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:

Page 187	
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
Page 182	
Line 20	12.06%
Line 21	4.02%
Page 86	
Line 6	5,557,000

DOCUMENT FOLDER

DOCKETED
MAY 19 1986

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	ALJ Adjustments	Adjusted Proposed Rates	Revenue Reduction	ALJ Recommendation
erating Revenue	$3,183,753	$0	$3,183,753	($380,112)	$2,803,641
ductions					
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
tal Deductions	$2,296,830	$4,072	$2,300,902	($192,990)	$2,107,912
t Income	$886,923	($4,072)	$882,851	($187,121)	$695,730
te Base	$6,943,888	($1,146,138)	$5,797,750		
J Rate of Return			12.00%		

J Recommended Return

	Capital Structure	Cost	Weighted Cost
ng-Term Debt	50.90%	10.62%	5.41%
ort-Term Debt	0.00%	0.00%	0.00%
eferred Stock	10.70%	10.50%	1.12%
mmon Equity	38.40%	14.25%	5.47%
tal	100.00%		12.00%

TABLE II

PHILADELPHIA ELECTRIC COMPANY

SUMMARY OF ADJUSTMENTS

(000)

	Rate Base	Revenue	Expense	Depreciation	Taxes-Other	State Tax 6.9767%	Federal Tax 46.00%	Return
Salem Unit No.1	($4,380)							
Common Plant								
Limerick No.1	($639,512)							
Depreciation Reserve	$12,105							
Excess Tax Depreciation	$49,669							
Land for Future Use	($1,258)							
Coal inventory-Keystone	($300)							
Oil Inventory Keystone	($1,784)							
Limerick Const. Errors	($13,278)							
CPR Audit Adjust. No.9	($15,334)							
Limerick '76 & '78 Delay	($554,900)							
Salem Unit No. 2	($6,098)							
Def. Taxes-Capitalized								
Pensions, Taxes & Ben.	$16,208							
Acc. Def. State Taxes	$7,167							
Cash Working Capial	$5,557							
Common Plant								
Annual Depreciation				($32,488)				$32,488
Tax Depreciation						$9,675	$59,338	($69,013)
Excess Tax Depreciation							($49,669)	$49,669
Allocation of ITC							$1,563	($1,563)
Mgt. Audit-Salem No.1			($3,642)			$254	$1,558	$1,830
Decomm. Peach Bottom No.1			($691)			$48	$296	$347
Lim. No.2-Show Cause Inv.			($1,100)			$77	$471	$552
Amort. Damaged Nuc. Fuel			($104)			$7	$45	$52
Decomm. Exp.-Reserve Def.			($1,896)			$132	$811	$953
Refund at C-850128			($1,033)			$72	$442	$519
Keystone Alliance			($4,383)			$306	$1,875	$2,202
Salem No.2 Benefits			($228)			$16	$98	$114
Actual Taxes Paid			($16,208)			$1,131	$6,935	$8,142
Acc. Def. State Taxes			($5,658)			$395	$2,421	$2,842
Con. Tax Return Savings							($342)	$342
Proposed Refund R-822291			($2,747)			$192	$1,175	$1,380
Interest Expense*						$4,896	$30,032	($34,928)
	($1,146,138)	$0	($37,690)	($32,488)	$0	$17,201	$57,049	($4,072)

nterest Expense

J Rate Base	$ 5,797,750
ighted Cost of Debt	0.0541
Interest Expense	$313,658
npany Claim	$383,840
. Interest Claim	$70,182
te Income Tax Rate	0.0697674
te Tax Adjustment	$4,896

. Interest Claim	$70,182
te Tax Adjustment	$4,896
Adj. Interest Claim	$65,286
eral Income Tax Rate	0.46
ral Tax Adjustment	$30,032