



GPU Service Corporation  
260 Cherry Hill Road  
Parsippany New Jersey 07054  
201 263-4900

October 17, 1979

Mr. Richard H. Vollmer  
Director, Three Mile Island-2 Support  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
7920 Norfolk Avenue  
Bethesda, Maryland 20014

Re: NRC Docket No. 50-289  
TMI-1 Restart Proceeding

Dear Mr. Vollmer:

Following up on my letter dated October 15, 1979, in response to the requests for financial information enclosed with your letter dated September 21, 1979 to R. C. Arnold, enclosed are 8 copies of our response to Financial Information Request No. 3 (Pro Forma Sources of Funds Statements covering the period during which the TMI-1 modifications will be made).

Responses to Requests No. 1, 2 and 9 are to be hand delivered to you today by C. W. Smythe of GPU at the TMI-1 restart meeting in Middletown, Pa.

Also enclosed are 8 copies of a general statement by GPU in response to the NRC's financial information requests.

In conclusion, please acknowledge receipt of this material by signing, dating and returning the enclosed copy of this letter. A stamped, pre-addressed envelope is enclosed for that purpose.

Sincerely,

F. D. Hafer  
Vice President,  
Rate Case Management

FDH:dmh  
Enclosures

cc: J. C. Petersen - no attachments; to be distributed by NRC  
H. Silver - no attachments; to be distributed by NRC

7910190 388

GENERAL PUBLIC UTILITIES CORPORATION  
Metropolitan Edison Company, Pennsylvania Electric Company  
and Jersey Central Power & Light Company  
NRC Docket No. 50-289  
Three Mile Island Unit No. 1 Restart Proceeding

Statement in Response to the NRC's Financial  
Information Requests Dated 9/21/79

The Commission's Order of August 9, 1979 directs in Item II-7 that the licensee "shall demonstrate his financial qualifications to the extent relevant to his ability to operate TMI-1 safely." The questionnaire submitted appears to go well beyond that question. Consequently, while the TMI-1 owners have endeavored to respond to all items of the questionnaire, they do not concede by submitting such responses that all the data requested are relevant to the issue posed by the Order and expressly reserve the right to contest the issue of the relevance and materiality of some of the inquiries presented.

The TMI-1 owners are major electric utilities with aggregate annual revenues for the 12 months ended September 20, 1979 of \$1.4 billion. While there are, and at all times will be, competing claims for available funds, there is no reasonable basis for doubt that the TMI-1 owners would accord the first priority to the utilization of their resources to the safe operation of TMI-1 and their other nuclear plants. Their performance during the period subsequent to the TMI-2 accident is a demonstration of that policy. Promptly after that accident and on a continuing basis since that time, the TMI-2 owners have provided, without a moment's

hesitation, all the funds necessary - or possibly necessary - to bring TMI-2 to a cold shut-down mode and to maintain it in that mode. In the process, the TMI-2 owners have expended \$74 million through September, 1979.

The Pennsylvania and New Jersey public utility commissions have heretofore allowed the operating expenses for TMI-1 in their ratemaking determinations. Recently, the Pennsylvania Public Utility Commission issued an order to Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company ("Penelec"), two of the three owners of TMI-1, to show cause why TMI-1 related costs should not be removed from their base rates in the light of your Commission's orders of July 2, 1979 and August 9, 1979 delaying the restart of TMI-1. Met-Ed and Penelec believe that the delay in restart is not a proper basis for removing TMI-1 costs from their base rates and have filed an answer to the order to show cause to that effect. Regardless, however, of the outcome of that particular proceeding, the TMI-1 owners have every confidence that the Pennsylvania Commission and the New Jersey Board of Public Utilities (which regulates the rates of the third TMI-1 owner, Jersey Central Power & Light Company) would allow whatever reasonable rate increases were necessary to assure the safe operation of TMI-1.

The action of the Pennsylvania Commission and New Jersey Board in conducting expedited proceedings, in which

they sat en banc to receive testimony as well as hearing oral argument, in order to take the actions necessary to enable the three companies to obtain the funds necessary for the purchase of power to replace TMI generation is a confirmation of the responsiveness of those bodies on that score. If the issue were one of providing the funds necessary for the protection of the public health there can be no reasonable basis to doubt that they would be responsive within whatever time frame were required. In that light, the detailed material sought by the questionnaires would appear to be essentially irrelevant.

