GENERAL
PUBLIC
UTILITIES
CORPORATION



Profile

People serving people. GPU is comprised of talented people who are dedicated not only to providing quality electric service but also to improving the quality of life through their individual and collective participation in community affairs. GPU believes its participation in the community is a good investment-an investment that will yield growth for individuals, businesses and society alike.

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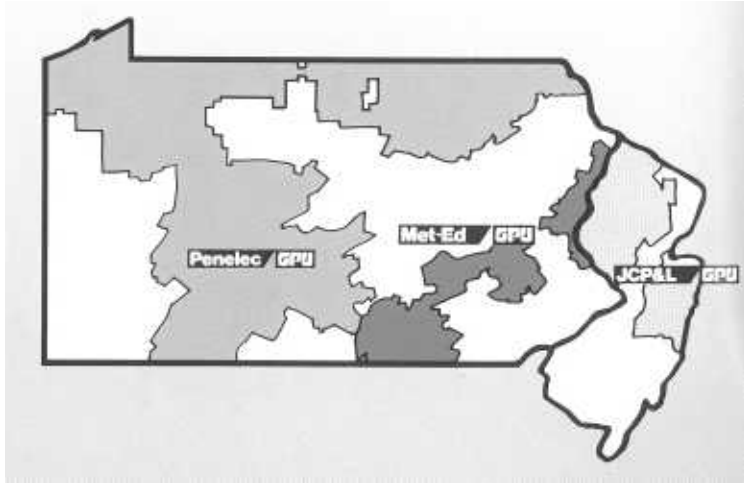

Overview of the GPU System

General Public Utilities Corporation (GPU) is a holding company consisting of three operating electric utilities and two service organizations. Together, the GPU System companies provide electric service to about 1.7 million customers (more than 4 million people). Their service territories cover about half the land area of Pennsylvania and New Jersey.

The operating utilities are Jersey Central Power & Light Company (JCP&L) in New Jersey and Metropolitan Edison Company (Met-Ed) and Pennsylvania Electric Company (Penelec) in Pennsylvania.

GPU Service Corporation, which functions as a corporate staff, provides integrated System plans and policies, along with a broad range of professional services to the three operating subsidiaries.

GPU Nuclear Corporation is responsible for managing, operating and maintaining the GPU System's nuclear generating facilities on behalf of their owners, the three operating utilities.

Roughly one-third of the electricity distributed by the operating companies is used by residential customers, one-quarter by commercial customers, one-third by industrial and the remainder by others, such as municipalities and other government entities.

The Systemwide sales mix is well balanced, as are its peak load periods. Normally, winter peaks occur in Pennsylvania while summer peaks are recorded New Jersey.

The System employs about 14,000 people and is owned by approximately 100,000 stockholders.

GPU Goals and Objectives

Goals and objectives provide direction and a way to measure performance. GPU has a number of corporate goals that describe our role and form a basis for our policies.

These goals are to provide reliable, economic service to our customers; to provide a fair and appropriate return to our investors; to carry out our obligations as neighbors and good citizens; to provide a safe and challenging environment for our employees; and to operate our nuclear facilities safely and effectively.

In turn, each GPU System company has a set of goals and objectives predicated on these basic corporate goals. The goals and objectives programs are closely monitored.

These goals provide the foundation upon which we can build to meet the future needs of our customers, investors and employees.

Communications

We also have a goal of developing public understanding of GPU and the role of electric power.

To meet this goal, GPU is committed to maintaining an open communications policy with customers, investors, employees, the media, and elected officials and regulators.

Safety

Protecting the health and safety of the public through the safe operation of our nuclear facilities is one of GPU's primary objectives.

To meet this commitment, the GPU Nuclear Corporation is charged with the sole responsibility of operating and maintaining the System's nuclear plants.

GPU has moved aggressively in upgrading its nuclear training, operations and facilities. Many of those changes were based on the lessons learned from the TMI-2 accident.

The emergency preparedness plans developed at TMI and Oyster Creek are also available for any other emergency - man-made or natural.

The GPU System is vitally concerned with safeguarding the public's health by protecting the environment in a responsible and cost-effective manner. Between 1979 and 1985, the System companies spent approximately one-half billion dollars on processes and equipment to protect the environment.

Providing a safe work environment is a top priority of the GPU System companies. Safety practices and procedures are an integral part of the day-to-day operation of each of the System companies.

Training and apprentice programs are provided for employees in potentially hazardous jobs such as linemen. In addition there are extensive formal training programs for employees such as nuclear plant operators and load dispatchers who are responsible for the safe and integrated operations of the System's energy flow and key facilities.

GPU In Perspective

In 1906, several electric and gas companies with total assets valued at little more than $1 million joined together to form the Associated Gas and Electric Company (AGECO). The company eventually grew to serve a multitude of communities stretching from Canada to the Philippine Islands, and across much of the United States.

Following the enactment of the Public Utility Holding Company Act of 1935, AGECO was physically and financially reorganized and became General Public Utilities Corporation in 1946. By that time, the number of companies comprising the utility system had been reduced from 170 to seven major subsidiaries, operating primarily in New Jersey, Pennsylvania and New York.

Early Growth

To meet the public's growing appetite for electric power, GPU began a construction and maintenance program, adding new generating facilities and significantly strengthening the transmission and distribution capabilities during the years 1946 through 1950. By building larger and more efficient generating units, the Company was able to consistently and significantly lower service rates to customers.

GPU's financial condition flourished during the 1950s and 1960s as revenues increased at an annual rate of about 6 percent. New records in load, sales and earnings continued to be set each year. GPU stock earned high dividends for stockholders and was frequently among the securities favored by major investment companies.

