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PENNSYLVANIA PUBLIC UTILITY COMMISSION SECRETARY'S OFFICE  
Public Utility Commission

For Commission Use Only:  
COMPLAINT DOCKET NO. R-850152C014 REF: # UTILITY CODE 110550  
PENNSYLVANIA ENERGY RATEPAYERS COALITION,  
INSTITUTE FOR THE STUDY OF CIVIC VALUES, ET VS. PHILADELPHIA ELECTRIC COMPANY

PLEASE PRINT:

1 YOUR NAME, ADDRESS AND TELEPHONE NUMBER:

Name Pennsylvania Energy Ratepayers Coalition, Institute for the Study of Civic Values, Kristin Dawkins, Gwen Stallworth  
Direct 1217 Sansom Street - 6th Floor  
City Philadelphia, PA 19107 State \_\_\_\_\_ Zip \_\_\_\_\_  
County Philadelphia Home Telephone-Area Code (City) \_\_\_\_\_  
Work Telephone-Area Code (City) 215-592-1774

DOCUMENT FOLDER

2 COMPANY YOU ARE COMPLAINING ABOUT:

Name Philadelphia Electric Company .D.U.P. JAN 2 - 1985

DOCKETED

3 WHAT IS YOUR COMPLAINT (DESCRIBE PROBLEM):

On September 27, the Philadelphia Electric Company requested changes in the structure and increases in the rates charged to customers by about 28%, or \$671 million, over 3 years in order to pay for the Limerick 1 nuclear plant and common costs of Limerick 2 as well. We find this increase to be unjust, unreasonable, discriminatory, and entirely too high. PECO assumes energy cost savings of \$207 million per year, but there is no assurance these savings will be realized and there is no assurance that they would not later be charged to consumers in the Energy Cost Rate. This, too, is unjust and unreasonable to ratepayers, who will have to pay for Limerick whether or not there are energy savings realized. (More Space On Back)

For Commission Use Only:  
DATE FILED 12/30/85 MONITOR'S BUREAU ALL

In general, we object to any charges accruing to ratepayers which do not meet the standard of avoided cost pricing. PECO is entitled to no more than the value of the capacity and energy avoided by the use of Limerick, or the fair market

value of the least expensive available source of power

For Commission Use Only  
DATE RECEIVED  
PENNSYLVANIA ENERGY RATEPAYERS COALITION  
INSTITUTE FOR THE STUDY OF CIVIC VALUES  
1515 BANCOURT STREET - 6TH FLOOR  
PHILADELPHIA, PA 19107

YOUR NAME ADDRESS AND TELEPHONE NUMBER  
Name Study of Civic Values, Kristin Dawkins, Gwen Stallworth  
1515 Bancourt Street - 6th Floor  
Philadelphia, PA 19107

4. WHAT DO YOU WANT US TO DO? Home Telephone - (000) 000-0000

The Pennsylvania Energy Ratepayers Coalition, Institute for the Study of Civic Values, Kristin Dawkins, and Gwen Stallworth

request that the P.U.C. suspend PECO's request pending a full investigation of the factual, legal, and economic bases for all proposed changes. This investigation should include full evidentiary and public input hearings in the PECO service territory. The P.U.C. should deny any changes not found to be just and reasonable or found to be discriminatory or illegal in any way.

*Kristin Dawkins*  
attorney for corporate complainant

YOU MUST SIGN HERE

PUT TODAY'S DATE HERE

December 19, 1985

YOU DO NOT NEED A LAWYER. If you DO have a lawyer PLEASE PRINT the lawyer's name, address and telephone number below

Lawyer's Name Martha W. Bush  
Street 237 S. Melville Street  
City Philadelphia State PA Zip 19139

Telephone Number Area Code ( 215 ) 222-6991

For Commission Use Only  
DATE RECEIVED

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

Kristin Dawkins, being duly sworn (affirmed)

according to law, disposes and says that he is Director  
of the Pennsylvania Energy Ratepayers Coalition, a project of  
the legally-incorporated non-profit organization Institute for the  
Study of Civic Values; that he is authorized to

and does make this affidavit for it; and the facts above set forth are  
true and correct; or are true and correct to the best of his knowledge.

Kristin Dawkins, in addition to being  
Director of said organization, is a ratepayer of  
the Philadelphia Electric Company.

