



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, Pa. 17120

May 15, 1986

IN REPLY PLEASE
REFER TO OUR FILE

Re: Pa. Public Utility Commission et. al. v. Philadelphia
Electric Company - Corrections to Recommended Decision
R-850152
R-850152C001-C004

To All Parties:

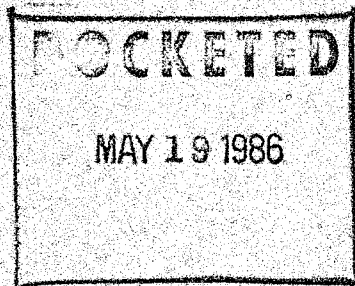
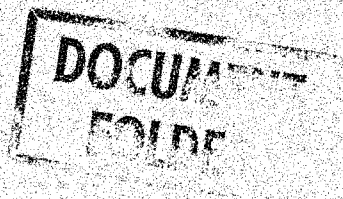
Please find attached revised Tables I through III to replace
Tables I through III which were attached to Administrative Law Judge
Matuschak's Recommended Decision in the above-captioned proceeding.
These revised tables should be used in lieu of those which were attached
to the Recommended Decision.

Please note that the following pages in the body of the
Recommended Decision should also be revised:

<u>Page 187</u>	
Line 3	695,730,000
Line 5	2,803,641,000
Line 7	301,648,000
Line 10	12.06%
Line 11	4.02%
Line 22	2,803,641,000

<u>Page 182</u>	
Line 20	12.06%
Line 21	4.02%

<u>Page 86</u>	
Line 6	5,557,000



Very truly yours,

Wm H. Smith

William H. Smith
Chief Administrative Law Judge
For Secretary Jerry Rich

Attachments

TABLE 1

PHILADELPHIA ELECTRIC COMPANY

INCOME SUMMARY

(000)

	Pro Forma Proposed Rates	Alt Adjustments	Adjusted Proposed Rates	Revenue Reduction	Alt Recommendation
Operating Revenue	\$3,183,753	\$0	\$3,183,753	(\$380,112)	\$2,803,641
Deductions					
O&M Expenses	\$1,439,692	(\$37,690)	\$1,402,002		\$1,402,002
Depreciation	\$261,163	(\$32,488)	\$228,675		\$228,675
Taxes					
Income	\$495,076	\$74,250	\$569,326	(\$185,388)	\$383,938
Other	\$100,899	\$0	\$100,899	(\$7,602)	\$93,297
Total Deductions	\$2,296,830	\$4,072	\$2,300,902	(\$192,990)	\$2,107,912
Net Income	\$886,923	(\$4,072)	\$882,851	(\$187,122)	\$695,730
Investment Base	\$6,943,888	(\$1,146,138)	\$5,797,750		
Rate of Return			12.00%		

Recommended Return

	Capital Structure	Cost	Weighted Cost
Long-Term Debt	50.90%	10.62%	5.41%
Short-Term Debt	0.00%	0.00%	0.00%
Preferred Stock	10.70%	10.50%	1.12%
Common Equity	38.40%	14.25%	5.47%
Total	100.00%		12.00%

TABLE 11

PHILADELPHIA ELECTRIC COMPANY

SUMMARY OF ADJUSTMENTS

(000)

Rate Base	Revenue	Expense	Depreciation	Taxes- Other	State Tax	Federal Tax	Return
					6.9767%	46.00%	
Salem Unit No. 1							
Common Plant							
Limerick No. 1		(8639,512)					
Depreciation Reserve		\$12,105					
Excess Tax Depreciation		\$49,669					
Land for Future Use		(41,258)					
Coal Inventory-Keystone		(5300)					
Oil Inventory-Keystone		(41,784)					
Limerick Const. Errors		(813,278)					
CPR Audit Adjust. No. 9		(815,334)					
Limerick '76 & '78 Delay		(8554,900)					
Salem Unit No. 2		(55,098)					
Def. Taxes-Capitalized							
Pensions, Taxes & Ben.		\$16,208					
Acc. Def. State Taxes		\$7,167					
Cash Working Capital		\$5,557					
Common Plant							
Annual Depreciation			(832,488)				
Tax Depreciation							
Excess Tax Depreciation					\$9,675	\$59,338	\$32,488
Allocation of ITC						(849,669)	(869,013)
Mgt. Audit-Salem No. 1		(83,642)					
Decomm. Peach Bottom No. 1		(8691)			\$254	\$1,563	\$1,563
Lim. No. 2-Show Cause Inv.		(81,100)			\$48	\$1,558	\$1,830
Amort. Damaged Nuc. Fuel		(8104)			\$77	\$296	\$347
Decomm. Exp.-Reserve Def.		(81,896)			\$7	\$471	\$552
Refund at C-850128		(81,033)			\$132	\$811	\$52
Keystone Alliance		(84,383)			\$72	\$442	\$953
Salem No. 2 Benefits		(8228)			\$306	\$1,875	\$2,202
Actual Taxes Paid		(816,208)			\$16	\$98	\$114
Acc. Def. State Taxes		(85,658)			\$1,131	\$6,935	\$8,142
Con. Tax Return Savings					\$395	\$2,421	\$2,842
Proposed Refund R-822291		(82,747)			\$192	(8342)	\$342
Interest Expense						\$1,175	\$1,380
	(81,146,138)	\$0	(837,690)	(832,488)	\$0	\$4,096	\$30,032
						\$17,201	(83,028)
							(88,072)

Interest Expense

Interest Rate Base	\$ 5,792,750
Weighted Cost of Debt	0.0541
Interest Expense	\$313,658
Company Claim	\$383,840
Interest Claim	\$70,182
Effective Income Tax Rate	0.0697674
Interest Tax Adjustment	\$4,896

Interest Claim	\$70,182
Interest Tax Adjustment	\$4,896
Adj. Interest Claim	\$65,286
Effective Income Tax Rate	0.46
Interest Tax Adjustment	\$30,032