Improving Service

With an eye toward improving the reliability and quality of service, GPU invested in numerous research and development programs. Significant technological advances were made in electrical power production and delivery from various generating systems, including coal-fired and pumped-storage facilities. For example, the Yards Creek pumped storage facility near the Delaware Water Gap was the second plant of its kind in the nation when it went on-

line in 1956 and continues today to provide reliable hydroelectric power. In fact, it was the Yards Creek Station that provided GPU subsidiary JCP&L with the electric power to quickly restore service to customers during a major New Jersey blackout in the mid-1960s.

In 1956, GPU strengthened transmission ties with neighboring companies and joined the Pennsylvania-New Jersey-Maryland (PJM) Interconnection. Substantial coal supplies from Pennsylvania mines allowed surplus power sales to companies outside the GPU System.

Growing Pains

With the mid-1960s came a series of difficult and dramatic changes for the entire electric utility industry. GPU and other utilities had to meet rapidly increasing energy needs that required new generation and the extensive and costly financing that accompanied it.

During the 1940s and 1950s, GPU experienced tremendous growth. Then, as now, line crews played a vital role in maintaining reliable electric service to customers.

GPU began to feel the growing pains of a company that had more than doubled in size every decade of its 30-year growth spurt. As the industry became aware of the problems caused by unrestrained growth, GPU reduced construction of new facilities through extensive budget cuts. And to reduce installation and operating costs, many of the facilities that were constructed were jointly-owned with other utilities. GPU also simplified the System by selling its Manila Electric subsidiary in the Philippines and merging its two New Jersey subsidiaries.

In the late 1960s, increased construction costs began to offset potential savings from the economies of scale that had, in the past, been so effective. Instead of encouraging customers to use electricity, the Company, like the rest of the electric utility industry, began promoting conservation efforts.

In the seventies, recession economics affected GPU's financial health, as it did many other capital intensive industries. Inflation, the declining rate of return on investments, rising wages and taxes combined to take a heavy toll on the utility's financial condition.

Increased costs and regulations had made the business of running a utility more complex than ever before. In response to the need for centralization and coordination of rate matters, planning and other services, the GPU Service Corporation was created in 1971.

The Nuclear Commitment

GPU was a pioneer in the development of the nation's commercial nuclear power program following the passage of the Atomic Energy Act, which was amended in 1954 to allow private utilities nuclear plant ownership. The System gained extensive nuclear construction and operating knowledge from the installation of a small experimental reactor in Saxton, Pa., in the early 1960s. This experience, coupled with extensive studies, strongly indicated that nuclear technology was economically competitive for the utility industry. Thus, in 1969, the Oyster Creek generating station went on-line as the nation's first large-scale commercial nuclear generating plant. During its first 10 years of operation, Oyster Creek provided JCP&L customers with some S725 million in savings over electricity generated by expensive imported oil.

GPU System employees strive for excellence in all areas. In our nuclear operations it is particularly important to continually monitor and improve our facilities, training and procedures.

GPU's underlying financial strength, combined with timely action, met the industry-wide economic challenges in the 1970s. Despite a decline in earnings, the Company continued to lay the foundation that would insure the future energy needs of its customers. GPU began construction of nuclear units at Forked River, N.J., and Three Mile Island (TMI) near Harrisburg, Pa. The first unit at TMI was placed in commercial service in 1974, the second in December 1978. The two units have a combined capacity of about 1,700 megawatts - enough electricity to supply 1.25 million homes. During the four years it operated prior to the accident at its sister unit, TMI Unit I generated 21 billion kilowatt-hours of electricity. At the time of the accident at Unit 2, TMI Unit 1 had a capacity factor since start-up - the percentage of rated capacity actually produced - of 76 percent, well above the national average for nuclear-fueled generating plants.

On March 28, 1979, the accident occurred at TMI Unit 2 that would change the course of history, not only for GPU, but for the entire electric utility industry.

Consequences of the TMI Accident

The financial consequences of the TMI accident were serious and long-lasting. With access to normal capital markets cut off, GPU arranged to borrow from a consortium of 45 banks to meet immediate cash needs. Further, the Company introduced severe spending constraints and reductions in construction, and took steps to strengthen the System by creating the GPU Nuclear Corporation, a separate corporation to more effectively operate and maintain the System's nuclear plants.

Financial constraints imposed by the TMI accident forced the GPU System to curtail all new power plant construction. The major plants affected were an 800-megawatt nuclear plant already under construction at Forked River, N.J., and the seventh unit at Penelec's Seward, Pa.. coal-fired station.

Some $400 million already had been spent on the Forked River project at the time of cancellation. The New Jersey Board of Public Utilities is allowing the plant owner,

JCP&L, to recover over 25 years most of the investment in the abandoned plant through revenues from customers.

The GPU System, following the TMI accident, quickly turned to the development of minimum cost power-purchase agreements for surplus electricity from neighboring utility systems.

The purchased power came from two sources: the Pennsylvania-New Jersey-Maryland regional power pool (PJM), and individual purchase agreements with several electric utilities as far west as Indiana and Michigan.

GPU was a leader in seeking to purchase power outside of its regional power pool when it was more economical to do so. Today that is a common practice among utilities and is generally approved by regulators because of the economic benefits to consumers.

The GPU companies try to communicate the safe and efficient use of electricity. Communicating with educators and students is an important part of the operating companies' communications programs. The utilities sponsor annual poster and jingle contests for school children.

General Public Utilities, its subsidiaries, and their management and employees have faced up to the challenges posed by the TMI accident - continuing their commitment to providing adequate and reliable service to their customers at a reasonable cost. That commitment continues today and into the future as the GPU System strives to meet the energy needs of future customers.

GPU reached an important milestone in 1985 with the return to service of TMI-1, the undamaged unit that was shut down for refueling at the time of the accident at TMI-2. That had a significant impact on both customers and shareholders by reducing customer rates through lower energy costs, while increasing the Company's earnings through recovery of the investment in TMI-1.