In another respect, the questionnaire is troublesome in that it implicitly ignores the fundamental impact of action of governmental agencies, starting with the Commission, on the TMI-1 owners' financial responsibility.

Prior to the entry of the Commission's order of August 9, 1979, the TMI-1 owners made a number of submissions to the Commission. In these submissions, they urged that, in establishing procedures for the consideration of TMI-1 restart, the Commission take into account the National interest in limiting fuel oil imports and the outflow of foreign exchange and the economic interests of the TMI-1 owners and the four million residents whom they serve in permitting the restart of TMI-1 as soon as it could be determined that this was consistent with the public health and safety. They pointed out, for example, that replacement of TMI-1 generation requires the import

of seven million barrels of oil per year and associated outflow of foreign exchange and an economic cost to the TMI-1 owners and their customers of \$168 million per year. (The actions taken by the OPEC Nations since that time have increased this cost.)

The Commission's legal staff advised the Commission that it had authority to adopt procedures which permitted an early restart (see, for example, the memorandum, dated July 26, 1979, of the Commission's general counsel) but the Commission elected not to adopt such procedures. As the TMI-1 owners have previously pointed out to the Commission, it is particularly troublesome that at none of the meetings of the Commission held to consider such procedures on July 12, July 24 (morning and afternoon), July 25, and July 27 was there any discussion by the Commission or its staff of the National and public interest in fashioning procedures which would allow the earliest possible decision on the restart of TMI-1 consistent with public participation in the making of the decision. Indeed, although the TMI-1 owners had urged by a letter delivered to the Commission on July 31, that the Commission schedule a special meeting at which representatives of the Department of Energy, the Pennsylvania Public Utility Commission, and the New Jersey Board of Public Utilities would be invited to address those considerations of National and public interest, the August 9 order was issued without the holding of such a meeting.



The Commission must be aware that these actions on its part have increased the problems of the TMI-1 owners and the burdens placed upon the public utility commissions which regulate their affairs, and ultimately upon the customers whom the TMI-1 owners serve. Given the alternatives that were available to the Commission, it is fair to suggest that, if there are any questions presented concerning the TMI-1 owners' financial qualifications to operate TMI-1 safely (and the TMI-1 owners believe that there should be no question), those questions are predominantly raised and can be resolved by the Commission's actions.

The views of the TMI-1 owners on the issue posed by Item II-7 of the Commission's August 9 order can be summarized as follows:

1. TMI-1 is an economic source of power which has had a superior performance record during the four and one half years of commercial operation prior to March 28, 1979;

2. TMI-1 has demonstrated its significant value to the Nation and to the region, and, when permitted to resume operation, should do so again; the TMI-1 owners and the public utility commissions have a substantial interest in the safe operation of TMI-1 as promptly as possible;

3. The TMI-1 owners would necessarily take whatever action is required to enable TMI-1 to operate safely and to continue its significant contribution to the power supply and economy of the region served, and, for that purpose, would give first priority from funds available to them; and

4. The TMI-1 owners have every reason to believe that the two State rate regulatory agencies would assure that funds were available and applied to that purpose.

10/17/79

1175 338

Person Responsible for Preparation:  
John G. Graham, Treasurer, GPU Service Corp.  
Telephone: (201) 263-4900 x682  
Date: October 17, 1979

Page 1 of 11

GENERAL PUBLIC UTILITIES CORPORATION  
Metropolitan Edison Company, Pennsylvania Electric Company  
and Jersey Central Power & Light Company  
NRC Docket No. 50-289  
Three Mile Island Unit No. 1 Restart Proceeding

Response to NRC Staff's Financial Information Request No. 3 Dated 9/21/79:

"Complete the attached form entitled, "Pro-Forma Sources of Funds," on a monthly basis for each licensee and GPU, through the month of estimated completion of long-term modifications and other actions related to Unit No. 1 as identified in the Commission's August 9, 1979 order. Note that this statement is for system-wide expenditures including capital expenditures related to TMI-1 and TMI-2. Indicate the assumptions upon which the "Sources of Funds" statement is based. These assumptions include, but are not necessarily limited to: (a) rates of return on average common stock equity, (b) preferred stock dividend rates, (c) long-term and short-term debt interest rates, (d) market/ book ratios, (e) common stock dividend payout ratios, (f) target and month-by-month capital structure, and (g) resultant monthly SEC and indenture coverages over the period. Provide a brief explanation of the basis for each assumption."

