reference.

THE OFFERING

Security Offered	First Mortgage Bonds
Use of Proceeds	General corporate purposes, including the refunding of first mortgage bonds expected to be called for redemption or the reduction of short-term debt incurred to provide interim financing.

SUMMARY FINANCIAL INFORMATION

	1991	1992	Twelve Months Ended June 30, 1993
Operating Revenues (thousands)	\$2,740,715	\$2,744,122	\$2,690,019
Operating Income (thousands)	582,331	573,431	570,089
Total Allowance for Funds Used During Construction and Interest Capitalized (thousands)	11,910	14,940	15,888
Net Income—Before Dividends on Preferred and Preference Stock (thousands) ..	348,414	346,724	349,525
Earnings Applicable to Common Stock (thousands)	303,727	306,229	310,377
Earnings Per Share of Common Stock	2.01	2.02	2.04
Property, Plant and Equipment (Owned and Leased)—Net—at End of Period (thousands)	6,929,578	7,019,504	7,022,954
Capital Lease Obligations, including Capital Lease Obligations Due Within One Year (Not included in Capitalization) (thousands)	\$ 271,976	\$ 251,058	\$ 211,886
Ratio of Earnings to Fixed Charges—Total Enterprise Basis (a)	3.04	3.15	3.21
Electric Energy Sales (millions of kwh)	43,772	42,242	43,406

As of June 30, 1993

	Actual	As Adjusted(b)	
Capitalization (thousands)			
Long-Term Debt (including current maturities)	\$2,763,254	\$2,661,466	47.3%
Preferred and Preference Stock			
With Sinking Funds	390,100	350,000	6.2
Without Sinking Funds	223,612	226,375	4.0
Common Equity	2,408,095	2,394,893	42.5
Total	<u>\$5,785,061</u>	<u>\$5,632,734</u>	<u>100.0%</u>

(a) The ratios for 1988, 1989 and 1990 were 2.57, 2.69 and 2.81, respectively.

(b) As adjusted to give effect to: (i) the redemption in July 1993 of \$21.6 million of Series Preferred Stock through sinking fund provisions; (ii) the redemption in July 1993 of \$93.24 million of Series Preferred Stock through optional redemption provisions; (iii) the sale in August 1993 of \$115 million of Series Preferred Stock; (iv) the planned sale of \$235 million of Series Preferred Stock; (v) the planned redemption of \$272.5 million of Series Preferred Stock and Preference Stock; (vi) the redemption in August 1993 of \$125 million principal amount of First Mortgage Bonds, 9% Series due 1998; (vii) the planned redemption of \$875 million aggregate principal amount of First Mortgage Bonds; and (viii) the planned sale of \$900 million principal amount of the Offered Bonds.

THE COMPANY

The Company is an operating electric utility, incorporated under the laws of the Commonwealth of Pennsylvania in 1920. The Company's general offices are located at Two North Ninth Street, Allentown, Pennsylvania 18101, and its telephone number is 215/774-5151.

The Company serves approximately 1.2 million customers in a 10,000 square mile territory in 29 counties of central eastern Pennsylvania (see Map), with a population of approximately 2.6 million persons. This service area has 125 communities with populations over 5,000, the largest of which are the cities of Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Scranton, Wilkes-Barre and Williamsport.

During the twelve months ended June 30, 1993, about 59% of the energy generated by the Company's plants came from coal-fired stations, 36% from the Susquehanna nuclear station, 3% from oil-fired stations and 2% from hydroelectric stations.

APPLICATION OF PROCEEDS

The Company plans to issue and sell a maximum of \$900 million principal amount of First Mortgage Bonds (Bonds) on terms to be determined when the agreement to sell is made or at the time of sale. The net proceeds from the sale of the Bonds will be added to the Company's general funds and used for general corporate purposes, including the refunding of first mortgage bonds expected to be called for redemption or the reduction of short-term debt incurred to provide interim financing. Pending such use, the net proceeds will be invested by the Company in short-term money market instruments.