Kristin Dawkins

Signature of Affiant

Sworn and subscribed before me this 20th  
day of December, 1985

My Commission Expires June 20, 1988

Celestine S. Wanamaker

CELESTINE S. WANAMAKER  
Notary Public, Phila., Phila. Co.  
My Commission Expires June 20, 1988

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

Gwen Stallworth, being duly sworn (affirmed) according to law, desposes and says that he is Member of the Pennsylvania Energy Ratepayers Coalition, a project of the legally-incorporated non-profit organization Institute for the Study of Civic Values; that he is authorized to and does make this affidavit for it; and the facts above set forth are true and correct; or are true and correct to the best of his knowledge.

Gwen Stallworth, in addition to being Member of said organization, is a ratepayer of the Philadelphia Electric Company.

Gwen Stallworth

Signature of Affiant

Sworn and subscribed before me this 20th day of December, 1985

My Commission Expires June 20, 1985  
Celestine S. Wanamaker

CELESTINE S. WANAMAKER  
Notary Public, Phila., Phila. Co.  
My Commission Expires June 20, 1988



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

December 30, 1985

IN REPLY PLEASE  
REFER TO OUR FILE  
R-850152C014

**DOCUMENT  
FOLDER**

William E. Zeiter, Esq.  
Mortan, Lewis & Bockius  
One Logan Square  
Philadelphia, PA 19103

Dear Mr. Zeiter:

A complaint has been filed against you before the Pennsylvania Public Utility Commission by Pennsylvania Energy Ratepayers Coalition, et al. (the complaining party)

To defend yourself against the claims stated in the following pages, you must act within twenty (20) days, by filing in writing with the Commission, either personally or through your attorney, your defenses or objections to the claims stated against you. Or, you may satisfy the complaint by settling the matter with the Complainant and submitting proof of settlement to the Commission within twenty (20) days.

IF YOU FAIL TO RESPOND WITHIN TWENTY (20) DAYS THE CASE MAY GO FORWARD IN YOUR ABSENCE AND A JUDGMENT MAY BE ENTERED AGAINST YOU BY THE COMMISSION WITHOUT FURTHER NOTICE.

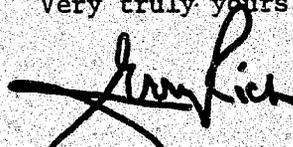
AN ADMINISTRATIVE LAW JUDGE MAY REVOKE OR SUSPEND ANY CERTIFICATE OR PERMIT HELD BY YOU, OR IMPOSE A FINE, OR ANY OTHER APPROPRIATE PENALTY OR REMEDY AUTHORIZED BY THE PUBLIC UTILITY CODE. YOU MAY LOSE MONEY OR PROPERTY OR OTHER RIGHTS IMPORTANT TO YOU.

Detailed instructions on how to proceed are contained in the attached pages. You are advised to read them carefully.

Unless you are a corporation or other organization, you may proceed without a lawyer. However, if you want a lawyer and do not have one or cannot afford one, the office listed below can tell you where you can get legal help:

Pennsylvania Lawyer Referral Service  
Pennsylvania Bar Association  
P.O. Box 186  
Harrisburg, Pennsylvania 17108  
(800) 692-7375

Very truly yours,

  
Jerry Rich  
Secretary

Attachment

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Pennsylvania Energy Ratepayers Coalition,  
Institute for the Study of Civic Values,

Kristin Dawkins, Gwen Stallworth. : Complaint Docket  
No. R-850152C014

Philadelphia Electric Company

DOCUMENT  
FOLDER

DOCKETED  
JAN 3 1986

FORMAL COMPLAINT  
NOTICE TO RESPONDENT  
TO ANSWER OR SATISFY

TO: Mr. William E. Zeitzel, Administrative Law Judge  
TAKE NOTICE:

That a complaint in the above entitled matter, of which the attached is a true and correct copy, has been presented and filed of record with the Pennsylvania Public Utility Commission. Section 702 of the Public Utility Code, 66 Pa.C.S. §702, requires the Commission to serve on each party named in a complaint a copy of the complaint and notice calling upon each party to satisfy the complaint, or to answer the same in writing within a specified time; THEREFORE,

You have twenty (20) days from the date on which this complaint is served to either satisfy this complaint or to file with the Secretary of the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17120, an answer (original and two copies), in writing, under oath, which, as required by Section 35.35 of the General Rules of Administrative Practice and Procedure, 1 Pa. Code §35.35, either affirms or specifically denies the allegations in this complaint. You must also serve a copy of the answer upon the complainant.