Response:

Enclosed are the requested "Pro Forma Sources of Funds" statements for GPU and its operating subsidiaries, Met-Ed, Penelec and Jersey Central, covering the forecast period from October, 1979 through December, 1980. A listing of the assumptions on which these statements are based is also attached.

A preliminary budget estimate of the cost of the TMI-1 modifications has been included in these statements because the estimate made in responding to the NRC's Financial Information Requests No. 1 and 2 has not yet been analyzed for the purpose of determining how much of the cost of modifying TMI-1 will be expensed, and how much will be capitalized.

Once this determination has been made, a supplementary response incorporating the revised TMI-1 modification cost estimate (i.e., the estimate made in response to Requests No. 1 and 2) will be submitted.

1175 339



GENERAL PUBLIC UTILITIES SYSTEM  
FINANCIAL FORECAST - ASSUMPTIONS

- |                           |   |   |
|---------------------------|---|---|
| Forecast Period           | - | October 1979 through December 1980.   |
| TMI Units                 | - | TMI-1 returns to service 9/1/80.  |
|                           | - | TMI-2 out of service throughout period.   |
| Construction              | - | Reduced construction budget maintained through 1980.  |
| Base Revenues             | - | The GPU System retains base revenues on TMI-1.  |
|                           | - | Penelec receives a \$20 million annual increase effective 8/1/80.   |
| Energy Adjustment Clauses | - | Generally consistent with the ratemaking treatment demonstrated by both PUC's since the accident. Current cost recovery of the TMI replacement energy is not assumed because of the large increases in customer charges that would have resulted. The increase in energy clauses are: |
|                           |   | JC - Jan. 1980: \$61 million representing uncollected 1979 and 75% of the gross of 1980 TMI replacement energy costs of 18 months.  |
|                           |   | - Mar. 1980: \$45 million (\$61 million on an annual basis) representing increases in fuel costs for non-TMI energy.  |
|                           |   | ME - Jan. 1980: \$38 million representing 75% of the gross 1980 TMI replacement energy over 18 months and current recovery of other fuel increases.   |
|                           |   | PN - Jan. 1980: \$12 million representing 75% of the gross 1980 TMI replacement energy over 18 months and current recovery of other fuel increases.   |

1175 340

Energy Costs	-	Current oil prices used for 1979 and escalated in excess of 12% per year.
	-	Does not reflect up to \$30 million savings in 1980 from change in PJM Agreement.
TMI #2 Restoration	-	Insurance recovery lag of \$60 million through 1981.
GPU Common Dividend	-	Maintained at its current annual rate of \$1.00 per share throughout period.
Subsidiary Dividend to GPU	-	JC: None through 1980.
		ME: None through 1980.
		PN: Payment of 100% of earnings above retained earnings of \$40 million in 1979. In 1980 payment of 90% of earnings.
Capital Contributions to Subsidiaries	-	None throughout period.
Financings	-	JC: Oct. 79 - \$25 million FMB refinancing. 22.5 million FMB sale.
Interest Rates	-	JC: Oct. 79 - FMB sale at 11.625%.
		Short-term debt at 12.5%.

1175 341

## GPU System

Applicant: GPU Corporation      Nuclear Plant: Three Mile Island Unit 1  
Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
(\$ Millions)