DESCRIPTION OF BONDS

General. The Bonds will be issued under a Mortgage and Deed of Trust, dated as of October 1, 1945, as supplemented (Mortgage), of which Morgan Guaranty Trust Company of New York is Trustee, and rank on a parity with other series of the Company's First Mortgage Bonds. Principal and interest will be payable in New York City at the office or agency of the Company, which initially will be the principal office of the Trustee. Interest also will be payable at the general offices of the Company in Allentown, Pennsylvania.

Statements herein concerning the Bonds and the Mortgage are brief summaries and do not purport to be complete. They are subject to the detailed provisions of the Mortgage. The Bonds do not have any sinking or improvement fund or other provision for amortization prior to maturity. However, all series of bonds created prior to 1973 do have sinking or improvement fund provisions.

Form and Exchanges. The Bonds will be issued only in registered form in denominations of \$1,000 and multiples thereof. Exchanges and transfers of the Bonds may be made at the principal office of the Trustee or at the offices of such other companies as the Company may designate from time to time. The Company does not presently plan to designate any other company for such purpose. There will be no charge by the Company for any exchange or transfer of the Bonds.

Maturity, Interest Rate and Payment Dates. See the accompanying Prospectus Supplement.

Redemption and Purchase of the Bonds. See the accompanying Prospectus Supplement.

Maintenance and Replacement Fund. Each year 15½% of adjusted gross operating revenues must be spent for maintenance and replacements of mortgaged electric, gas, steam and hot water property and certain automotive equipment. The Company now owns no gas, steam or hot water property. Such requirements may be met by depositing cash with the Trustee; certifying expenditures for maintenance and repairs of such property, for gross property additions, and for certain automotive equipment; or by taking credit for bonds and qualified prior lien bonds retired. Such cash may be withdrawn on similar bases. The Company has reserved the right (without any consent or other action by the holders of any series of bonds created after January 1973, including the Bonds) to make such amendments to the Mortgage as shall be necessary to delete the Maintenance and Replacement Fund. The Company has no present intention of requesting a bondholders' meeting to delete the Maintenance and Replacement Fund.

The Company has agreed not to apply any cash deposited with the Trustee pursuant to the Maintenance and Replacement Fund to the redemption of the Bonds so long as any bonds of other series Outstanding at the date of original issue of any series of the Bonds remain Outstanding.

Special Provisions for Retirement of the Bonds. If, during any twelve-month period, mortgaged property is disposed of by order of or to any governmental authority, resulting in the receipt of \$10 million or more as proceeds, the Company (subject to certain conditions) must apply such proceeds (less certain deductions) to the retirement of bonds of any series. In that event, the Bonds will be redeemable at the special redemption prices set forth under "Redemption and Purchase of the Bonds" in the accompanying Prospectus Supplement.

Security. The Bonds, together with all other bonds now or hereafter issued under the Mortgage, will be secured by the Mortgage, which constitutes, in the opinion of counsel for the Company, a first mortgage lien on all of the Company's properties (except those referred to below), subject to: (1) leases of minor portions of the Company's property to others for uses which, in such counsel's opinion, do not interfere with its business; (2) leases of certain property of the Company not used in its electric utility business; (3) minor defects, irregularities and deficiencies in titles of properties and rights-of-way, which do not materially impair the use of such property and rights-of-way for the purposes of the Company; and (4) other excepted encumbrances. In general, there are excepted from the lien of the Mortgage all cash and securities; equipment, apparatus, materials or supplies held for sale or other disposition; aircraft, automobiles and other vehicles; timber, minerals, mineral rights and royalties; and receivables, contracts, leases and operating agreements.

The Mortgage contains provisions for including after-acquired property within the lien thereof, subject to any pre-existing liens and to certain limitations in the case of consolidation, merger or sale of substantially all of the Company's assets.