If you fail to either satisfy this complaint or to file an answer or other responsive pleading within twenty (20) days, you will be deemed to have admitted all the allegations in this complaint in accordance with Section 35.35 of the General Rules of Administrative Practice and Procedure, 1 Pa. Code §35.35. In that event, an Administrative Law Judge of the Commission may, without hearing, enter an order which either revokes or suspends any certificate or permit held by you or which imposes a fine or any other appropriate penalty or remedy.

Return Receipt Requested  
Certified Mail

authorized by the Public Utility Code, 66 Pa.C.S. §101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. The Administrative Law Judge is not limited to the relief sought by the complainant in paragraph 4. of the attached complaint.

3. If you elect to satisfy this complaint you must file, within twenty (20) days from the date on which this complaint is served, affidavits executed by each complainant that this complaint has been satisfied. Such affidavits must describe the basis on which this complaint was satisfied; any settlement agreement between the parties must be reduced to writing and attached to the affidavit. Such affidavits are to be filed with the Secretary of the Commission at the address set forth in paragraph 1. Upon receipt of affidavits of satisfaction from all complainants, this complaint will be dismissed by an Administrative Law Judge in accordance with Section 703(a) of the Public Utility Code, 66 Pa.C.S. §703(a), unless the Judge determines that such dismissal would be contrary to the public interest, in which event he may direct that hearings be held upon the complaint.

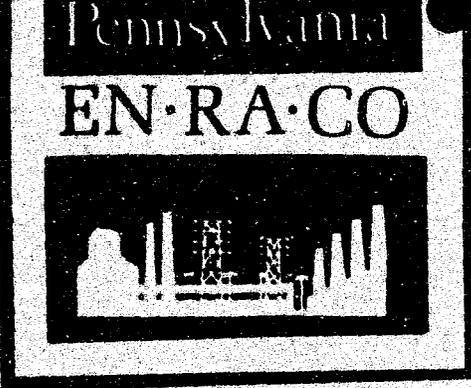
4. If you file an answer which admits the allegations in this complaint, or which fails to specifically deny the allegations in this complaint, an Administrative Law Judge will, without hearing, enter an order which either revokes or suspends any certificate held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa.C.S. §101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. The Administrative Law Judge is not limited to the relief sought by the complainant in paragraph 4. of the attached complaint.

5. If you file a timely answer which specifically denies the allegations in this complaint, or which raises material questions of law or fact, this matter shall be referred to the Office of Administrative Law Judge for hearing and decision. If, after hearing on the issues raised by that answer, you are found to have committed any of the violations alleged in this complaint, the Administrative Law Judge may render a decision which either revokes or suspends any certificate or permit held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa.C.S. §101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. In the imposition of a penalty after hearing the Administrative Law Judge is not bound by the relief sought by the complainant in paragraph 4. of the attached complaint.

6. If you file an answer which admits the allegations in this complaint, or which fails to specifically deny the allegations in this complaint, an Administrative Law Judge will, without hearing, enter an order which either revokes or suspends any certificate held by you or which imposes a fine or any other appropriate penalty or remedy authorized by the Public Utility Code, 66 Pa.C.S. §101, et seq.; and, if you are a customer of a utility, an order may be entered which prescribes a payment schedule or which authorizes termination of utility services. The Administrative Law Judge is not limited to the relief sought by the complainant in paragraph 4. of the attached complaint.

*[Handwritten signature]*

Certified Mail  
Return Receipt Requested  
JEP:ahn



PENNSYLVANIA ENERGY RATEPAYERS COALITION

(215) 922-8960

COPY

December 19, 1985

RECEIVED

DEC 30 1985

SECRETARY'S OFFICE  
Public Utility Commission

Mr. Jerry Rich, Secretary  
Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17120

Dear Mr. Rich,

Enclosed please find our Complaint against the request for a rate increase by the Philadelphia Electric Company filed September 27.

Our attorney, Martha W. Bush, will participate in a limited fashion, due to limited funds of our organization.

However, we specifically request that all documents filed by all parties in this case be forwarded to our attorney as well as to our organizational address.

