



Commonwealth Edison
One First National Plaza, Chicago, Illinois
Address Reply to: Post Office Box 767
Chicago, Illinois 60690

May 2, 1979

Mr. Olan D. Parr, Chief
Light Water Reactors - Branch 3
Division of Project Management
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Subject: Response to Request for
Financial Information
LaSalle County Station
Units 1 and 2
NRC Docket Nos. 50-373 and 50-374

References (a): O. D. Parr letter to B. Lee, Jr.
dated January 29, 1979

(b): L. O. DelGeorge letter to O. D. Parr
dated April 9, 1979

Dear Mr. Parr:

In response to the request for financial information contained in Reference (a), the enclosed materials are being submitted. This transmittal completes the commitment contained in Reference (b) to respond to questions 410.4.b and 410.4.c. Both the responses contained in this transmittal and those submitted in Reference (b) will be formally documented in an amendment to the LaSalle County Final Safety Analysis Report.

One (1) signed original and thirty-nine (39) copies of this letter and forty (40) copies of the enclosure are submitted for your review.

Very truly yours,

L. O. DelGeorge
Nuclear Licensing Administrator
LaSalle County Station

enclosure

7908090558

525 295

Answer to Request
for Additional Information by
Nuclear Regulatory Commission

410.4.b. The responses to this request are based upon regulation of Edison's retail business by the Illinois Commerce Commission. This accounts for about 99% of Edison's total business.

- (1) AFUDC -- Allowance for funds used during construction is accrued until plant goes into service. The AFUDC rate was 7% in 1978 and will be slightly higher in 1979 and 1980. Construction work in progress (CWIP) has not in the past been allowed in rate base for Commonwealth Edison. In a recently filed retail rate case the Company has proposed the inclusion of some CWIP in rate base.
- (2) Rate base -- The Illinois Commerce Commission uses an original cost rate base for ratemaking purposes.
- (3) Deferred income taxes -- The Company uses normalized accounting. Deferred income taxes are accrued and deducted from rate base for rate making.
- (4) Investment tax credit -- Investment tax credits are amortized over the life of related plant facilities. As the result of an election made by Edison pursuant to law, unamortized investment tax credits are not deducted from rate base for ratemaking purposes.
- (5) Fuel adjustment -- Commonwealth Edison's fuel adjustment in effect provides for recovery of only fossil fuel costs. The Illinois Commerce Commission, however, has a generic proceeding in progress in which its staff has proposed a formula for state-wide use that would provide for the recovery of nuclear fuel costs and purchased power energy charges as well as fossil fuel costs.
- (6) Test period -- In its last few rate proceedings Commonwealth Edison has proposed and the Commission has used a test period for which partial actual data are available before the close of the proceeding. In a rate case filed in April, 1979, however, the Company is proposing the use of calendar 1980 as the test period. No actual data for the test period will be available in time for the Commission decision, which must be rendered by March, 1980.

410.4.c. See attachment for description of the nature and amount of Edison's most recent rate increase granted and its pending request for an additional increase. Also attached are the following:

- A. Rate increase granted in December, 1978.
 - 1. Order of the Illinois Commerce Commission authorizing the increase (Docket No. 78-0045).
 - 2. Testimony of Ralph Olsen, Illinois Commerce Commission Staff.
 - 3. Testimony of Hubert H. Nexon, Commonwealth Edison
 - 4. " " Ralph L. Heumann " "
 - 5. " " Robert J. Schultz " "
 - 6. " " L. Sanford Reis " "
 - 7. Updated forecast data, 8 mo. actual, 4 mo. estimated (referred to as Company Exhibit 12)

- B. Pending request for rate increase.
 - 1. Testimony of Hubert H. Nexon
 - 2. " " Ralph L. Heumann
 - 3. " " Robert J. Schultz
 - 4. " " George P. Rifakes
 - 5. " " Roger F. Kovak
 - 6. " " Robert R. Nathan
 - 7. " " Mark D. Luftig

ATTACHMENT FOR ITEM NO. 4.c.-

RATE DEVELOPMENTS

	Electric	Gas	Steam
<u>Granted</u>			
Test year utilized	1978		
Annual amount of revenue increase requested- test year basis (000's)	\$128.2 million		
Date petition filed	Jan. 20, 1978		
Annual amount of revenue increase allowed- test year basis (000's)	\$74.88 million		
Percent increase in revenues allowed	3.1%		
Date of final order	Dec. 13, 1978		
Effective date	Dec. 14, 1978		
Rate base finding (000's)	\$4,404.6 million		
Construction work in progress included in Rate base (000's)	None		
Rate of return on rate base authorized	9.3%		
Rate of return on common equity authorized	12.5%		

Revenue Effect (000's)

Amount received in year granted -- 1978	\$ 1.2 million
Amount received in subsequent year -- 1979 (If not available, annualize amounts received in year granted)	\$78.6 million

Pending Requests

Test year utilized	1980
Amount (000's)	\$484.2 million (\$452 million on 1978 basis)
Percent increase	16.5% (18.3% on 1978 basis)
Date petition filed	April 6, 1979
Date by which decision must be issued	March 3, 1980
Rate of return on rate base requested	10.31%
Rate of return on common equity requested	14.14%
Amount of rate base requested	\$6,077.3 million
Amount of construction work in progress requested for inclusion in rate base	\$ 325 million