	1979			Total
	Oct.	Nov.	Dec.	
<u>External Financings</u>				
Common Stock	-	-	-	-
Preferred Stock	-	-	-	-
Long-Term Debt	47	-	-	47
Notes Payable	(32)	2	13	(17)
Contributions from Parent (Net)	-	-	-	-
Other Funds (Temporary Investments)	2	24	20	46
Total External Funds	17	26	33	76
<u>Internally Generated Cash</u>				
Net Income	11	10	11	32
Less: Preferred Dividends	(5)	(4)	(2)	(11)
Common Dividends	-	(15)	-	(15)
Retained Earnings	6	(9)	9	6
Deferred Taxes	6	5	6	17
Investment Tax Credits (Net)	(3)	(3)	(2)	(8)
Depreciation & Amortization	13	13	13	36
Change in Working Capital*	22	(9)	(27)	(14)
Less: AFDC	(4)	(4)	(4)	(12)
Total Internal Funds	40	(7)	(5)	28
Total Funds	57	19	28	104
<u>Construction Expenditures</u>				
Nuclear Power Plants	13	10	17	40
Other	12	13	13	38
Total Construction	25	23	30	78
Less: AFDC	(4)	(4)	(4)	(12)
Net Construction Expenditures	21	19	26	66
<u>Other Capital Requirements</u>				
Redemption of Maturing Bonds	36	-	-	36
Sinking Fund Redemptions	-	-	2	2
Total Other	36	-	2	38
Total Capital Requirements	57	19	28	104
<u>Capital Structure - %</u>				
Long-Term Debt	53	53	53	
Preferred Stock	13	13	13	
Common Equity	34	34	34	
Total	100	100	100	
*Includes Increase (Decrease) in Deferred Energy	7	6	10	23
Deferred Energy Balance	159	165	175	175
Return on Average Common Equity				7.3%

1175 342

## GPU System

Applicant: GPU Corporation Nuclear Plant: Three Mile Island Unit 1  
 Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

	1980												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
<u>External Financings</u>													
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Payable	5	23	18	25	15	19	(1)	(18)	14	(31)	(8)	(11)	50
Contributions from Parent (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Funds (Temporary Investments)	(10)	7	(8)	24	16	(1)	(5)	10	(9)	(10)	12	7	33
Total External Funds	(5)	30	10	49	31	18	(6)	(8)	5	(41)	4	(4)	83
<u>Internally Generated Cash</u>													
Net Income	14	13	11	9	8	8	12	13	11	10	10	11	130
Less: Preferred Dividends	(5)	(4)	(3)	(5)	(4)	(2)	(5)	(4)	(3)	(4)	(3)	(2)	(44)
Common Dividends	-	(15)	-	-	(15)	-	-	(15)	-	-	(15)	-	(60)
Retained Earnings	9	(6)	8	4	(11)	6	7	(6)	8	6	(8)	9	26
Deferred Taxes	19	13	12	3	3	5	5	5	(6)	(2)	(3)	3	57
Investment Tax Credits (Net)	(3)	(2)	(3)	(3)	(3)	(3)	(2)	(3)	(3)	(2)	(2)	(2)	(31)
Depreciation & Amortization	12	12	13	14	13	14	14	14	14	14	14	14	162
Change in Working Capital*	(4)	(24)	(18)	(47)	(11)	(11)	11	21	14	48	23	2	4
Less: AFDC	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(4)	(43)
Total Internal Funds	29	(10)	8	(32)	(13)	8	31	28	23	61	20	22	175
Total Funds	24	20	18	17	18	26	25	20	28	20	24	18	258
<u>Construction Expenditures</u>													
Nuclear Power Plants	9	11	9	7	7	8	6	8	13	7	6	7	98
Other	10	12	11	12	15	20	20	14	17	14	16	13	174
Total Construction	19	23	20	19	22	28	26	22	30	21	22	20	272
Less: AFDC	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(4)	(43)
Net Construction Expenditures	15	20	16	16	18	25	22	19	26	18	18	16	229
<u>Other Capital Requirements</u>													
Redemption of Maturing Bonds	9	-	-	-	-	-	2	-	-	-	5	-	16
Sinking Fund Redemption	-	-	2	1	-	1	1	1	2	2	1	2	13
Total Other	9	-	2	1	-	1	3	1	2	2	6	2	29
Total Capital Requirements	24	20	18	17	18	26	25	20	28	20	24	18	258
<u>Capital Structure - %</u>													
Long-Term Debt	53	53	53	53	53	53	53	53	53	53	53	53	
Preferred Stock	13	13	13	12	12	12	12	12	12	12	12	12	
Common Equity	34	34	34	35	35	35	35	35	35	35	35	35	
Total	100	100	100	100	100	100	100	100	100	100	100	100	
*Includes Increase (Decrease) in Deferred Energy	36	25	18	1	-	3	6	5	(21)	(10)	(11)	1	53
Deferred Energy Balance	211	236	254	255	255	258	264	269	248	238	227	228	228
Ratio on Average Common Equity													6.2%