Thank you for your cooperation. Best wishes in the New Year,

Sincerely,

Kristin Dawkins  
Director

PLEASE NOTE OUR  
NEW ADDRESS

1217 SANSOM STREET  
6th FLOOR  
PHILADELPHIA, PA 19107

**MORGAN, LEWIS & BOCKIUS**

WASHINGTON  
NEW YORK  
LOS ANGELES

COUNSELORS AT LAW  
2000 ONE LOGAN SQUARE  
PHILADELPHIA, PENNSYLVANIA 19103  
TELEPHONE: (215) 963-5000  
CABLE ADDRESS: MORLEBOCK  
TELEX: 83-1315

MIAMI  
HARRISBURG  
LONDON

WILLIAM E. ZEITER  
DIAL DIRECT (215) 963-5367

January 6, 1985

**RECEIVED**

JAN 6 1986

SECRETARY'S OFFICE  
Public Utility Commission

Secretary Jerry Rich  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17120

Re: United States Steel Corporation v.  
Philadelphia Electric Company  
Docket No. R-850152C013



Dear Secretary Rich:

Enclosed are an original and two copies of an Answer filed on behalf of the Philadelphia Electric Company in the above-captioned docket.

By the enclosed Certificate of Service I certify that I am this day serving copies of the enclosed Answer on Complainant.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. Zeiter".

William E. Zeiter  
Counsel for Philadelphia  
Electric Company

awc

Enclosure

cc: Kenneth R. Pepperney, Esquire

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JAN 6 1986  
SECRETARY'S OFFICE  
Public Utility Commission

UNITED STATES STEEL  
CORPORATION

V.

PHILADELPHIA ELECTRIC COMPANY

:  
:  
:  
:  
:  
:  
:

Docket No. R-850152C013

**DOCKETED**

**JAN 7 1986**

ANSWER

NOW COMES the Respondent, Philadelphia Electric Company (the "Company"), by its attorneys, and answers the Complaint of United States Steel Corporation, as follows:

1.-5. Admitted.

6.-7. The Company admits that Supplement No. 15 to its Tariff Electric--Pa. P.U.C. No. 26 requests a rate increase of approximately \$670.7 million. The Company lacks knowledge as to the specific future effect of Supplement No. 15 upon Complainant, and to the extent relevant demands proof thereof at any hearing thereon.

8. Denied. In further answer the Company avers that the rates proposed in Supplement No. 15 are just, reasonable, nondiscriminatory and lawful under the Public Utility Code, and that said rates will produce total revenues no greater than are needed for the Company to earn a fair return on the value of its plant employed in serving the public as is its entitlement under the Public Utility Code.

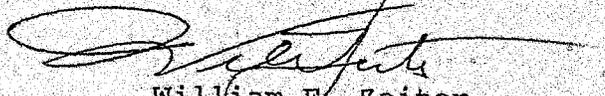
9. The effective date of Supplement No. 15 was suspended by operation of law and a formal investigation

**DOCUMENT  
FOLDER**

into the lawfulness of the Supplement was initiated by the Commission by Order entered on November 1, 1985.

WHEREFORE, for the foregoing reasons, the Complaint of the United States Steel Corporation should be dismissed.

Respectfully submitted,



William E. Zeiter  
Counsel for Philadelphia  
Electric Company

OF COUNSEL:

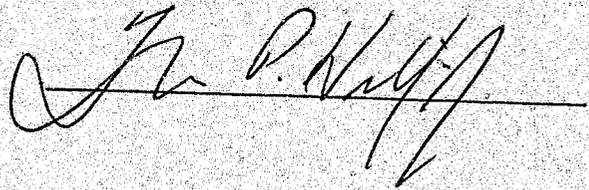
Edward G. Bauer, Jr., Esquire  
Vice President & General Counsel  
Philadelphia Electric Company  
2301 Market Street  
Philadelphia, PA 19101

Robert H. Young  
J. H. Calvert  
Frederick H. Knight  
David B. MacGregor  
MORGAN, LEWIS & BOCKIUS  
2000 One Logan Square  
Philadelphia, PA 19101

DATE: January 3, 1986

VERIFICATION

THOMAS P. HILL, JR., as provided by 52 Pa. Code §1.36(a) and (d), affirms under the penalties provided for in 18 Pa. Code §4904 that he is Assistant Manager, Rate Division of the Philadelphia Electric Company, that he is duly authorized to make this verification, that the facts set forth in the attached Answer are true and correct to the best of his knowledge, information and belief, and that he expects Philadelphia Electric Company to be able to prove the same at any hearing thereon.

A handwritten signature in dark ink, appearing to read "T. P. Hill, Jr.", is written over a horizontal line. The signature is cursive and somewhat stylized.