Long-Term Capacity Needs

GPU is studying its long-term capacity needs and options for meeting future demand.

We are proud of our early commitment to the concepts and practices of conservation and load management - a commitment that dates back to the early 1970s. Our efforts in these areas have allowed us to defer more than 600 megawatts of new generating capacity for significant savings at today's costs of new construction.

GPU remains committed to a course of action which will defer construction of new generation facilities as Tong as possible. We expect to accomplish this objective by continuing to contract for firm power purchases with neighboring utilities; by further expanding an already ambitious, aggressive conservation and load management program; by expanding opportunities for cogeneration in our service territories; by improving the performance and extending the life of existing generating facilities: and by enhancing our import capabilities by more effectively using our existing transmission and distribution network.

Conservation and Load Management

The GPU System companies began their efforts in energy conservation in 1969 - well before the world oil crisis of 1973 - when it became evident that inflation, the end of the utility industry's economies of scale, and the increased cost of new capacity would inevitably push up the cost of electricity to consumers.

Since then, working with a Master Plan developed by the System's economic, planning and engineering experts, the GPU companies have evolved programs for residential, commercial, industrial and institutional customers that are among the most comprehensive and the most ambitious offered by the nation's electric utility industry today.

The programs have two facets. One is energy conservation. The other is load management, which we use to shift load so we can use our most efficient and lowest cost generating facilities to meet as much of that demand as possible.

Through 1985, all of the GPU System's customers shared in some $850 million of savings through these programs.

A computer printout details the energy demand in a 140-unit apartment building for older residents in Erie, Pa. A newly installed energy management system will save money by shifting more electric use to off-peak hours.

Research and Development

The GPU System is committed to research, development and demonstration (R&D) activities. The primary purpose of GPU's commitment is to help assure the long-range viability of the GPU System by investigating solutions to current and potential opportunities and problems. This commitment is an integral part of GPU's continuing pursuit of excellence.

The GPU System has underwritten R&D projects, which have been funded through various sponsorships--wholly within the GPU System, in cooperation with other utilities at co-owned stations, through the Electric Power Research Institute (EPRI) and other utility groups, and through universities and consulting groups. Over the past 10 years, the GPU System has spent approximately $50 million on R&D.

The goal of GPU's research, development and demonstration activities is to benefit the GPU System, its customers and others through improved safety, engineering and economics.

Currently, research support to the Edison Electric Institute (EEI) for the TMI-2 cleanup fund accounts for almost half of GPU's 1987 R&D budget of $18.1 million. During alternate years, these funds will directly support other EPRI research activities. Internal R&D constitutes the remainder of the GPU System budget, forecast as about $10 million in 1987.

Approximately 75 projects now are being conducted within the GPU System. These projects include research in the areas of fossil fuels, new energy and generation sources, nuclear energy, transmission and distribution, environment and siting, system operations, and power utilization and conservation.

Coal is a subject of prime importance in GPU's R&D program because of its importance as a fuel for GPU's generating stations and its impact on the economy and the environment.

Penelec, which burns most of the coal in the GPU System, has pioneered in technology to make the use of

coal as a fuel source more environmentally acceptable. The centerpiece of this program is an innovative coal cleaning plant at the Homer City station designed to minimize the sulfur content of coal before it is burned. The goal is to eliminate the need for even more expensive stack gas scrubbers for eliminating sulfur gases from stack emissions and to reduce the sulfur content to the point where the gas is burnable within state and federal stack gas emission standards.

In addition, the Electric Power Research Institute selected the Homer City site for extensive coal cleaning research, with construction of a multi-million dollar facility to test various technologies for cleaning different types and grades of coal. GPU, along with other industry members, helps finance this EPRI project. Information gathered there will he used by power producers around the world.

Penelec is one of the nation's major users of coal and burns most of the coal in the GPU System.

GPU's Commitment to the Environment

The GPU System is vitally concerned with protecting the environment in a responsible and cost-effective manner. Over the past six years alone, the System companies spent over one-half billion dollars to protect the environment. The companies have entered into a number of consent orders and decrees with regulatory agencies to provide time to develop and implement control strategies.

Nuclear Plants

Since its inception, the nuclear industry has been particularly careful to insure that the radiation risks to workers and the public are kept to a minimum. Through special training programs, carefully monitored plant operations and unique construction techniques, containment of radiation from nuclear plants has been highly successful.

Overall Protection

All generating plants, whether they burn coal, oil, gas or uranium are equipped to prevent the escape of harmful amounts of pollutants into the environment. In some cases this can be accomplished by burning fuels with a low potential for creating pollution-such as low sulfur coal and oil and natural gas.

Burning coal and oil in generating plants produces particulate matter (known as fly ash in the case of coal) and sulphur dioxide and nitrous oxide gases. Almost all of the GPU System's oil-burning facilities have been converted to clean-burning gas.

The emission of particulate matter in coal plants is controlled by use of electrostatic precipitators, dust removal systems, ash ponds and associated equipment. The precipitators alone remove more than 99 percent of particulate matter from plant emissions.

The collected fly ash is carefully disposed of to prevent land and water pollution. Commercial uses for fly ash have been developed for land reclamation, highway construction, and as an ingredient in concrete and building products.

All process water not recycled within the generating plants is treated to remove impurities before it is returned to its original source.

Emission of harmful gasses from GPU System coal plants is controlled largely by burning clean coal, or cleaning the coal before it is used.

Clean Air Monitors

Penelec's air quality improvement program will cost nearly $77 million when completed in addition to $6 million a year to operate. Near coal-fired generating stations is a network of 26 air monitoring stations tied to a computerized control system constantly checking particulate emission levels.