Issuance of Additional Bonds. Bonds of any series may be issued from time to time on the bases of: (1) 60% of property additions to electric, gas, steam or hot water property, acquired after June 30, 1945, but not including natural gas production property and after adjustments for retirements of funded property other than property for supplying water; (2) retirement or cancellation of bonds or qualified prior lien bonds; and (3) deposit of cash. With certain exceptions in the case of (2) above, the issuance of bonds is subject to an earnings coverage test which requires adjusted net earnings before

income taxes for twelve out of the preceding fifteen months of at least twice the annual interest requirements on all bonds at the time outstanding, including those being issued, and on all indebtedness of prior rank. In computing adjusted net earnings, an amount equal to the Maintenance and Replacement Fund requirements must be used in lieu of actual expenditures for maintenance and repairs and provisions for property retirement. The issuance of bonds on the basis of property additions subject to liens is restricted. It is expected that about \$600 million of the Bonds will be issued against the retirement of bonds and the balance will be issued against unfunded property additions, which were in excess of \$2.5 billion at June 30, 1993. The issuance tests contained in the Mortgage are not expected to limit the Company's ability to issue the Bonds.

The Company has reserved the right to amend the Mortgage without any consent or other action by holders of any series of bonds (including the Bonds) created: (1) after February 28, 1970 to include Nuclear Fuel (and similar or analogous devices or substances) as Property Additions; and (2) after November 30, 1976 to make available as Property Additions various forms of space satellites, space stations and other analogous facilities, various fuel transportation facilities (primarily railroad cars and other railroad equipment, tankers and other vessels), and generally, electric, gas and energy or fuel property (including property for the development of electricity, gas and fuel or energy in any form) and water and steam heat property. Such property could be located anywhere if duly subject to the lien of the Mortgage and useful in connection with the energy, fuel or water business. Excepted property would continue to include property used principally for the production or gathering of natural gas.

The amount of the obligations secured by prior liens on mortgaged property may be increased, provided that, if any property subject to such prior lien shall have been made the basis of a credit under the Mortgage, all the additional obligations are deposited with the Trustee or the trustee or other holder of a qualified lien.

Release and Substitution of Property. Property may be released upon the bases of: (1) the deposit of cash, or, to a limited extent, purchase money mortgages; (2) property additions, after adjustments in certain cases to offset retirements and after making adjustments for qualified prior lien bonds outstanding against property additions; and (3) waiver of the right to issue bonds without applying any earnings tests. Cash may be withdrawn upon the bases stated in (2) and (3) above.

Dividend Covenant. No cash dividends on common stock may be paid unless after such payments the amount remaining in earned surplus plus the provisions made subsequent to September 30, 1945 for depreciation and retirement of property shall equal the Maintenance and Replacement Fund requirements of the Mortgage for such period, less maintenance expenditures.

Modification of Mortgage. Bondholders' rights may be modified with the consent of the holders of 70% of the bonds. If less than all series of bonds are affected, the consent of the holders of 70% of each series affected is also required. The Company has reserved the right (without any consent or other action by holders of any series of bonds created after 1970, including the Bonds) to substitute 66 $\frac{2}{3}$ % for 70% in the foregoing provisions. The Company also has reserved the right (without any consent or other action by holders of any series of bonds created after 1991, including the Bonds) to substitute for the foregoing provisions the following: Bondholders' rights may be modified with the consent of the

holders of a majority of the bonds, but if less than all series of the bonds are so affected, only the consent of a majority of the affected bonds is required. In general, no modification of the terms of payment of principal or interest and no modification affecting the lien or reducing the percentage required for modification is effective against any bondholder without his consent.

Defaults and Notice Thereof. Defaults are: default in payment of principal; default for 60 days in payment of interest or of installments of funds for retirement of bonds; certain defaults with respect to qualified lien bonds; certain events in bankruptcy, insolvency or reorganization; and default for 90 days after notice in other covenants. The Trustee may withhold notice of default (except in payment of principal, interest or any fund for retirement of bonds), if it thinks it is in the interests of the bondholders.