DATE: December 31, 1985

ORIGINAL

MORGAN, LEWIS & BOCKIUS

WASHINGTON  
NEW YORK  
LOS ANGELES

COUNSELORS AT LAW  
ONE LOGAN SQUARE  
PHILADELPHIA, PENNSYLVANIA 19103  
TELEPHONE: (215) 963-5000  
CABLE ADDRESS: MORLEBOCK  
TELEX: 83-1315

MIAMI  
HARRISBURG  
LONDON

WILLIAM E. ZEITER  
DIAL DIRECT (215) 963-5367

RECEIVED

January 14, 1986

JAN 15 1986

SECRETARY'S OFFICE  
Public Utility Commission

Secretary Jerry Rich  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17120

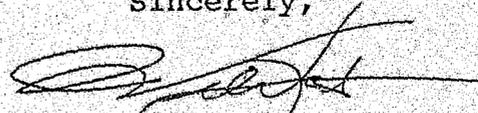
Re: Pennsylvania Energy Ratepayers Coalition,  
et al. v. Philadelphia Electric Company  
Docket No. R-850152C014

Dear Secretary Rich:

Enclosed are an original and two copies of an Answer filed on behalf of the Philadelphia Electric Company in the above-captioned docket.

By the enclosed Certificate of Service I certify that I am this day serving copies of the enclosed Answer on Complainant.

Sincerely,



William E. Zeiter  
Counsel for Philadelphia  
Electric Company

ddg  
Enclosure

cc: Martha W. Bush, Esq.

DOCUMENT  
FOLDER

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JAN 15 1986

SECRETARY'S OFFICE  
Public Utility Commission

PENNSYLVANIA ENERGY :  
RATEPAYERS COALITION, :  
INSTITUTE FOR THE STUDY OF :  
CIVIC VALUES, ET AL. :

V. :

Docket No. R-850152C014

PHILADELPHIA ELECTRIC COMPANY :

ANSWER

NOW COMES the Respondent, Philadelphia Electric Company (the "Company"), by its attorneys, and answers the Complaint of Pennsylvania Ratepayers Coalition, Institute for the Study of Civic Values, et al., as follows:

**DOCKETED**  
JAN 16 1986

1.-2. Admitted.

3. Admitted in part, denied in part. It is

admitted that on September 27, 1985, the Company filed Supplement No. 15 to its Tariff Electric - Pa. P.U.C. No. 26 which is designed to produce an increase in the Company's annual electric revenue of approximately \$670.2 million, or 28.2% of test year revenue, which is proposed to be phased in over a three year period. The principal reason for the increase is to reflect the increased capital and operating costs, and decreased energy production costs associated with the Limerick Nuclear Generating Station Unit 1 and 100% of Common Plant. It is denied that the proposed increase is unjust, unreasonable, discriminatory or excessive. The Company, to the contrary, avers that the proposed rates are just, reasonable, nondiscriminatory and lawful under the Public Utility Code, and that said rates will produce total revenues no greater than are needed for

**DOCUMENT  
FOLDER**

the Company to earn a fair return on the value of its plant employed in serving the public as is its entitlement under the Public Utility Code. It is admitted the proposed rate increase reflects an estimated \$207.5 million of the average annual energy cost savings anticipated from the operation of Limerick 1 during the first two years rates established in this proceeding will be in effect. Regarding the averment that there is no assurance that such average annual energy cost savings will be realized or that they would not later be charged to customers, the amount of energy cost savings is necessarily a projection based on anticipated future conditions. Actual conditions may vary from projections, and the actual energy savings produced by Limerick 1 may be above or below the Company's estimate. Nevertheless, under well-established Commission procedure, any difference between the projected and actual energy costs, including Limerick 1 energy savings, will be reflected in the over/under collection provisions of the Energy Cost Rate assuring that ratepayers will receive the full benefit of the operation of Limerick 1.

Finally, the avoided cost pricing method of rate determination referred to by Complainants has no application in this proceeding and, if applied, would be unjust, unreasonable, discriminatory and violative of the Public Utility Code and constitutional principles of due process. Supplement No. 15 is based on well established cost of service principles, and the rates proposed therein are just, reasonable, non-discriminatory and lawful under the Public Utility Code and will produce total revenues no greater than are needed by the Company to earn a fair return on the value of its plant used and useful

in the public service as is its entitlement under the Public Utility Code.

