BEFORE THE

KENTUCKY PUBLIC SERVICE COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

IN THE MATTER OF:

General Adjustments in	)	
Electric and Gas Rates	)	CASE NO. 10064
of Louisville Gas and	)	
Electric Company	)	

REHEARING TESTIMONY AND EXHIBITS

OF

LANE KOLLEN

Kennedy and Associates
Atlanta, Georgia

September 1988

KENTUCKY PUBLIC SERVICE COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

<u>REHEARING TESTIMONY OF LANE KOLLEN</u>

IN THE MATTER OF:

General Adjustments in Electric and Gas Rates of Louisville Gas and Electric Company	**))))**	**CASE NO. 10064**

Q. **Please state your name and business address.**

A. My name is Lane Kollen. My business address is Kennedy and Associates, Suite 475, 35 Glenlake Parkway, Atlanta, Georgia 30328.

Q. **What is your position with Kennedy and Associates?**

A. I hold the position of Director, Financial Consulting.

Q. **Have you previously presented testimony in this case?**

A. Yes. I presented testimony on numerous revenue requirements issues including operation and maintenance expense, tax expense and capital structure.

Q. **What is the purpose of your rehearing testimony?**

A. The purpose of my rehearing testimony is to address the rehearing comments of LG&E witness Jay Price relating to the Commission's ordered accounting treatment for the retirements of certain sulfur dioxide removal systems (SDRS) equipment and of certain underground gas fields. I also address the rehearing comments of LG&E witness Lee Fowler relating to the Commission's determination of recoverable interest expense.

Q. **Please summarize your testimony.**

A. With respect to Mr. Price's comments relating to the Commission's ordered accounting treatment for the retirements of the SDRS equipment and gas fields, I offer the following observations and conclusions:

1) Although difficult to discern, I believe that the fundamental objection of LG&E to this accounting treatment is that it precludes them from recovering a rate of return <u>on</u> the SDRS equipment and gas fields excluded from rate base.

2) However, Mr. Price's entire argument against the KPSC ordered accounting treatment is obviously predicated upon his belief that the KPSC does not have the right to first, separately identify an asset or group of assets and then second, to treat those assets separately for ratemaking purposes. He bases his "accounting" arguments upon his interpretation of Generally Accepted Accounting Principles (GAAP) and

their purported industry wide application.

3) Consequently, Mr. Price repeatedly cites and attempts to improperly characterize GAAP and FERC accounting requirements along with their purported industry wide application as precluding the Commission's right or authority to separately identify an asset or group of assets for specific ratemaking treatment.

4) Contrary to Mr. Price's apparent beliefs, the Commission has the right and the authority, within legislative constraints, to define and implement regulatory policy. The Commission's obligations are not superceded by an accountant's flawed interpretation of GAAP and misrepresentations as to its application in this case.

5) The accountant's function is to record the economic effect of a transaction, decision or occurrence in accordance with GAAP, not to make policy decisions for the Commission.

6) Consequently, the Commission ordered accounting treatment, while undoubtedly denying a rate of return <u>on</u> the excluded investment, is consistent with GAAP and reflects the substantive economic effect of the Commission's policy decision on this retirement issue.

Retirements of SDRS Equipment and Underground Gas Fields

Q. **What is the fundamental concern of LG&E which would result in its objection to the accounting treatment ordered by the KPSC for the retirement of certain SDRS equipment and underground gas fields?**

A. It is readily apparent that the fundamental concern of LG&E is not the "accounting treatment" but the fact that the Commission's decision has precluded LG&E from earning a rate of return on the amount of net of tax investment excluded from rate base. This is the issue, not the "accounting treatment".

Q. **Does Mr. Price address this issue of loss of return in his rehearing testimony?**

A. Briefly yes. Although the bulk of his testimony consists of a barrage of references to GAAP and other accounting materials purporting to demonstrate that the "accounting" ordered by the Commission for these retirements is inappropriate. According to Mr. Price's perspective of utility ratemaking, this thereby presumably results in the loss of return being inappropriate as well.

Q. **What are Mr. Price's accounting arguments?**

A. Mr. Price's two primary arguments are 1) that the retirements of certain SDRS equipment and underground gas fields are not "extraordinary" and 2) that the KPSC is somehow precluded from separately identifying these assets and treating them separately for ratemaking purposes.

Q. **Did the Commission already address these two accounting issues in its Case No. 10064 Order?**

A. Yes, at length on pages 14 through 22 of that order.

Q. **What is your response to Mr. Price's arguments that the retirements of certain SDRS equipment and underground gas fields are not "extraordinary"?**

A. Both the Commission's Order in this case and Mr. Price's rehearing testimony are replete with references to accounting pronouncements defining the term "extraordinary" and justification for considering the retirements extraordinary on the one hand or ordinary on the other. Arguments could be offered ad infinitum over whether the retirements are unusual, abnormal, or nonrecurring. Unfortunately, these arguments all beg the issue, which is whether the KPSC has the right and authority to separately identify assets and to treat them separately for ratemaking purposes.

Clearly, the question does not involve a determination of whether the retirement is extraordinary. The Commission has simply ordered a reclassification of assets, contra-assets and liabilities accounts on the balance sheet for ratemaking purposes. It doesn't really matter whether the Commission had ordered a reclassification to account 182.1 Extraordinary Property Losses or to account 182.2 Unrecovered Plant and Regulatory Study Costs or even to account 186 Miscellaneous Deferred Debits. Each of these accounts can be utilized for regulatory assets to represent the net of tax depreciated original cost of these retired assets.

Consequently, the entire "accounting" argument of "extraordinary" versus "ordinary" is totally irrelevant. It certainly should have no bearing whatsoever on the Commission's policy decision to exclude these amounts from rate base.

Q. Please provide the FERC description of account 182.2 Unrecovered Plant and Regulatory Study Costs.

A. The FERC description of account 182.2 is as follows:

> **" A. This account shall include: (1) Nonrecurring costs of studies and analyses mandated by regulatory bodies related to plants in service, transferred from account 183, Preliminary Survey and Investigation Charges, and not resulting in construction; and (2) when authorized by the Commission, significant unrecovered costs of plant facilities where construction has been cancelled or which have been prematurely retired.**
>
> **B. This account shall be credited and account 407, Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs, shall be debited over the period specified by the Commission.**

> C. Any additional costs incurred, relative to the cancellation or premature retirement, may be included in this account and amortized over the remaining period of the original amortization period. Should any gains or recoveries be realized relative to the cancelled or prematurely retired plant, such amounts shall be used to reduce the unamortized amount of the costs recorded herein.
>
> D. In the event that the recovery of costs included herein is disallowed in the rate proceedings, the disallowed costs shall be charged to account 426.5, Other Deductions, or account 435, Extraordinary Deductions, in the year of such disallowance."