## GPU System

Applicant: Jersey Central Power & Light Company Nuclear Plant: Three Mile Island Unit 1  
Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

	1979			
	Oct.	Nov.	Dec.	Total
<u>External Financings</u>				
Common Stock	-	-	-	-
Preferred Stock	-	-	-	-
Long-Term Debt	47	-	-	47
Notes Payable	(29)	(3)	25	(7)
Contributions from Parent (Net)	-	-	-	-
Other Funds	-	-	-	-
Total External Funds	18	(3)	25	40
<u>Internally Generated Cash</u>				
Net Income	7	5	6	18
Less: Preferred Dividends	(5)	-	-	(5)
Common Dividends	-	-	-	-
Retained Earnings	2	5	6	13
Deferred Taxes	1	1	2	4
Investment Tax Credits (Net)	(1)	(1)	(1)	(3)
Depreciation & Amortization	6	6	6	18
Change in Working Capital*	15	7	(17)	5
Less: AFDC	(3)	(4)	(3)	(10)
Total Internal Funds	20	14	(7)	27
Total Funds	38	11	18	67
<u>Construction Expenditures</u>				
Nuclear Power Plants	11	9	14	34
Other	5	6	6	17
Total Construction	16	15	20	51
Less: AFDC	(3)	(4)	(3)	(10)
Net Construction Expenditures	13	11	17	41
<u>Other Capital Requirements</u>				
Redemption of Maturing Bonds	25	-	-	25
Sinking Fund Redemptions	-	-	1	1
Total Other	25	-	1	26
Total Capital Requirements	38	11	18	67
<u>Capital Structure - %</u>				
Long-Term Debt	51	51	51	
Preferred Stock	12	12	12	
Common Equity	37	37	37	
Total	100	100	100	
*Includes Increase (Decrease) in				
Deferred Energy	-	1	4	5
Deferred Energy Balance	81	82	86	86
Return on Average Common Equity				8.6%
Interest Coverage Ratio				2.07
Preferred Stock Coverage Ratio				1.45

1175 344



## GPU System

Applicant: Jersey Central Power & Light Co. Nuclear Plant: Three Mile Island Unit 1  
 Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

	1980												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
<u>External Financings</u>													
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Payable	3	15	9	9	7	7	-	(25)	7	(23)	(16)	13	6
Contributions from Parent (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total External Funds	3	15	9	9	7	7	-	(25)	7	(23)	(16)	13	6
<u>Internally Generated Cash</u>													
Net Income	6	6	4	5	4	5	8	9	8	7	5	5	72
Less: Preferred Dividends	(5)	-	-	(5)	-	-	(5)	-	-	(4)	-	-	(19)
Common Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	1	6	4	-	4	5	3	9	8	3	5	5	53
Deferred Taxes	10	8	5	(1)	(1)	1	1	2	(5)	(2)	(2)	(1)	15
Investment Tax Credits (Net)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
Depreciation & Amortization	5	5	6	7	6	7	7	7	7	6	7	6	76
Change in Working Capital*	(6)	(21)	(11)	(4)	(3)	(4)	5	19	(2)	26	18	(12)	5
Less: AFDC	(3)	(3)	(3)	(3)	(4)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(37)
Total Internal Funds	6	(6)	-	(2)	1	5	12	33	4	29	24	(6)	100
Total Funds	9	9	9	7	8	12	12	8	11	6	8	7	106
<u>Construction Expenditures</u>													
Nuclear Power Plants	6	8	6	5	6	6	5	6	10	5	5	4	72
Other	4	4	4	5	6	8	8	4	4	4	6	5	62
Total Construction	10	12	10	10	12	14	13	10	14	9	11	9	134
Less: AFDC	(3)	(3)	(3)	(3)	(4)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(37)
Net Construction Expenditures	7	9	7	7	8	11	10	7	11	6	8	6	97
<u>Other Capital Requirements</u>													
Redemption of Maturing Bonds	2	-	-	-	-	-	2	-	-	-	-	-	4
Sinking Fund Redemptions	-	-	2	-	-	1	-	1	-	-	-	1	5
Total Other	2	-	2	-	-	1	2	1	-	-	-	1	9
Total Capital Requirements	9	9	9	7	8	12	12	8	11	6	8	7	106
<u>Capital Structure - %</u>													
Long-Term Debt	51	51	50	50	50	50	50	50	50	50	49	49	
Preferred Stock	12	12	12	12	12	12	12	11	11	11	12	12	
Common Equity	37	37	38	38	38	38	38	39	39	39	39	39	
Total	100	100	100	100	100	100	100	100	100	100	100	100	
*Includes Increase (Decrease) in Deferred Energy	21	17	10	(3)	(3)	1	2	3	(11)	(5)	(4)	(1)	27
Deferred Energy Balance	107	124	134	131	128	129	131	134	123	118	114	113	113
Return on Average Common Equity													7.9%
Interest Coverage Ratio													2.14
Preferred Stock Coverage Ratio													1.51