Wildlife Programs

While major construction tends to disturb wildlife habitats, wildlife is proliferating around electric power plants, under transmission lines and within other rights-of-way in locations throughout the GPU service territory. Forestry specialists in each GPU company focus on preserving the natural wooded environment and their inhabitants.

Met-Ed's Portland generating station is the site of a project to reintroduce osprey (fish hawks) to the area.

In northeastern Pennsylvania, where the native population of osprey (fish hawks) fell victim to the effects of habitat destruction, Met-Ed is assisting in a project co-sponsored by the Pennsylvania Game Commission, the Audubon Society and East Stroudsburg University to reintroduce this bird of prey to the area.

A marine life handling system has been installed at Oyster Creek. That device diverts marine life from the plant, returning the fish and invertebrates to Oyster Creek and Barncgat Bay. The system can also transfer the marine life from the water slide to an indoor holding pool for identification and inspection, part of an ongoing environmental impact study by GPU Nuclear Corporation.

At Three Mile Island, about half of the 384-acre island is maintained in its natural state and supports a multitude of indigenous wildlife. In addition, TMI employees, under the direction of security personnel, donate resources in the winter months to buy hay, corn and salt licks for the deer, which are unable to find nourishment in snowed-under brush.

Penelec maintains electric transmission rights-of-way with concern for wildlife. A continuing study on portions of Penelec's rights-of-way lists 31 species of birds, as well as deer, cottontail rabbit, ruffed grouse, wild turkey, opossum, raccoon and woodchuck.

The GPU Companies: A Commitment to Service

JCP&L

Jersey Central Power & Light Company (JCP&L), the GPU System's eastern-most operating subsidiary, serves more than 800,000 customers (about 2 million people) in 236 communities located in a 3,256-square-mile area of New Jersey. This area comprises about 43 percent of the state's land mass, spread throughout 13 counties.

JCP&L is the largest GPU company in terms of revenue and assets.

Employment is about 3,500 men and women.

Its sales mix is: residential, 39 percent; commercial, 32 percent; industrial, 27 percent; and other, 2 percent.

The firm's service area covers the northwestern part of New Jersey and a seashore area extending from the Raritan River south to Barnegat Bay. The population of these regions is largely suburban and rural-mainly middle and upper income. The shore areas include a large senior citizen population. The company also serves a wide range of diversified industry.

The company's headquarters are in Morristown, New Jersey.

JCP&L is more than an electric company. It is a full service utility, dedicated to meeting the special needs of each customer. The following community-oriented programs sponsored by JCP&L illustrate some of the ways the company is addressing those needs.

Project Helping Hand

Under this program, customers who are temporarily financially distressed can obtain financial assistance to pay electric hills. Donations solicited from customers and employees are matched by JCP&L and the money is distributed through Community Action Program (CAP) agencies. Customers receive assistance only after meeting eligibility requirements.

Crime Watch

This is a companywide version of the now-familiar community awareness program presently in effect in many municipalities. Within weeks of launching Crime Watch. JCP&L's participation in the program was dramatically demonstrated when an employee witnessed a murder and was instrumental in the arrest of a suspect.

Social Services Programs

Like "Project Helping Hand," many JCP&L programs are aimed at assisting those who may be experiencing hardships. Among them are many energy conservation programs. To use the programs to their maximum potential, JCP&L has established an annual "Social Services Seminar. " At these seminars, representatives of Community Action Programs throughout the 13-county service area are taught how to apply for the variety of funds available for their clients.

JCP&L joined police and community organizations in distributing thousands of innovative child emergency ID cards, which include a photo, thumbprint, current description, and dental chart on a laminated card for parents to carry.

Citizens' Advisory Council

To provide an opportunity for public input on all phases *of* the company's operations, JCP&L maintains two Citizens' Advisory Councils, one each in its Southern and Northern areas. The councils meet monthly with company representatives.

Public Participation Plan

To address community concerns regarding the construction of projects such as generating facilities or transmission lines, JCP&L has introduced a "Public Participation Plan" that brings representatives of the community into the decision-making process. Under this structure, hearings and forums are provided for the airing of any concerns relating to project proposals.

Siting Advisory Councils

Consistent with the spirit of the Public Participation Plan, the Company forms "Siting Advisory Councils" to help identify locations for various projects. This kind of public input has been encouraged for a number *of* projects including the Merrill Creek Reservoir. SAC's are usually composed *of* people who live in affected communities. SAC members also have a level of expertise in relevant disciplines, such as air quality and transportation. The SAC process is especially beneficial because the community takes part in the decision-making process.

Community Relations Through Government

Recognizing that government is an extension of the community, JCP&L maintains a government relations office in Trenton, the state capital, and an active communications program with government leaders on the local, county and federal levels. On the local and county level, Area Community Relations Managers meet at least once a year with representatives of each of the 236 communities served by the company. On the federal level, the Corporate Community Relations Manager, together with the appropriate Company Division Director, meets with district managers of Congressional representatives.

Seniors Are Special

New Jersey is second in population of senior citizens only to Florida, and seniors historically have been involved in utility issues. Therefore, JCP&L has developed a program to more fully communicate with that group. Titled "Seniors Are Special" (SAS), the program is aimed at communicating a better understanding of company issues and activities.

Speakers Bureau

The Speakers Bureau is composed of employees from all of the Company's departments. The volunteers are available to speak to organizations about energy-related topics. The Bureau has provided programs to about 400,000 people since beginning in 1977.

Met-Ed

Metropolitan Edison Company (Met-Ed) has over 390,000 customers in a 3,274 square-mile area in eastern and south-central Pennsylvania. The population of this region, about 7 percent of the state's territory, is nearly 906,000 people.

The company employs about 2,300 men and women.