Q. Why do you believe that account 182.2 Unrecovered Plant and Regulatory Study Costs could be utilized for the regulatory asset representing the net of tax depreciated original cost of these retired assets?

A. Paragraphs A and C clearly refer to the costs of plant facilities which have been <u>prematurely retired</u>. Although I do not believe that FERC has defined the term "premature retirement", I do believe that the term can be reasonably defined as a retirement of property prior to the completion of its expected useful life. Clearly, the retirement of the SDRS equipment and gas fields occurred prematurely or otherwise depreciation recorded and recovered would have been equivalent to the original cost plus net salvage and there would be no issue to discuss.

Q. **Please provide the FERC description of account 186 Miscellaneous Deferred Debits.**

A. The FERC description of account 186 is as follows:

> " A. For Major utilities, this account shall include all debits not elsewhere provided for, such as miscellaneous work in progress, and unusual or extraordinary expenses, not included in other accounts, which are in process of amortization and items the proper final disposition of which is uncertain.
>
> B. For Nonmajor utilities, this account shall include the following classes of items:
>
> (1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 426.5, Other Deductions, or to the appropriate operating expense accounts.
>
> (2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein related to a future period.
>
> (3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.
>
> (4) Other debit balances, the proper final disposition of which is uncertain and unusual or extraordinary expenses not included in other accounts, which are in process of being written off.

> **C. For both Major and Nonmajor utilities, the records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein."**

Q. Why do you believe that account 186 Miscellaneous Deferred Debits could be utilized for the regulatory asset representing the net of tax depreciated original cost of these retired assets?

A. Paragraph A, for major utilities such as LG&E, clearly provides for "all debits not elsewhere provided for, such as ...unusual or extraordinary expenses, not included in other accounts, which are in the process of amortization...". If neither accounts 182.1 or 182.2 are utilized for the net of tax depreciated original cost of these retired assets, then these amounts are not elsewhere provided for. Account 186 is <u>routinely</u> used by utilities as a balance sheet "catch-all" account. It is used for the deferral of expenses, for deferred fuel underrecovery and innumerable other amounts "not elsewhere provided for."

Q. Do you have any examples of what various utilities have charged to account 182.1 Extraordinary Property Losses, to account 182.2 Unrecovered Plant and Regulatory Study Costs, and to account 186 Miscellaneous Deferred Debits?

A. Yes. FERC requires identification and reporting of charges to these accounts in each utility's annual FERC Form 1 filing. I have obtained copies of various utilities' FERC Form 1 filings which provide detail of their charges to these accounts. My Exhibit _____(LK-1) reflects actual examples from page 230, or the predecessor page 220, of numerous FERC Form 1's of charges to account 182.1 Extraordinary Property Losses and to account 182.2 Unrecovered Plant and Regulatory Study Costs. My Exhibit _____(LK-2) reflects actual examples from page 233, or the predecessor page 223, of numerous FERC Form 1's of charges to account 186 Miscellaneous Deferred Debits.

Q. After a review of utilities' actual charges these three accounts, what is your conclusion?

A. It is clear that any of the three accounts could be and are actually used for regulatory assets such as those at issue. Mr. Price has created numerous <u>philosophical</u> arguments against the use of account 182 for premature retirements when <u>actual experience</u> indicates that the account can be and is used for precisely this purpose.

Q. What is your response to Mr. Price's arguments that the use of composite depreciation accounting precludes the KPSC from separately identifying assets or groups of assets and treating those assets separately for ratemaking purposes?

A. This issue is inextricably intertwined with the question of whether the Commission has the right and the authority to order a reclassification of certain assets for ratemaking purposes. Underlying Mr. Price's rehearing testimony, is his presumption that the Commission does not have this right and authority. Under Mr. Price's line of reasoning, the Commission would have no right and no authority to disallow any investment from rate base or to disallow any expense actually made by the utility. In other words, Mr. Price would have the Commission believe that existence justifies recovery and therefore disallowance is precluded. We all know that this is not the case.

I would agree with Mr. Price that ".... Almost without exception, group or composite accounting for utility property is followed by all utility companies." I believe that Mr. Price would also agree that group or composite accounting is not utilized exclusively by these same utilities and that, indeed, it is common practice for utilities to separately identify large assets for rate base investment and depreciation purposes. For example, all major electric utilities are required by FERC to maintain their production plant investment in sufficient detail to segregate individual generating stations into separate plant subaccounts. This reporting requirement, as a practical matter, is substantially more detailed than the FERC functional classification requirement cited by Mr. Price on page 10 of his testimony.

It is clear that Mr. Price's statement on page 9 of his testimony, that "The FERC Uniform System of Accounts, as adopted by this Commission, is based on group or composite, accounting" is either intentionally or unintentionally incomplete. The FERC Uniform System of Accounts provides for both specific asset or composite accounting. To even suggest that the FERC Uniform System of Accounts is ".... predicated on composite or group depreciation accounting." (page 12 of Mr. Price's testimony) to the exclusion of specific asset accounting is preposterous.

Q. On page 12-13 of his testimony, Mr. Price states what he believes are the FERC "requirements" for maintaining accumulated depreciation balances. Do you have any comments?

A. Yes. Once again, Mr. Price either intentionally misrepresented FERC accounting requirements. The requirements he refers to are actually minimum FERC reporting requirements. Clearly, nothing precludes the Company from either 1) maintaining separate balances at levels below the functional basis or 2) identifying and segregating assets or groups of assets and their costs from aggregate functional plant or accumulated depreciation accounts.

In fact, instructions 1-5 included in Paragraph 17,501 of the FERC Accounting and Reporting Requirements for Public Utilities and Licensees specifically provides that:

> **"The list of [retirement] units may be expanded by any utility without other authorization from this Commission, but it shall not be condensed."**

Of course, Mr. Price has conveniently not cited these instructions because they do not comport with the incorrect impression he wishes to provide the Commission. My Exhibit ____(LK-3) provides a complete copy of Paragraph 17,501 of the FERC instructions.