## GPU System

Applicant: Metropolitan Edison Company Nuclear Plant: Three Mile Island Unit 1  
Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
(\$ Millions)

	1979			
	Oct.	Nov.	Dec.	Total
<u>External Financings</u>				
Common Stock	-	-	-	-
Preferred Stock	-	-	-	-
Long-Term Debt	-	-	-	-
Notes Payable	(4)	7	(15)	(12)
Contributions from Parent (Net)	-	-	-	-
Other Funds	-	-	-	-
Total External Funds	(4)	7	(15)	(12)
<u>Internally Generated Cash</u>				
Net Income	2	2	3	7
Less: Preferred Dividends	-	-	(2)	(2)
Common Dividends	-	-	-	-
Retained Earnings	2	2	1	5
Deferred Taxes	4	3	3	10
Investment Tax Credits (Net)	(1)	(1)	-	(2)
Depreciation & Amortization	3	3	3	9
Change in Working Capital*	-	(11)	13	2
Less: AFDC	-	(1)	-	(1)
Total Internal Funds	8	(5)	20	23
Total Funds	4	2	5	11
<u>Construction Expenditures</u>				
Nuclear Power Plants	1	1	2	4
Other	3	2	3	8
Total Construction	4	3	5	12
Less: AFDC	-	(1)	-	(1)
Net Construction Expenditures	4	2	5	11
<u>Other Capital Requirements</u>				
Redemption of Maturing Bonds	-	-	-	-
Sinking Fund Redemptions	-	-	-	-
Total Other	-	-	-	-
Total Capital Requirements	4	2	5	11
<u>Capital Structure - %</u>				
Long-Term Debt	51	51	51	
Preferred Stock	13	13	13	
Common Equity	36	36	36	
Total	100	100	100	
*Includes Increase (Decrease) in				
Deferred Energy	7	6	5	18
Deferred Energy Balance	64	70	75	75
Return on Average Common Equity				5.3%
Interest Coverage Ratio				1.89
Preferred Stock Coverage Ratio				1.30

1175 346

## GPU System

Applicant: Metropolitan Edison Company Nuclear Plant: Three Mile Island Unit 1  
 Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

