



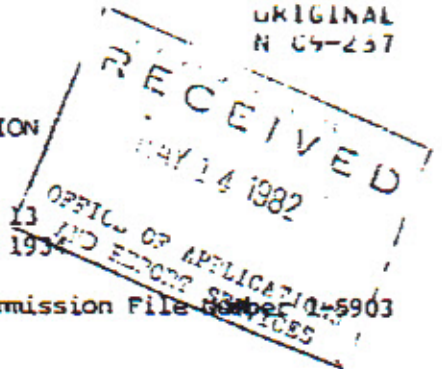
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ORIGINAL  
N 64-237

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Quarterly Report Under Section 13  
of the Securities Exchange Act of 1934



For Quarter Ended: March 31, 1982

Commission File Number 1-5903

RELiance ELECTRIC COMPANY

Delaware  
(State of Incorporation)

13-6095242  
(IRS Employer Identification No.)

29325 Chagrin Boulevard  
Cleveland, Ohio 44122  
(Address of Principal Executive Offices)

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Registrant's telephone number including area code:

(216) 266-7000

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTIONS G(a) (1) and (2) of FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT AS PERMITTED BY SAID GENERAL INSTRUCTIONS.

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

Yes X

No \_\_\_\_\_

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by the report.

Common Stock  
(without par value)

107 shares outstanding  
March 31, 1982

## RELIANCE ELECTRIC COMPANY AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1982

Note A - Basis of Presentation

The accompanying unaudited consolidated condensed financial statements include all adjustments which in the opinion of management are necessary to a fair statement of the results of operations and changes in financial position for the interim periods presented. Such adjustments consist only of normal recurring accruals. Certain 1981 income and expense accounts have been reclassified to conform to December 31, 1981 reporting classifications. The results of operations for the three months ended March 31, 1982 and 1981, are not necessarily indicative of the results to be shown for the years ended December 31, 1982 and 1981.

Note B - Inventories

Components of inventory were as follows:

	As of <u>March 31, 1982</u>	As of <u>December 31, 1981</u>
Raw materials	\$164,393	\$192,732
Work in process	254,945	251,267
Finished goods	<u>187,000</u>	<u>165,014</u>
	<u>\$606,338</u>	<u>\$609,013</u>

Note C - ContingenciesMatters Regarding Federal Pacific Electric Company

Since the acquisition of Federal Pacific Electric Company ("Federal Pacific") from UV Industries, Inc. ("UV") in 1979, the Company has learned that the Underwriters Laboratories, Inc. ("UL") listings on circuit breakers made by Federal Pacific had previously been obtained through the use of deceptive and improper practices. Such improper test practices were terminated after the acquisition and, as a result, most of the circuit protective products manufactured by Federal Pacific, at some point thereafter, lost their UL listing. The Company is in the process of correcting product deficiencies in order to regain the lost listings and continues to submit such circuit protective products for UL listing. Sales of circuit protective systems amounted to approximately \$100,000,000 in 1979. The Company has suspended the sale of certain models until the results of tests can be evaluated, and production and sale of certain other models have been suspended until such time as the UL listing for such models is regained. Circuit protective products bearing UL listings currently being manufactured by Federal Pacific meet the requirements of UL tests. In addition, tests conducted in-house by the Company indicated a possible defect in some of the past production of the Stab-Lok line of two-pole, 220 volt circuit breakers. The Company retained an independent testing laboratory to conduct additional tests to determine whether a significant hazard exists with regard to these devices. The Company also notified the Consumer Product Safety Commission ("CPSC") of its