Q. **Please summarize your conclusions regarding Mr. Price's assertions that the use of composite (group) depreciation accounting precludes the KPSC from separately identifying assets and treating them separately for ratemaking purposes.**

A. To summarize, Mr. Price improperly asserts that GAAP, the FERC Uniform System of Accounts, and industry practice all lead to the conclusion that the Commission cannot separately identify assets or groups of assets for specific ratemaking treatment. His assertions are obviously incorrect. Many utilities, if not most, utilize specific asset accounting for certain assets. Therefore this assertion of Mr. Price is also totally irrelevant.

What is relevant is the fact that the costs of certain assets, whether originally separately identified or included in a group, can be determined. After all, there is no question that LG&E has provided separate cost information for the SDRS equipment and underground gas fields in response to Commission Staff data requests even though they currently account for the depreciation of these assets on a composite basis.

Q. If the costs of certain assets can be determined and segregated from the composite group, and there is no GAAP, FERC or other accounting prohibition against specific asset accounting. and the issue of extraordinary versus ordinary is totally irrelevant, what "accounting" arguments does Mr. Price have left?

A. None. The fundamental concern of LG&E is the loss of return on the excluded SDRS equipment and underground gas fields rate base investment. The accounting issues raised by Mr. Price are irrelevant and, in any event, should not dictate Commission policy with respect to these retirements.

Q. What is your recommendation to the Commission with respect to the premature retirements of these assets?

A. I urge the Commission to uphold their well established right and authority to determine regulatory policy by affirming their Case No. 10064 decision with respect to the retirements of certain SDRS equipment and underground gas fields. In no event should an accountant's flawed interpretations of GAAP, FERC accounting requirements or misrepresentations as to their application drive the Commission's policy decisions.

Interest Expense

Q. Please summarize Mr. Fowler's concerns with the level of interest expense recovery allowed by the Commission in its Order in this case.

A. Mr. Fowler believes the Commission has not provided for $505,764 of interest expense in its allowed revenue recovery consisting of the following items:

Interest on Customer Deposits	$104,441
Interest on Federal Tax Deficiencies	384,831
Interest on Other Tax Deficiencies	2,537
Interest on Gas Refunds	6,095
Interest on Deferred Compensation	7,860
	$505,764

Q. Do you agree that the Commission has not provided for full recovery of interest expense?

A. No. I believe that Mr. Fowler's computations are probably mathematically correct. However, he fails to acknowledge LG&E's excessive capitalization and its associated interest costs supporting $61.2 million in short-term investments at test year end. Even if rate base is not reduced to correct for the excessive amount of working capital proposed and included by LG&E,

capitalization exceeds rate base by some $4.5 million. Imputing an interest related "overrecovery" at 10% would equal $450,000, almost enough to completely compensate for Mr. Fowler's purported $505,764 underrecovery.

If rate base is reduced to correct for the excessive amount of working capital proposed by LG&E, and capitalization and the associated return are reduced on a proportional basis, it is clear that the Company is significantly overrecoverying on all return components, including its interest expense.

Consequently, I believe that the Commission has already provided for substantially more than full recovery of interest expense. I would urge the Commission to reject the Company's request for any increases in revenue for this item.

Q. Does this conclude your testimony?

A. Yes.

Lane Kollen

Lane Kollen

State of Georgia
County of Gwinnett

Subscribed and sworn to before me, a notory public in and for the State and County aforesaid.

My commission expires:

MY COMMISSION EXPIRES MAY 5, 1992

This 9th day of September 1988.

Pamela J. Jarrett

BEFORE THE

KENTUCKY PUBLIC SERVICE COMMISSION

LOUISVILLE GAS AND ELECTRIC COMPANY

IN THE MATTER OF:

General Adjustments in	)	
Electric and Gas Rates	)	CASE NO. 10064
of Louisville Gas and	)	
Electric Company	)	

EXHIBITS

OF

LANE KOLLEN

Kennedy and Associates
Atlanta, Georgia

September 1988

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
PENNSYLVANIA POWER & LIGHT COMPANY	(1) ☒ An Original (2) ☐ A Resubmission		Dec. 31, 1983

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182)

Line No.	Description of Property Abandoned or Extraordinary Loss Suffered *[Include in the description the date of abandonment or loss, the date of Commission authorization to use Account 182, and period of amortization (mo, yr to mo, yr).]* (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR: Account Charged (d)	WRITTEN OFF DURING YEAR: Amount (e)	Balance at End of Year (f)
1	Abnormal early abandonment of Manor Coal Plant					
2	as of December 31, 1973. Loss is being					
3	amortized over a period of ten years (January					
4	1974 to December 1983). Accounting authorized					
5	by the Federal Power Commission on April 4,					
6	1974 and by the Pennsylvania Public Utility					
7	Commission on April 18, 1974.	$3,142,983	$ -	407	$335,412	$ -
8						
9	Abandonment of Stony Creek Project, including					
10	disposition of lands, as of April 27, 1981. Loss					
11	is being amortized over a period of five years					
12	(January 1982 to December 1986). Accounting					
13	authorized by the Federal Energy Regulatory					
14	Commission on July 31, 1981 and by the Penn-					
15	sylvania Public Utility Commission by order					
16	entered on August 22, 1983.	2,013,083	-	407	402,612	1,207,836
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51	TOTAL	$5,156,066	-		$738,024	$1,207,836

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
THE CONNECTICUT LIGHT AND POWER COMPANY	(1) ☒ An Original (2) ☐ A Resubmission		Dec. 31, 1984