The company sales mix is: residential, 33 percent; commercial, 24 percent; industrial, 39 percent; and other, 4 percent.

The company's service area includes a broad range of manufacturing, agricultural, recreational, tourist and vacation facilities.

The company's headquarters are in Reading, Pa.

Reaching Our Communities

Met-Ed is a vital part of each community it serves, reaching out in many ways-as a company and through the actions of individual employees.

For community groups interested in learning about the electric utility industry, an expanded speakers' program pro-

vides informed, trained speakers on a wide range of topics including safety, energy conservation and utility issues.

The vital topic of safety around electricity is presented by "Louie the Lightning Bug" and other Met-Ed safety representatives in person and through educational materials, television and newspaper advertisements, and bill inserts.

Benefitting from the experience of its Teacher Advisory Panel, a dedicated nucleus of teachers from the community, Met-Ed published a comprehensive educational services catalog listing available programs, films and materials. As a result, thousands of educational items and many dozens of programs are provided annually to area schools.

Each year, thousands of elementary school students participate in a Met-Ed poster contest with an "Energy Awareness" theme. The winning posters provide illustrations for a calendar, which is popularly used by educators.

In each of the four divisions, autonomous Consumer Advisory Councils have provided valuable insight to help Met-Ed anticipate public reactions to its operations, plans and proposals. The councils are composed of community residents with diverse interests who ask probing questions and offer opinions.

Providing Recreation Facilities

Met-Ed's neighborly relationship throughout the communities it serves is partly expressed by recreational facilities it provides. At Portland Generating Station, along the Delaware River, a public picnic area and boat launch have been refurbished. It gives sports enthusiasts access to river activities, provides fine seasonal shad fishing and offers a river-rescue access point for emergency care personnel.

On the Susquehanna River, south of Harrisburg, Met-Ed's York Haven Hydro Station darn forms the 2,240-acre Lake Frederic, a popular Central Pennsylvania recreation resource. Boating, fishing, camping and water-skiing are popular, as are the picnic facilities on the islands owned and maintained by York Haven Power Co.

A scheduled addition is a boat launch/picnic facility on the river's east shore, that will offer the only free, public

access to Lake Frederic on that side of the river. It has been named the Canal Lock Boat Launch and Recreation Area in recognition of its location near an historic canal lock which the company has reclaimed.

York Haven has made another commitment to the river culture by pledging more than half a million dollars toward a joint study with several power stations downstream on the Susquehanna. The study, to continue over 10 years, will explore the possibility of restoring the population of American shad and other migratory fish to the Susquehanna River.

Providing Service to the Community

In almost every community it serves, Met-Ed and its people take leadership roles in United Way campaigns. Company employees are also active in Scouts, Junior Achievement and many other youth programs. They also serve as paramedics, ambulance crews, fire fighters and support dozens of other civic, service and fraternal groups.

Through the KID Care program, Met-Ed offers photo ID equipment and supplies to local law enforcement agencies. In turn, they can produce "KID Cards," which offer a convenient form of identification to young children and their parents.

Among the highlights of Met-Ed's service to the community was the awarding of the "Good Neighbor Award" by the Upper Mt. Bethel Township Commissioners to the company's Portland Station.

Offering Ideas for Wise Use of Energy

Special helpful services are offered to Met-Ed customers as part of Met-Ed's dedication to help them achieve efficient use of energy. Conservation, load shifting, and alternate forms of energy are all part of the company's marketing plan.

Due to the lower-cost energy available during off-peak hours and weekends, an increased number of residential customers are saving money on the Time-of-Day (TOD) rate. Met-Ed has been a leader in the nation in terms of the number of TOD customers. Many programs help maximize the savings these customers can realize while helping minimize peak demand on the system.

A weatherization program for low-income customers began as a pilot in 1984 and has been expanded, using grants from the Pennsylvania Governor's Energy Council to subsidize company funding. The program includes installation of weatherization improvements in the homes of electric heat or electric water heating customers who have been previously qualified through social agencies.

"The Good Cents Home, " being built by contractors across the Met-Ed system to Met-Ed specifications, incorporates the latest in energy-efficient design and materials with an eye to encouraging energy conservation.

For commercial and industrial customers, a fluorescent light rebate program adds financial incentives to the kilowatt-hour savings realized when switching to energy-saving lights.

Met-Ed's specialized business office computer system assures better service for reporting power outages and ordering restoration service and enables Met-Ed to respond immediately to credit and billing questions.

To further expand its abilities to serve customers without building new generating stations, Met-Ed actively pursues cogeneration projects. Among the more unusual processes are the generation of electricity from landfill gases and generators fueled by methane from cow manure.

Making Good **Service Better**

Better service is assured for reporting power outages and ordering restoration service, through a specialized business office computer system. This also enables Met-Ed to respond immediately to credit and billing questions and requests.

To provide complete service for those customers who work during the daytime business hours, Met-Ed business offices remain open for extended hours. Through brochures, ads and bill inserts, Met-Ed reminds customers of other useful business procedures, such as special bill payment flexibility for senior citizens or others on a fixed, monthly income.

Another service is third-party notification for the elderly or ill. By filling out a card, these customers can designate another party to receive copies of any vital notices Met-Ed may send regarding their account and service.

Other options for customers include: budget billing, self-meter reading, and payment by mail. All meters are now read monthly, which allows customers to more closely track their electrical use.

Project Good Neighbor, our matching-fund program, was built upon the company's long-term emergency assistance fund. Through it, our customers have generously provided funds which, administered through agencies, help pay the electric bills for worthy, financially-distressed customers. Met-Ed's employees have pitched in both individually and through a variety of imaginative fund-raisers.

In this, as well as in all aspects of their work, Met-Ed people show their concern for customers and their dedication to bringing their customers a reliable supply of electricity.