	1980												Total
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
<u>External Financings</u>													
Common Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Payable	1	1	8	15	1	8	(2)	-	5	(9)	(1)	(31)	(4)
Contributions from Parent (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total External Funds	1	1	8	15	1	8	(2)	-	5	(9)	(1)	(31)	(4)
<u>Internally Generated Cash</u>													
Net Income	4	4	3	2	1	-	1	2	-	1	2	2	22
Less: Preferred Dividends	-	-	(3)	-	-	(2)	-	-	(3)	-	-	(2)	(10)
Common Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	4	4	-	2	1	(2)	1	2	(3)	1	2	-	12
Deferred Taxes	4	3	3	3	3	3	2	3	-	1	(1)	1	25
Investment Tax Credits (Net)	(1)	(1)	(1)	(1)	(1)	-	(1)	(1)	(1)	-	(1)	-	(9)
Depreciation & Amortization	3	3	3	3	3	3	3	3	3	4	3	4	38
Change in Working Capital*	-	(5)	(9)	(19)	(4)	(8)	1	(4)	4	7	8	30	1
Less: AFDC	-	-	-	-	(1)	-	-	-	-	(1)	-	-	(2)
Total Internal Funds	10	4	(4)	(12)	1	(4)	6	3	3	12	11	35	65
Total Funds	11	5	4	3	2	4	4	3	8	3	10	4	61
<u>Construction Expenditures</u>													
Nuclear Power Plants	2	2	2	1	1	1	1	1	2	1	1	2	17
Other	2	3	2	2	2	3	3	2	4	3	3	2	31
Total Construction	4	5	4	3	3	4	4	3	6	4	4	4	48
Less: AFDC	-	-	-	-	(1)	-	-	-	-	(1)	-	-	(2)
Net Construction Expenditures	4	5	4	3	2	4	4	3	6	3	4	4	46
<u>Other Capital Requirements</u>													
Redemption of Maturing Bonds	7	-	-	-	-	-	-	-	-	-	5	-	12
Sinking Fund Redemption	-	-	-	-	-	-	-	-	2	-	1	-	3
Total Other	7	-	-	-	-	-	-	-	2	-	6	-	15
Total Capital Requirements	11	5	4	3	2	4	4	3	8	3	10	4	61
<u>Capital Structure - %</u>													
Long-Term Debt	51	51	51	51	51	51	51	50	50	50	50	50	
Preferred Stock	13	13	13	13	13	13	13	13	13	13	13	13	
Common Equity	36	36	36	36	36	36	36	37	37	37	37	37	
Total	100	100	100	100	100	100	100	100	100	100	100	100	
*Includes Increase (Decrease) in Deferred Energy	7	5	4	3	4	3	3	4	(4)	(2)	(4)	(1)	22
Deferred Energy Balance	82	87	91	94	98	101	104	108	104	102	98	97	97
Return on Average Common Equity													3.2%
Interest Coverage Ratio													1.76
Preferred Stock Coverage Ratio													1.12

## GPU System

Applicant: Pennsylvania Electric Company Nuclear Plant: Three Mile Island Unit 1  
Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

	1979			
	Oct.	Nov.	Dec.	Total
<u>External Financings</u>				
Common Stock	-	-	-	-
Preferred Stock	-	-	-	-
Long-Term Debt	-	-	-	-
Notes Payable	-	-	-	-
Contributions from Parent (Net)	-	-	-	-
Other Funds (Temporary Investments)	2	24	20	46
Total External Funds	2	24	20	46
<u>Internally Generated Cash</u>				
Net Income	3	4	3	10
Less: Preferred Dividends	-	(4)	-	(4)
Common Dividends	-	(18)	-	(18)
Retained Earnings	3	(18)	3	(12)
Deferred Taxes	1	1	1	3
Investment Tax Credits (Net)	(1)	(1)	(1)	(3)
Depreciation & Amortization	4	4	4	12
Change in Working Capital*	7	(5)	(21)	(19)
Less: AFDC	-	(1)	-	(1)
Total Internal Funds	14	(20)	(14)	(20)
Total Funds	16	4	6	26
<u>Construction Expenditures</u>				
Nuclear Power Plants	1	-	1	2
Other	4	5	4	13
Total Construction	5	5	5	15
Less: AFDC	-	(1)	-	(1)
Net Construction Expenditures	5	4	5	14
<u>Other Capital Requirements</u>				
Redemption of Maturing Bonds	11	-	-	11
Sinking Fund Redemptions	-	-	1	1
Total Other	11	-	1	12
Total Capital Requirements	16	4	6	26
<u>Capital Structure - %</u>				
Long-Term Debt	54	54	54	
Preferred Stock	13	14	14	
Common Equity	33	32	32	
Total	100	100	100	

\*Includes Increase (Decrease) in  
 Deferred Energy  
 Deferred Energy Balance

-	(1)	1	-
14	13	14	14

Return on Average Common Equity  
 Interest Coverage Ratio  
 Preferred Stock Coverage Ratio

9.5%  
 2.74  
 1.54

1175 348

Applicant: Pennsylvania Electric Company Nuclear Plant: Three Mile Island Unit 1  
Pro Forma Sources of Funds for System-Wide Construction Expenditures & Capital Structure  
 (\$ Millions)

1175 3.49

Return on Average Common Equity  
Interest Coverage Ratio  
Preferred Stock Coverage Ratio