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss *(Include in the description the date of loss, the date of Commission authorization to use (Account 182.1 and period of amortization (mo, yr to mo, yr).)* (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5	NONE					
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs *(Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr to mo, yr.))* (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21	Unrecovered retail costs associated with					
22	the Montague Project. The period of amorti-					
23	zation is 12/81 through 11/84. Commission					
24	authorization approved 6/12/82.	20,743,417*		407	5,292,000	-
25						
26						
27	Unrecovered wholesale costs associated with					
28	the Montague Project. The period of amorti-					
29	zation is 1/83 through 5/85. Commission					
30	authorization approved 6/12/82.	1,353,475**		407	208,980	87,075
31						
32						
33	Retail portion of the suitability site study					
34	associated with the Montague Project. The					
35	period of amortization is 1/84 through					
36	12/86. Commission authorization approved					
37	12/8/83.	1,535,579		407	511,859	1,023,720
38						
39	Wholesale portion of the suitability site					
40	study associated with the Montague Project.					
41	The period of amortization is 1/84 through					
42	5/85.					
43		100,278		407	70,783	29,495
44						
45	Unrecovered costs associated with the					
46	retirement of Tracy Unit No. 10. The period					
47	of amortization is 12/81 through 11/86.					
48	Commission authorization approved 6/12/82.	827,134		407	125,400	408,384
49	*Amount recoverable in base rates-$16,456,160					
50	**Amount recoverable in base rates-$1,085,042					
51	TOTAL	24,559,883			6,209,022	1,548,674

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
PHILADELPHIA ELECTRIC COMPANY	(1) ☐ An Original (2) ☐ A Resubmission		Dec. 31, 19 83

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182)

Line No.	Description of Property Abandoned or Extraordinary Loss Suffered *[Include in the description the date of abandonment or loss, the date of Commission authorization to use Account 182, and period of amortization (mo, yr to mo, yr).]* (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2	Unrecovered cost of Manufactured					
3	Gas Production Plant:					
4	(Tilghman Street & West Conshohocken					
5	Gas Plant)	5,747,000	—	G 407	821,000	4,926,000
6						
7	Date of Abandonment or Loss 1/1/80					
8	Date of Commission Authorization					
9	to use Account 182: 5/1/80					
10	Period of Amortization: 10 years					
11	January 1980 to December 1989					
12						
13						
14	Unrecovered cost of Electric Steam					
15	Production Plant					
16	Barbadoes 3 & 4 and Richmond 12	3,306,548	—	E 407	2,349,000	957,548
17	Date of Abandonment or Lost 1/1/81					
18	Date of Commission Authorization					
19	to use Account 182; 3/9/81					
20	Period of Amortization: 3.3 years					
21	January 1981 to April 1984					
22						
23	Chester 5 & 6 and Barbadoes 6 & 7	1,537,045	113,734	E 407	432,000	1,218,779
24	Date of Abandonment or Loss 5/81					
25	Date of Commission Authorization					
26	to use Account 182: 12/4/81					
27	Period of Amortization: 5 years					
28	May 1981 to April 1986					
29						
30	Schuylkill Station - Boiler #23 and					
31	waste water treatment plant					
32	Date of Abandonment or Loss 12/83					
33	Date of Commission Authorization					
34	to use 182 Account: 11/14/83	—	6,233,378	E 407	103,890	6,129,488
35	Period of Amortization 5 years					
36	December 1983 to November 1988					
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51	TOTAL	10,590,593	6,347,112		3,705,890	13,231,815

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Gulf States Utilities Company	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 1986

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21	Cancelled Nuclear					
22	Units (1)	25,331,702		407	1,209,336	3,628,004
23						
24	Cancelled Nuclear					
25	Unit (2)	130,953,557	434,229	407	4,094,456	121,498,141
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL	156,285,259	434,229		5,303,792	125,126,145

TAMPA ELECTRIC COMPANY
THIS REPORT IS AN ORIGINAL
YEAR OF REPORT - DECEMBER 31, 1986

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (include in the description, the date of loss, date of commission authorization to use Account 182.1, and period of amortization (mo,yr to mo,yr) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR: Account Charged (d)	WRITTEN OFF DURING YEAR: Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	(Lines 13 thru 19 not used)					
20	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization(mo,yr to mo,yr). (a)	Total Amount of Charges (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR: Account Charged (d)	WRITTEN OFF DURING YEAR: Amount (e)	Balance at End of Year (f)
21	Port Manatee Site. Preliminary Engi-					
22	neering and Environmental studies.					
23	FERC approval for the amortization of					
24	this cost over a five-year period was					
25	dated March 7, 1984. The amortization					
26	period is 1/1/83 through 12/31/87.	6,605,550	0	407	1,272,000	1,270,921
27						
28	The Cost of Plant disallowed in plant					
29	in service by FPSC in Order #15451,					
30	Docket #850050 EI, issued 12/13/85.					
31	The amortization period is 12/85					
32	through 11/90. FERC authorization was					
33	approved by a letter dated 2/28/86.	3,361,552	0	407	672,408	2,633,110
34						
35						
36						
37	(Lines 38 thru 48 not used)					
49	TOTAL	9,967,102	0		1,944,408	3,904,031

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
ORANGE AND ROCKLAND UTILITIES, INC.	(1) ☒ An Original (2) ☐ A Resubmission		Dec. 31, 19 84

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (Include in the description the date of loss, the date of Commission authorization to use (Account 182.1 and period of amortization (mo, yr to mo, yr).) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance End of Year (f)
1	(A) 138KV Submarine Cable Tie Line					
2	between Lovett Plant and Con					
3	Edison Buchanan Substation	771,131		407	51,410	-
6	(B) Sterling Nuclear Project (includes					
7	Nuclear Fuel) Transferred to					
8	Deferred Debits on 4/30/82,	44,469,454				
9	Less: Subsidiary share	10,650,949				
11	Add.charges since transfer 1982	2,510,692				
12	1983	7,234,367				
13	1984	157,456	157,456	407	1,965,422	
14		43,721,020	157,456		1,965,422	36,685,577
20	TOTAL	44,492,151	157,456		2,016,832	36,685,577

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr to mo, yr.)) (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21	None					
51	TOTAL					

Notes to Account 182.1

(A) Approved by the New York State Public Service Commission Case No. 9187 dated October 8, 1974 to be amortized over a ten year period commencing September 1, 1974.