Penelec's closeness to life in the communities it serves is documented in numbers. And even though the relationship goes far beneath the surface formed by figures, the numbers themselves are significant.

Penelec sends electricity to 700 communities throughout the company's 17,000-square-mile service territory, making it the largest GPU company in terms of territory. Living, working and doing business there are 533,000 customers. The electricity sales mix is residential, 28 percent; commercial, 24 percent; industrial, 41 percent; and other, 7 percent. The company's economic base rests on a mixture of manufacturing, mining and agri-businesses. Penelec supplies power to 31 Pennsylvania counties - and those counties, largely rural, constitute almost 42 percent of the state's area.

To produce the power it transmits to customers, Penelec owns or operates for other electric utilities eight coal-fired generating stations. Most are near the heart of Pennsylvania's soft-coal fields, and they turn out about 90 percent of Penelec's total power capacity. The balance of the company's capacity generally comes from the Three Mile Island Unit 1 nuclear power plant and from three hydroelectric plants, but a small amount comes from combustion turbines and internal combustion units fueled by gas or by oil. The result is a combined generation potential of 2.7 million watts of electricity. Penelec sends the power over 26.000 miles of transmission and distribution lines.

All of these numbers can be jelled into one for a purely-people flavor: one and a half million Pennsylvanians counting on Penelec for electricity.

Contributing to the Economy

Penelec, as a corporate citizen, contributes more than electricity to the fabric of life in its service territory: economic and civic influences as well flow from Penelec.

The company's approximately 4,300 employees, whose total payroll is in the neighborhood of $70 million a year, spend money in local stores, entertainment centers and

health and service agencies, thus stimulating the economy of their communities. Penelec's employment figure is the largest among the GPU operating companies in part because it operates several large coal-fired generating stations partly owned by other GPU subsidiaries and neighboring utilities.

The company itself is a major tributary to the economic mainstream. Penelec is one of the nation's major users of coal. It buys about 15 million tons of Pennsylvania coal every year - 23 percent of the coal mined in the state - at a cost of some $460 million. Getting coal out of the ground and to the generating plants keeps 5,000 miners and hundreds of truckers at work earning about $100 million annually. In total, Penelec's almost total reliance on coal-fired power plants builds a $700-million-a-year economic tide.

Tens of millions of dollars additionally are put into the economy as the company spends on construction, tree trimming and its continuing commitment to the protection of the environment.

And, as its employees pay taxes, so does corporate-citizen Penelec: federal and state income taxes, state and local gross receipts taxes, real estate and personal property taxes. Some of the tax money is returned by government for use by the areas served by the company.

Community Service

To millions of watts and hundreds of millions of dollars, Penclec adds civic-minded employees and a corporate communicativeness to personalize the company and benefit communities.

Employees, concerned about their neighbors, serve as school directors, municipal councilmembers, volunteer firefighters, ambulance drivers - and, for youthful fellow citizens, as Scout leaders and Little League managers and coaches.

To further reach the public - through its Educational and Community Resources Program - Penelec sends catalogs of educational programs to 2,200 educators and distributes booklets, posters, films, slides and videotapes. Classroom programs are presented by employees on electrical safety, energy conservation and other timely energy topics: and

tours of generating stations and service facilities are conducted. An Educational Advisory Board helps in coordinating these activities and in sponsoring seminars for educators.

Through a Customer Advisory Panel program, the company receives customer ideas on Penelec's operations. The panel helps in developing Penelec-sponsored seminars and workshops for consumers.

Establishing firmer ties with communities are over 100 Penelec employees on the company's Speakers' Bureau. They talk to groups and organizations on a variety of mutual-interest topics.

Penelec's service territory is largely rural. One service Penelec provides for its agricultural customers is energy audits, similar to those available to all residential customers. Residential representatives help farmers find ways to conserve energy and trim costs. For example, the Time-of-Day rate can be effective for farmers because they often can schedule chores before 8 a.m. and after 8 p.m. when load is reduced and electricity costs less.

Maintaining Open Communications

Additional information of interest to the public is provided by means of a good relationship with the news media and through annual top-management involvement in media roundtables conducted in Penelec's eight operating divisions. These no-holds-barred roundtables allow media representatives to ask company officials a myriad of questions.

Penelec contributes significantly to the well-being of the people using the company's electricity. In the process, as a result of amiable relationships with various customer segments, Penelec is a good neighbor and a good citizen.

The company's headquarters are in Johnstown, Pa.

GPU Nuclear

The GPU Nuclear Corporation was formally established on January 1, 1982 as a subsidiary of General Public Utilities Corporation. It had functioned informally for several years previously as the GPU Nuclear Group, pending ratification of incorporation by state and federal regulatory authorities.

The corporation's sole responsibility is the operation, management and maintenance of the System's nuclear facilities.

Need for the Nuclear Corporation is based on experience and developments following the TMI-2 accident that emphasized the advantages of separate management of the System's nuclear plants by an organization specifically skilled in nuclear technology.

The Nuclear Corporation is headquartered in Parsippany, New Jersey.

Reaching Out

While operating the GPU System's nuclear facilities safely is GPU Nuclear Corporation's primary goal, the company believes it is important to take that extra step to reach out to the communities in which it operates.

The management and employees at each plant site are very aware of the importance of being good corporate citizens.

In New Jersey, each year Oyster Creek Nuclear Generating Station employees hold a benefit softball game and other fund-raising activities to raise money to buy toys, which they distribute at Christmas to needy children from the communities surrounding the plant.

Oyster Creek employees have been honored as Ocean County's largest industrial blood donor by the American Red Cross.

GPU Nuclear Corporation, with the Forked River Flotilla of the U.S. Coast Guard Auxiliary, sponsored a course on Boating Skills & Seamanship at the Oyster Creek Station.