Holders of 25% of the bonds may declare the principal and interest due on default, but a majority may annul such declaration if such default has been cured. No holder of bonds may enforce the lien of the Mortgage unless (1) such holder has given the Trustee written notice of a default; (2) holders of 25% of the bonds have requested the Trustee to act and offered it reasonable opportunity to act and indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred thereby; and (3) the Trustee has failed to act. The Trustee is not required to risk its funds or incur personal liability if there is reasonable ground for believing that the repayment is not reasonably assured. The holders of a majority of the bonds may direct the time, method and place of conducting any proceedings for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee.

Evidence to Be Furnished to the Trustee. Compliance with Mortgage provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain major matters, the accountant, appraiser, engineer or counsel must be independent. Various certificates and other papers are required to be filed annually and in certain events, including an annual certificate with reference to compliance with the terms of the Mortgage and absence of Defaults.

Concerning the Trustee. The Trustee is a depository of funds of the Company and from time to time may make loans to the Company.

Certain Tax Matters. In the opinion of G. D. Caliendo, Esq., Senior Vice President, General Counsel and Secretary of the Company, Bonds owned by individuals residing in Pennsylvania are subject to the 4 mills (\$4.00 on each \$1,000 of principal amount) Pennsylvania corporate loans tax. Such tax will be withheld from interest payments to such individuals. Counsel for the Company is also of the opinion that the Bonds are exempt from existing personal property taxes in Pennsylvania.

EXPERTS

The consolidated financial statements and related financial statement schedules of the Company incorporated in this Prospectus by reference from the Company's Annual Report on Form 10-K have been audited by Deloitte & Touche, independent public accountants, as stated in their reports which are incorporated herein by reference, and have been so incorporated in reliance upon such reports given upon the authority of that firm as experts in accounting and auditing.

Statements made herein and in the documents incorporated by reference in this Prospectus as to matters of law and legal conclusions have been reviewed by G. D. Caliendo, Esq., Senior Vice President, General Counsel and Secretary of the Company, and have been made in reliance upon his authority as an expert. Mr. Caliendo is the beneficial owner of 5,677 shares of the Common Stock of the Company.

LEGAL OPINIONS

The validity of the Bonds will be passed upon for the Company by G. D. Caliendo, Esq., Senior Vice President, General Counsel and Secretary of the Company, and Reid & Priest, New York, NY, and for any agent, underwriter or dealer by Sullivan & Cromwell, New York, NY. However, all matters pertaining to the organization of the Company and titles and the lien of the Mortgage will be passed upon only by Mr. Caliendo. As to matters involving the law of the Commonwealth of Pennsylvania, Reid & Priest and Sullivan & Cromwell will rely on the opinion of Mr. Caliendo. Mr. Caliendo is a full-time employee of the Company.

PLAN OF DISTRIBUTION

The Company may sell the Bonds in any of three ways: (1) through underwriters or dealers; (2) directly to a limited number of purchasers or to a single purchaser; or (3) through agents. The Prospectus Supplement with respect to the Offered Bonds will set forth the terms of the offering and the proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are used in the sale, the Offered Bonds will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Offered Bonds may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. The underwriter or underwriters with respect to the Offered Bonds will be named in the Prospectus Supplement relating to such offering and, if an underwriting syndicate is used, the managing underwriter or underwriters will be set forth on the cover page of the Prospectus Supplement. Any underwriting agreement will provide that the obligations of the underwriters will be subject to certain conditions precedent and that the underwriters will be obligated to purchase all of the Offered Bonds if any are purchased. The Company will agree to indemnify any underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

Bonds may be sold directly by the Company or through agents designated by the Company from time to time. Any agent involved in an offer or sale in respect of which this Prospectus is delivered will be named and any commissions payable by the Company to such agent will be set forth in the Prospectus Supplement relating thereto. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in this Prospectus or in the Prospectus Supplement and, if given or made,

- such information or representation must not be relied upon as having been authorized by the Company or any underwriter. This Prospectus and the Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction in which it is unlawful to make such an offer or solicitation.

Neither the delivery of this Prospectus and the Prospectus Supplement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of the Prospectus Supplement.