(B) Pursuant to an order of the Federal Energy Regulatory Commission dated April 8, 1982, costs associated with the project were transferred from Construction Work in Progress to Extraordinary Property Losses. Amortization of audited project expenditures over a ten year period commenced November 26, 1982, pursuant to an order of the New York State Public Service Commission dated November 23, 1982 in Case No. 27909. See Note 3 of Notes to Financial Statements on Page 122 of this report.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
The Cleveland Electric Illuminating Company	(1) X An Original (2) _ A Resubmission		Dec. 31, 1987

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
6						
7						
8			None			
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21						
22	Termination of plans	62,273,411	--	407	8,700,324	29,001,080
23	to construct four					
24	nuclear generating					
25	units. (Davis-Besse					
26	Units 2 and 3) (Erie					
27	Units 1 and 2)					
28						
29	Use of this account					
30	was authorized by					
31	letter from FERC on					
32	April 14, 1980, and					
33	amended by letters					
34	from FERC on July 10,					
35	1980, July 7, 1982,					
36	August 13, 1982,					
37	February 9, 1983, and					
38	January 20, 1984.					
39						
40						
41	Costs associated with					
42	terminated nuclear					
43	generating units are					
44	being amortized over					
45	a 60-month period					
46	beginning May 1, 1986.					
47						
48						
49	TOTAL	62,273,411	--		8,700,324	29,001,080

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
THE TOLEDO EDISON COMPANY	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 1985

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1	Cancelled Generating Projects*					
2	Beginning Balance	32,775,416				
3						
4						
5	Transfer of construction costs					
6	associated with the cancelled					
7	jointly owned units			142	(1,071)	
8						
9						
10	Amortization			407	5,184,000	
11						
12						
13						
14						
15	* In January, 1980, the Davis-Besse Units 2 & 3 and Erie Units 1 & 2 were cancelled. In April, 1980, the Commission					
16	authorized the use of Account 182 to record the costs associated with these units. The amortization period for					
17	these costs is April 1, 1981 to April 1, 1991.					
18						
19						
20	TOTAL	32,775,416	—		5,182,929	27,592,487

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2, and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
ORANGE AND ROCKLAND UTILITIES, INC.	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 1984

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Gas Adjustment Clause					
2	Undercollection (a)	7,088,445	16,726,025	242	15,920,860	
3				804	1,959,468	
4				805	25,916	5,908,226
5						
6						
7						
8	Deferred Electric Fuel					
9	Costs (b)	3,922,077	8,986,348	501	9,021,376	
10				536	160,382	
11				547	41,279	
12				555	3,406,792	278,596
13						
14						
15	Temporary Metropolitan (c)	3,452,994	2,877,513	131	55,255	
16	Transportation Sur-			184	44	
17	charge Tax			408	2,901,849	3,373,359
18						
19	Insulation audits (d)	1,102,335	322,465	930	219,420	1,205,380
20						
21	Cooling Tower Costs (e)	918,267		506	115,991	802,276
22						
23	Property Tax (f)	330,674	370,231	408	464,834	236,071
24						
25	Deferred Payroll Re-					
26	conciliation (g)	327,651	193,179	922	369,768	151,062
27						
28	Joint Venture	–	133,020	146	115,501	17,519
29						
30	Tariff No. 30 (i)	–	193,119	253	7,983	185,136
31						
32	PSC Management Audit (j)	–	177,854			177,854
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc Work in Progress	932,444				1,351,508
48	DEFERRED REGULATORY COMMISSION EXPENSES *(See pages 350-351)* (h)	263,552	3,380	928	187,466	79,466
49	TOTAL	18,338,439				13,766,453

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
PENNSYLVANIA POWER & LIGHT COMPANY	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 19 83

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Deferred Susquehanna Unit 1 Costs	$ 0	$51,037,666			$51,037,666
2						
3	Adjustment of Employee Stock Owner-	0	4,878,477			4,878,477
4	ship Plan investment tax credits due					
5	to the carryback to prior years of					
6	the 1982 net operating loss and final					
7	settlements of federal income tax					
8	liability for the years 1973-1976					
9						
10	Unamortized lease improvements -	1,803,114	259,368	107	$ 339,543	1,502,499
11	various amortization periods from			184	138,618	
12	one to twenty years			232	7	
13				401	81,815	
14						
15	Interest on commercial paper	612,543	14,983,013	431	14,705,723	889,833
16						
17	Various items tentatively deferred	62,704	669,755	Various	495,123	237,336
18	pending determination of proper					
19	accounting					
20						
21	Payroll accrual	104,076	281,824	Various	204,624	181,276
22						
23	Leased nuclear fuel - financing	0	4,219,769	401	4,089,451	130,318
24	charges on fuel in reactor					
25						
26	Amortization of management fee for	0	132,632	431	29,145	103,487
27	revolving credit agreement -					
28	amortized over a period through					
29	February, 1990					
30						
31	Susquehanna SES maintenance, repair	0	89,944			89,944
32	and renovation contract with					
33	Catalytic					
34						
35	Compensation for loss of energy	105,300	316,229	143	337,529	84,000
36	output and demand value of					
37	Holtwood HES (Conowingo back-					
38	water agreement)					
39						
40	Leased nuclear fuel-trustee, letter of	0	342,709	401	282,118	60,591
41	credit and commitment fees related					
42	to fuel in reactor					
43						
44						
45						
46						
47	Misc. Work in Progress					
48	DEFERRED REGULATORY COMMISSION EXPENSES *(See pages 350-351)*					
49	TOTAL					

Name of Respondent	This Report Is:	Date of Report	Year of Report
THE CONNECTICUT LIGHT AND POWER COMPANY	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr)	Dec. 31, 19 84

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Deferred Electric Fuel Costs	23,926,375	49,886,106	501	9,390,797	64,421,684
2	Deferred Firm and OFF Peak					
3	Purchased Gas Costs	(1,498,928)	6,292,849	804	4,904,302	(110,381)
4	Software Expenses	197,915	444,534	923	629,605	12,844
5	Sales Promotion Expenses					
6	(10-Year Amortization)	716	-	916	716	-
7	Deferred Electric Fuel Expense					
8	GUAC - Current	38,699,888	13,834,996	501	52,534,884	-
9	Millstone Unit #1 (Abnormal-					
10	Outage) (3-Year Amortization)	3,708,243	-	Various	3,708,243	-
11	Financing Expense	384,561	873,673	181	1,082,354	175,880
12	Vacation Advances	27,121	529,512	242	526,060	30,573
13	OCA Collections, Net	3,078,723	7,729,935	142	6,572,522	4,236,136
14						
15	CR&L Lease Termination	1,607,414	-	588-880	234,029	1,373,385
16	Liquified Petroleum and Natural					
17	Gas Trailer Expenses	9,262	63,679	728-729	72,925	16
18	Gas Storage Costs	27,808	272,576	Various	273,870	26,514
19	Millstone Unit #3 Shared Trans-					
20	mission Supplemental Agreement	124,676	20,432,772	Various	20,201,335	356,113
21	Hydro Quebec Interconnect Supp-					
22	lemental Agreement	242,516	-	Various	-	242,516
23	Stamford South End Property					
24	Project	167,830	23,090	-	-	190,920
25	Millstone Unit #1 Unrecovered					
26	Spent Fuel Disposal Costs	14,305,112	-	224	4,140,415	10,164,697
27	Millstone Unit #2 Unrecovered					
28	Spent Fuel Disposal Costs	4,690,812	-	224	2,554,843	2,135,969
29	Reacquired Preferred Stock (1)	43,880	1,082,506	217	1,126,386	-
30	Reacquired Bonds	-	434,000	222	434,000	-
31						
32	Minor Items (21)	59,559	1,026,220	Various	1,067,151	18,628
33						
34						
35						
36	(1) Restatement of Reacquired Preferred Stock					
37	previously classified as financing expenses.					
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	2,699,998				258,267
48	DEFERRED REGULATORY COMMISSION EXPENSES *(See pages 350-351)*	(28,651)	54,222	Various	25,571	-
49	TOTAL	92,474,830				83,533,761