GPU Nuclear Corporation joined other Ocean County businesses and industries as hosts for Commerce Day 1986. Seventeen local high school students spent part of a day with employees in five departments at the Oyster Creek nuclear generating station.

A multi-sensory nature trail in the wooded area of Three Mile Island continues to attract visitors. The trail was prepared by a local Scout Troop for use by the visually impaired.

GPU Nuclear Corporation has also used handicapped workers in the Easter Seals program to label thousands of information brochures used to educate the public about emergency preparedness at Oyster Creek.

At the Three Mile Island Nuclear Generating Station in Pennsylvania, GPU Nuclear Corporation donates funds to the local fire and ambulance companies and hospitals to help defray the agencies' costs for emergency response planning and readiness.

Local fire companies also use TMI's fire-training facility to train their own personnel.

For several years, TMI employees helped Boy Scouts from nearby counties earn their Atomic Merit Badges at the TMI Training Center. Offering the program at TMI gives Scouts access to specialized equipment as well as to people knowledgeable in nuclear energy.

The emergency preparedness plans developed at TMI and Oyster Creek are also available for any other emergency -

GPU Nuclear employees donate toys annually for needy children at Christmas.

man-made or natural. The GPU Nuclear Media Center at Harrisburg, which was built to handle the flow of information during an emergency, was used by Pennsylvania State University's Hershey Medical Center when their physicians performed the hospital's first artificial heart transplant.

The Center is also available to community groups for meetings and may be used free of charge on a scheduled basis by non-political groups at the discretion of GPU Nuclear Corporation.

A number of years ago, a local Scout Troop prepared a nature trail for the visually handicapped in the wooded area of Three Mile Island, which continues to attract visitors.

Co-op students from local Pennsylvania colleges have obtained valuable work experience at TMI.

The Energy Spectrum at Oyster Creek and the TMI Visitor Center both provide information on energy to local groups and individuals and draw large numbers of tourists throughout the year.

GPU Service

The GPU Service Corporation functions primarily as the staff organization for the parent company with headquarters in Parsippany, N.J., and a satellite location in Reading, Pa. It provides the other GPU companies with a variety of services more efficiently than would be possible if the subsidiaries performed them individually.

Such services include, among others, overall System planning of power supplies and distribution, centralized computer services and Systemwide coordination of safety programs, insurance, labor relations, communications and salary administration.

A Spirit of Community

Volunteerism is an imft)rtant element in the American way of life and GPU Service Corporation employees' volunteer activities enrich a wide range of communities in

two states. From being Scout leaders to being a Big Brother or Big Sister to serving on volunteer rescue squads and tire departments to serving in local governments, GPU Service Corporation employees show that they care.

On the corporate level GPU Service Corporation shows that it cares, too. The company annually participates in an American Red Cross blood drive. GPU Service Corporation and its employees are active in supporting United Way Campaigns in each of the two counties in which the company maintains offices. Employees can enroll in CPR and first aid training courses sponsored by the company.

The company has hosted Explorer troops and sponsored a Junior Achievement Company. GPU Service Corporation donated the space and employees donated their time and talents to helping young people build the skills that will make them tomorrow's leaders.

GPU supports the United Way, whose member agencies provide vital community services. All of the GPU companies participate in the Annual United Way Campaign. In addition, some GPU System employees donate their time as volunteers in United Way agency programs.

Employees: A Valuable Asset

Believing that employees are its most valuable asset, GPU Service Corporation maintains a Corporate training program which offers courses for employees at all levels. These courses range from basic skills development to increasing management effectiveness to stress management training. In addition, the company has an educational assistance program to provide financial help to employees seeking college degrees which will help them advance in their careers with GPU.

GPU is committed to providing a challenging work environment for all of its employees. Our continued success depends heavily on the full and effective utilization of all qualified persons. The GPU Service Corporation, along with all of the GPU System companies, has implemented Affirmative Action Programs designed to encourage the full participation of women and minority group members at all levels.

Generating Facilities

COAL

Conemaugh Station

Huff, Pennsylvania

Type	Conventional steam
Capacity	1,702 megawatts
In service	1970
Ownership	Met-Ed 16.46% with eight other non-GPU utilities.
Operated by	Penelec

Front Street Station

Erie, Pennsylvania

Type	Conventional steam
Capacity	110 megawatts
In service	1917
Last unit added	1953
Ownership	Penelec 100%

Front Street Station also provides steam heat to the City of Erie.. Pa.. and to a variety of hospitals, commercial and industrial customers.

Homer City Station

Homer City, Pennsylvania

Type	Conventional steam
Capacity	1,884 megawatts
In service	1969
Last unit added	1977
Ownership	Penelec 50% New York State Electric & Gas Corp. 5V

Homer City Station is the site of two pioneering coal cleaning facilities designed to remove sulfur and other impurities from coal before it is burned. One is fully owned and operated by the Homer City partners. The other is an experimental lacility built and operated by the Electric Power Research Institute (EPRI) in which Penclec also has an interest through its membership in the institute.

Keystone Station

Indiana. Pennsylvania

Type	Conventional steam
Capacity	1,680 megawatts
In service	1967
Ownership	JCP&L 16.67% with six other non-GPU utilities.
Operated by	Penelec

Portland Station

Portland, Pennsylvania

Type	Steani. outdoor boiler
Capacity	399 megawatts
In service	1958
Last unit added	1962
Ownership	Met-Ed 100%

Portland Station also houses two combustion turbines fired by gas or oil, with a combined capacity of 35 megawatts.