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
PHILADELPHIA ELECTRIC COMPANY	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 19 83

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Intercompany Billing in Progress	241,350	1,698,403	146	1,888,055	51,698
2						
3	Jointly Owned Station Expenses	249,257	3,022,982	183	172,833	
4				232	31,784	
5				253	11,474	
6				255	35,043	
7				282	37,678	
8				421	10,526	
9				431	3,837	
10				439	81,253	
11				923	22,002	
12				926	2,531,149	
13				954	9,704	
14				G 926	253,001	
15				S 926	71,388	567
16						
17	Pioneer Uravan Project Advances	-	9,106,281	-	-	9,106,281
18						
19	Schuylkill Station Reverse					
20	Osmosis Facilities Losses	-	1,347,641	-	-	1,347,641
21						
22	Pennsylvania Sales Tax			142	38,193	
23	Uncollectible from Customers	164,178	169,924	131	159,755	136,154
24						
25	Peach Bottom Nuclear Station					
26	Transactions Deferred	232,885	1,072,268	232	1,103,732	201,421
27						
28	Salem Station Turbine Blade					
29	Repairs-Units #1 and #2	373,989	-	531	373,989	-
30						
31	Chester Station-Abandoned					
32	Engineering	288,348	-	500	192,660	95,688
33						
34	Abandoned Engineering Charges	-	1,529,111	107	44,558	
35				Various		
36				Electric		
37				Operating and		
38				Maintenance		
39				Expenses-500's	1,478,966	
40				930	3,392	
41				G 807	11,373	(9,178)
42						
43	Bechtel Advances-Peach Bottom	275,588	235,539	107	702,551	(191,424)
44						
45	Simulator Training Center	880,632	883,396	107	753,909	1,010,119
46						
47	Misc. Work in Progress					
48	DEFERRED REGULATORY COMMISSION EXPENSES *(See pages 350-351)*					
49	TOTAL					

Name of Respondent	This Report Is:	Date of Report	Year of Report
PHILADELPHIA ELECTRIC COMPANY	(1) ☒ An Original (2) ☐ A Resubmission	(Mo, Da, Yr)	Dec. 31, 19 83

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1						
2	Salem Station Advance-Net					
3	of Fuel Costs Billed to					
4	Phila. Salem Fuel Corp.	781,527	36,492,773	143	30,915,187	6,359,113
5						
6	Eddystone Units #1 & #2					
7	Particulate & SO_2 Removal					
8	Equipment	-	6,118,490	107	4,843,828	
9				512	1,093,448	181,214
10						
11	Mergentime Corporation	-	1,540,610	-	-	1,540,610
12						
13	Billing Jobs in Progress	2,635,107	1,383,198	131	89,139	
14				143	48,330	
15				E 415	29,740	
16				E 416	544,956	
17				G 416	246,176	
18				512	19	
19				544	51,377	3,008,568
20						
21	Deferred SO_2 and MGo					
22	Expenses	100,100	37,799,471	174	16,044,825	
23				232	89,430	
24				500	258,684	
25				502	10,248,279	
26				940	11,258,353	-
27						
28	Spent Nuclear Fuel	-	37,965,782	128	150,248	
29	(Pre April 7, 1983)			518	13,838,776	23,976,758
30						
31	Miscellaneous (3 Items)	455	97,996	Various	63,235	35,216
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	-				-
48	DEFERRED REGULATORY COMMISSION EXPENSES *(See pages 350-351)*	-	-	-	-	-
49	TOTAL	6,223,416				46,850,446

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Gulf States Utilities Company	(1) ☒ An Original (2) ☐ A Resubmission		Dec. 31, 1986

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS: Account Charged (d)	CREDITS: Amount (e)	Balance at End of Year (f)
1	Toledo Bend Dam Expenses	752,322	1,522,554	Various	1,358,482	916,394
2	Dividends Overs & Shorts	63,825	35,237	143	31,263	67,799
3	Cogeneration Costs	561,495	430,403	165	218,074	773,824
4	Federal Tax Deposit					
5	Penalties	73,044	-		-	73,044
6	Fuel Over/Under Recovery	(20,072,562)	44,524,060	501&555	57,894,397	(33,442,899)
7	Sales Tax--Coal Car Lease	831,169	-	151	51,413	779,756
8	Stauffer Chemical Law-					
9	suit	378,274	154		-	378,428
10	Deferred Fee--River Bend					
11	2	343,333	-	-	-	343,333
12	Prepaid Pension Asset	-	2,639,805	-	-	2,639,805
13	Accounts Receivable					
14	Merchandise--Vouchers	41,461	1,589,134	143	1,768,041	(137,445)
15	River Bend Deferred					
16	Operating Costs	-	363,717,770	Various	42,262,056	321,455,714
17	Minor Items	9,956,136	-	-	-	65,261
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	1,047,119				3,460,382
48	DEFERRED REGULATORY COMM. EXPENSES (See pages 350-351)					
49	TOTAL	(6,024,384)				297,373,396

TAMPA ELECTRIC COMPANY
THIS REPORT IS AN ORIGINAL
YEAR OF REPORT - DECEMBER 31, 1986

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amount less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscelleanous Deferred Debt (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance At End of Year (f)
1	Reclassifications	3,064		186	3,064	-
2	Accounts Payable Transactions					
3	Pending Distribution	113	29,140	186	6,748	22,505
4	Electromagnetic Fields	-	58,522			58,522
5	Amortization IBM					
6	Computer Loss	107,499		921	56,087	51,412
7	Polychlorinated Biphenyl					
8	Mgt Program	47,626		588	47,626	-
9	Dir Cntrl Load Mgt Prog Equip	20,912		908	20,912	-
10	Pyramid Suit-Legal Expense	90,371		923	90,371	-
11	Undistributed Payroll	133,026	3,384,014	Various	3,318,987	198,053
12	Storage Water Heat Equipment	4,239,286	2,584,786	908	1,383,675	5,440,397
13	Comm/Ind Load Mgt	403,818	31,869	908	100,974	334,713
14	McNally/Pittsburg Litigation	904		107	904	-
15	BB4 FGD Sys Past Warranty	-	2,446,686			2,446,686
16	BB4 FGD Inlet Duct	-	95			95
17	BB4 FGD Line Pressure Relief	-	3,313			3,313
18	Dir Cntrl Load Mgt Residential	234,246		908	115,636	118,610
19	BB4 FGD Design/Instl Fine Mesh	-	16			16
20	BB4 FGD-Bypass Reheat to Mix	-	1,058			1,058
21	BB4 FGD Reheat Steam Tube Bndl	-	98			98
22	BB4 FGD-Quencher Agitator	-	40			40
23	BB4 FGD - Inlet Transition	-	1,287			1,287
24	BB4 FGD/R-C Future Warrenty	-	127,867			127,867
25	BB4 FGD Sys Litigation Cost	-	4,087			4,087
26	Lakeland Elec Utility Eval	-	240,167	146	240,167	-
27	Deferred Conservation Costs	2,171,465		908	682,816	1,488,649
28	Deferred Fuel Costs	13,299,049	174,221	557	13,473,270	-
29						
30						
31						
32						
33						
34						
35	(Lines 36 thru 46 not used)					
47	Misc. Work in Progress	546,512	1,423,819	186	1,085,151	885,180
48	DEFERRED REGULATORY COMM. EXPENSES (See pages 350-351)					
49	TOTAL	21,297,891	10,511,085		20,626,388	11,182,588

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Louisville Gas and Electric Company	(1) [X] An Original (2) [ ] A Resubmission		Dec. 31, 1986

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Additional license fee for					
2	the Ohio Falls Hydroelectric					
3	Plant (1)	1 836 408		540	92 592	1 743 816
4						
5	Expense in connection with					
6	pollution control					
7	financing	1 607	17 790	921	198	
8				923	19 199	-
9						
10	Management Audit Fee (2)	371 983	210 017			582 000
11						
12	Gas Supply Cost Adjustments -					
13	Underbillings collectible					
14	from customers	1 243 840	2 067 375	803	1 492 570	1 818 645
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26	(1) In process of amortization over the life of the license which expires November 10, 2005.					
27	(2) This amount is expected to be recovered through future rates.					
28	Does not include items charged and cleared (over a short period of time) within the year.					
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	DEFERRED REGULATORY COMM. EXPENSES (See pages 350-351)					
49	TOTAL	3 453 838	2 295 182		1 604 559	4 144 461

Name of Respondent	This Report Is:	Date of Report	Year of Report
The Cleveland Electric Illuminating Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr)	Dec. 31, 19 87

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Employee Relocation					
2	Activity	342,187	131,864	107	102,055	371,996
3	Proposed Transmission					
4	Line Professional					
5	Services	234,811	--	--	--	234,811
6	Billable Engineering					
7	Services	185,914	--	--	--	185,914
8	Materials Storage Study	109,000	--	--	--	109,000
9	Independence Office					
10	Building Furnishings	146,416	4,833	--	314	150,935
11	Billable Items to Parent	944,466	12,636,574	--	12,940,178	640,862
12	PIP Arrearages	147,359	442,077	--	584,736	4,700
13	Labor & Charges Associated					
14	with AVA Phase III	--	208,162		34,797	173,365
15	Joint Plant Activity	9,826,909	205,987,563	--	192,158,882	23,655,590
16	CAPCO Billable Items	5,721,220	11,109,188	--	15,048,105	1,782,303
17	Affiliation Costs	9,317,780	93,187	--	45,500	9,365,467
18	Deferred Fuel Expense	(8,349,236)	36,374,119	557	53,483,008	(25,458,125)
19	Financing Related Costs	1,759,379	22,437,992	--	21,003,744	3,193,627
20	Deferred Depreciation					
21	on Davis-Besse and					
22	Beaver Valley	12,579,513	--	406	566,719	12,012,794
23	Nuclear Fuel Expense					
24	Other Than Disposal					
25	and Storage	5,339,596	4,217,999	--	1,944,842	7,612,753
26	Nuclear Fuel Disposal					
27	Costs Spent	522,728	--	518	436,980	85,748
28	Nuclear Fuel Storage					
29	Costs Spent	14,072,710	254,039	--	1,789,342	12,537,407
30	Beaver Valley #2					
31	Deferrals (PUCO)	--	6,306,209	--	--	6,306,209
32	Perry #1 Deferrals (PUCO)	--	42,932,779	--	--	42,932,779
33	Beaver Valley #2 Common					
34	Facilities Carrying					
35	Charges in Lieu of					
36	AFUDC (FERC)	11,368,541	4,380,622	--	339,930	15,409,233
37	Perry #1 and Beaver					
38	Valley #2 Year-End					
39	Reclassification					
40	Adjustment	--	9,778,562	--	9,995,635	(217,073)
41	Miscellaneous 1987 Activity					
42	13 Items - Beginning of Year					
43	14 Items - End of Year	97,649	2,590,203	Various	2,574,256	113,596
44						
45						
46						
47	Misc. Work in Progress	(28,372)	3,509,326	--	3,502,215	(21,261)
48	DEFERRED REGULATORY COMM. EXPENSES (See pages 350-351)					
49	TOTAL	64,338,570	363,395,298		315,551,238	111,182,630

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
THE TOLEDO EDISON COMPANY	(1) ☒ An Original (2) ☐ A Resubmission		Dec. 31, 19 85