Seward Station

Seward, Pennsylvania

Type	Conventional steam
Capacity	200 megawatts
In service	1921
Last unit added	1957
Ownership	Penelec 100%

Shawville Station

Shawville. Pennsylvania

Type	Conventional steam
Capacity	623 megawatts
In service	1954
Last units added	1960
Ownership	Penelec 100%

Titus Station

Reading, Pennsylvania

Type	Conventional steam
Capacity	240 megawatts
In service	1951
Last unit added	1953
Ownership	Met-Ed 100%

Titus station also houses two combustion turbines fired by gas or oil with a combined capacity of 39 megawatts.

Warren Station

Warren, Pennsylvania

Type	Conventional steam
Capacity	86 megawatts
In service	1948
Last unit added	1949
Ownership	Penelec 100%

Warren Station also operates one combustion turbine unit, fired by gas or oil, with a capacity of 79 megawatts.

Williamsburg Station

Williamsburg, Pennsylvania

Type	Conventional steam
Capacity	34 megawatts
In service	1914
Last unit added	1944
Ownership	Penelec 100%

NUCLEAR

Oyster Creek Nuclear Station

Lacey Township. New Jersey

Type	GE boiling water reactor
Capacity	620 megawatts
In service	1969
Ownership	JCP&L 100%

Oyster Creek is the nation's first large-scale, investor-owned nuclear generating station to be competitive with coal. When in full operation, it provides about 20 percent of JCP&L's generating capacity.

Three Mile Island Nuclear Station

Dauphin County, Pennsylvania

Three Mile Island Station consists of two large nuclear generating stations-known as Units I and 2.

TMI Unit I

Type	B&W pressurized water reactor
Capacity	800 megawatts
In service	1974
Ownership	Met-Ed 50% JCP&L 25% Penclec 25%

TMI Unit 2

Type	B&W pressurized water reactor
Capacity	906 megawatts
In service	1978
Ownership	Met-Ed 50`/ JCP&L 25% Penelec 25%

Subject to extensive cleanup following the March 28, 1979 accident, the future of TMI-2 is undetermined at this time.

HYDROELECTRIC

Deep Creek Station

Garrett County. Maryland

Type	Hydroelectric
Capacity	19 megawatts
In service	1925
Ownership	Penelec 100%

Pine) Station

Clarion, Pennsylvania

Type	Hydroelectric
Capacity	28 megawatts
In service	1923
Last unit added	1926
Ownership	Penclec 100%

York Haven Station

York Haven, Pennsylvania

Type	Hydroelectric
Capacity	19 megawatts
In service	1905
Ownership	Met-Ed 100%

This facility, with 20 turbine generators, is Met-Ed's oldest generating station. Powered by water from the Susquehanna River. the station's performance has been outstanding since it entered service.

PUMPED-STORAGE

Seneca Station

Warren, Pennsylvania

Type	Pumped storage
Capacity	380 megawatts
In service	1969
Ownership	Penelec 20% Cleveland Electric Illuminating Company 80%

Yards Creek

Blairstown. New Jersey

Type	Pumped storage
Capacity	330 megawatts
In service	1965
Ownership	JCP&L 50% Public Service Electric & Gas 50%

COMBUSTION TURBINES

JCP&LL owns and operates 20 combustion turbines in addition to the one that is part of the cogeneration facility at Riegel Paper Products Corp. and the four that are part of the Gilbert combined-cycle unit. They have a total capacity of 681 megawatts and are located at:

Sayreville, NJ	4 units, oil or gas
Werner Station, NJ	4 units. oil
Glen Gardner Station Lebanon Twp.. NJ	8 units, oil only
Gilbert Station Holland Twp., NJ	4 units, oil or gas

In addition to the four combustion turbines located at Titus and Portland stations, Met-Ed maintains 10 additional such units, with a combined capacity of 267 megawatts at the following locations:

Huntcrstown. PA	3 units, oil or gas
Hamilton, PA	1 unit, oil-fired
Orntanna, PA	1 unit, oil-fired
Mountain, PA	2 units, oil-gas combination
Tolna, PA	2 units, oil-fired
Shawnee, PA	1 unit, oil-fired

In addition to the combustion turbine unit at the Warren station, Penelec also operates 2 such units, with a combined capacity of 102 megawatts, at:

Blossburg, PA	1 unit, gas-fired
Wayne, PA	1 unit, oil-fired

These are used primarily as peaking units.

OIL

E. 11. Werner

South Amboy. New Jersey

Type	Conventional steam
Capacity	60 megawatts
In service	1930
Last unit added	1953
Ownership	JCP&I. 100%

NATURAL GAS/OIL

Gilbert Station

Holland Township. New Jersey

Type	Conventional steam
Capacity	119 megawatts
In service	1930
Last unit added	1949
Ownership	JCP&L 100%

Gilbert Station also houses JCP&L's combined cycle generating unit and four combustion turbines.

Gilbert Station

Holland Township, New Jersey

Type	Combined cycle
Capacity	386 megawatts
In service	1974
Steam turbine added	1977
Ownership	*JCP&L* 100%

In the Gilbert combined cycle operation, hot gases from four combustion turbines are piped to a heat recovery boiler to generate steam that turns a conventional turbine generator.

Riegel Cogeneration Unit

Milford. New Jersey

Type	Gas turbine-combined cycle
Capacity	28 megawatts
In service	1970
Ownership	Generator-JCP&L Turbine & Boiler-National Leasing Co.

JCP&L in conjunction with Riegel Paper Products Corp. and National Energy Leasing Company, operates this cogeneration unit at Riegel's Milford plant. The unit consists of a combustion turbine and an unfired boiler. Hot exhaust gases from the combustion turbine pass through the unfired boiler to create steam for use in Riegel's manufacturing processes.

Sayreville Station

Sayreville. New Jersey

Type	Conventional steam
Capacity	339 megawatts
In service	1930
Last unit added	1958
Ownership	JCP&L 100%

Four of the station's six boilers can be fueled with oil or natural gas-two with oil only.



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