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Property Taxes Suspended	$20,510,000	$23,591,903	408	$22,052,573	$22,049,330
2						
3	Financing Expenses					
4						
5	Preferred Stock	–	122,005	214	24,235	97,770
6	Notes	15,011	137,553	181	56,472	96,092
7	Dividend Reinvestment Plan	–	202,565	214	202,565	–
8	Common Stock	–	148,404	214	148,404	–
9	Bond Issues	–	74,965	181	74,965	–
10						
11	Deferred Pollution Controls	–	907,617	181	907,617	–
12	Facilities					
13						
14	Deferred Nuclear Fuel	366	694	–	–	1,060
15						
16	Deferred Holding Company Costs	–	1,779,864	–	–	1,779,864
17						
18	Deferred Nuclear Fuel					
19	Disposal Costs related	3,933,719	5,138,774	518	1,299,792	7,772,701
20	to Davis-Besse generation					
21	prior to 4/7/83					
22						
23	Deferred Davis-Besse configuration	–	504,558	143	259,242	245,316
24	management costs					
25	Reclassify Deferred Fuel Costs	–	9,710,477	518	–	9,710,477
26	to be consisten with					
27	Cleveland Electric Illuminating					
28	Company					
29						
30	Beaver Valley Carrying Costs	3,999,030	2,840,732	–	–	6,839,762
31						
32	Deferred Costs, Gas System	1,338	1,623	421	7,211	(4,250)
33						
34	Davis-Besse No. 1 Property Taxes	–	480,527	518	480,527	–
35						
36	Deferred Percentage of Income	–	570,000	144	570,000	–
37	Plan Receivables					
38						
39	Deferred Quarto Coal Costs	6,137,794	–	501	6,137,794	–
40						
41	Deferred Costs - Davis-Besse	6,299	–	107	6,299	–
42	Reactor Vessel Internal Bolts					
43	Deferred Administrative System	2,571,200	3,304,132	143	913,984	
44	Costs			524	195,417	
45				920	66,062	
46				923	115,641	4,584,228
47	Misc. Work in Progress					
48	DEFERRED REGULATORY COMM. EXPENSES *(See pages 350-351)*	50,328	29,893	928	58,183	22,038
49	TOTAL	37,225,085	49,546,286	–	33,576,983	53,194,388

Part 116—Units of Property for Use in Accounting For Additions and Retirements of Electric Plant

[¶ 17,500]

AUTHORITY: Department of Energy Organization Act, 42 U.S.C. 7102-7352 (1982); Executive Order 12,009, 3 CFR 142 (1978); Federal Power Act, 16 U.S.C. 791a-828c (1982); Public Utility Regulatory Policies Act, 16 U.S.C. 2601-2645 (1982), unless otherwise noted.

SOURCE: Order 235, 26 FR 9887, Oct. 21, 1961; Order 390, 49 F.R. 32496 (August 14, 1984).

Instructions

[¶ 17,501]

1. The retirement units listed herein are prescribed and are to be accounted for in accordance with Electric Plant Instruction 10, Additions and Retirements of Electric Plant, of the Uniform System of Accounts Prescribed for Public Utilities and Licensees.

2. The list of units may be expanded by any utility without other authorization from this Commission, but it shall not be condensed. This, the retirement units listed herein are of maximum size and while a subdivision thereof, or the addition of other units, is permitted, the combination or the increase in size of such units is not permitted without the approval of the Commission.

3. Whenever appropriate, the retirement of any unit of property in the structures or equipment account shall include all costs of associated items which pertain solely to that unit, such as the cost of foundations, supports, ladders, runways, enclosures, guards, driving mechanisms, indicating, recording, and measuring devices with their mountings, starting, control, regulating, protective, and safety devices, switchboards, special lighting conduits and wiring, pipes, ducts, spouts, chutes, hoppers, etc.

4. The appearance of a retirement unit under an account warrants the inclusion of the unit in the account mentioned only when the text of the account also indicates the inclusion as the same unit frequently appears under more than one account.

The omission of an item from the list in an account or its inclusion in a functional system does not preclude its treatment as a retirement unit if it is relatively costly and not an integral part of a larger retirement unit. The list of General Retirement Units, instruction 6 below, should be read in connection with the lists under the respective accounts since in some cases retirement units have not been separately listed because they appear in the List of General Retirement Units and are common to more than one account. Likewise the List of General Retirement Units and these instructions should be considered in connection with listed retirement units designated as "system," etc. In these cases, particularly if "system," etc., be extensive, a component of such system, such as a relative costly piece of apparatus not an integral part of a larger retirement unit, or a unit specified in the List of General Retirement Units, should be separately treated as a retirement unit.

5. It is contemplated that the list of units contained herein will be revised and amended from time to time as experience and conditions warrant.

6. List of General Retirement Units:

In all accounts where they occur, the following shall be considered a retirement unit, if relatively costly and not an integral part of the retirement unit specifically listed.

The term "relatively costly" applies to the relationship of the cost of the item to the cost of other items in that particular account of sub-account for the particular station or plant.

(a) Assembly for two or more retirement units.

(b) Blower or fan.

(c) Control installation, automatic, semi-automatic, or remote (such as, pressure, voltage, current, speed, level, weight and volume regulators).

(d) Coupling device, i.e., speed reducer, speed increaser, clutch coupling, etc.

(e) Driving unit, i.e., prime mover, motor, gas engine, etc.

(f) Enclosure for two or more retirement units (fence, guard, railing, etc.).

(g) Foundation for a unit of equipment, when not an integral part of the building and its usefulness is not intended to outlast the equipment for which provided.

(h) Instrument or device for indicating measuring, recording or weighing.

(i) Instrument transformer.

(j) Landscaping (complete at one location).

(k) Plant piping (non-nuclear), a run of any system (gas, oil, steam, water, etc.), 6 inches or over in size, with or without valves, between two or more retirement units of property, and/or a header. (See Note A and Item 17.)

(l) Piping header, 6 inches or over in size, with or without valves or blocking. (See Note A and Item 17.)

(m) Platforms, ladders, stairs, runways (complete section).

(n) Pump.

(o) Road, walk, parking lot, etc.

(p) Tank, vessel, etc.

(q) Valve, power operated, pressure reducing, atmospheric relief, or relatively costly valve.

NOTE A: Whenever appropriate, the "piping" costs of additions and retirements shall include all costs for pipes, valves, fittings, specials, covering, hangers, supports, etc., pertaining to the run or header in question.

 [The next page is 12,311.]