4. The effective date of Supplement No. 15 was suspended by operation of law and a formal investigation into the lawfulness of the Supplement was initiated by the Commission by Order entered November 1, 1985.

WHEREFORE, for the foregoing reasons, the Complaint of Pennsylvania Energy Ratepayers Coalition, Institute for the Study of Civic Values, et al. should be dismissed.

Respectfully submitted,

  
William E. Zeiter  
Counsel for Philadelphia  
Electric Company

OF COUNSEL:

Edward G. Bauer, Jr., Esquire  
Vice President & General Counsel  
Philadelphia Electric Company  
2301 Market Street  
Philadelphia, PA 19101

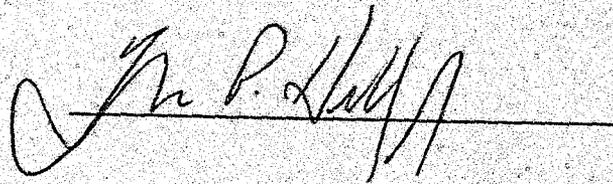
Robert H. Young  
J. H. Calvert  
Frederick H. Knight  
David B. MacGregor  
MORGAN, LEWIS & BOCKIUS  
2000 One Logan Square  
Philadelphia, PA 19101

DATE: January 14, 1986

VERIFICATION

THOMAS P. HILL, JR., as provided by 52 Pa. Code §1.36(a) and (d), affirms under the penalties provided for in 18 Pa. Code §4904 that he is Assistant Manager, Rate Division of the Philadelphia Electric Company, that he is duly authorized to make this verification, that the facts set forth in the attached Answer are true and correct to the best of his knowledge, information and belief, and that he expects Philadelphia Electric Company to be able to prove the same at any hearing thereon.

DATE: January 14, 1986



CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the Philadelphia Electric Company's Answer to the Complaint of Pennsylvania Energy Ratepayers Coalition, et al. filed on January 14, 1986 to be served by first class mail, postage prepaid on all active parties in the Limerick No. I Rate Proceeding at Docket No. R-850152C014.

Mr. Jerry Rich, Secretary  
Pennsylvania Public Utility Commission  
New Filing Section  
Secretary's Bureau, Room B-18  
North Office Building  
Commonwealth and North Streets  
Harrisburg, PA 17120

John Hanger, Esquire  
Community Legal Services, Energy Project  
3638 North Broad Street  
Philadelphia, PA 19140

David M. Kleppinger, Esquire  
100 Pine Street  
Harrisburg, PA 17120

Zori G. Ferkin, Esquire  
Governor's Energy Council  
P.O. Box 8010  
300 N. 2nd Street  
Harrisburg, PA 17105

Scott Rubin, Esquire  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Mildred E. V. Pitts, Esquire  
Information Resources & Utilities Division  
General Services Administration  
Room 4002  
18th and F Streets, N.W.  
Washington, DC 20405

Charles E. Rainey, Jr., Esquire  
Municipal Services Building  
Law Department, 15th Floor  
Philadelphia, PA 19102

Nancy Schuster, Esquire  
1 Pond Street  
Bristol, PA 19007

Patricia M. Gustin  
Pennsylvania Public Utility Commission  
Room G-33  
North Office Building  
Harrisburg, PA 17108

Earle H. O'Donnell, Esquire  
Merrill L. Kramer, Esquire  
Sutherland, Asbill & Brennan  
1666 K Street, N.W.  
Washington, D.C. 20006-2803

Mark P. Widoff, Esquire  
Widoff, Reager, Selkowitz & Adler  
129 State Street  
Harrisburg, PA 17101

Michael Browne, Esquire  
Reed, Smith, Shaw & McClay  
1600 Avenue of the Arts Building  
Broad and Chestnut Streets  
Philadelphia, PA 19107

Honorable Joseph P. Matuschak  
Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

Wayne L. Emery, Esquire  
Kenneth R. Pepperney, Esquire  
Rafael Caminero, Esquire  
600 Grant Street, Rm. 1580  
Pittsburgh, PA 15230

Alan R. Squires, Esquire  
Greenstein, Gorelick, Price,  
Silverman & Laveson  
900 Two Penn Center Plaza  
Philadelphia, PA 19102

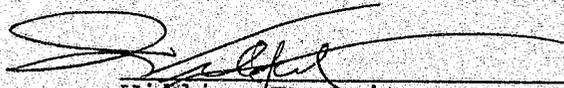
Anthony G. Tummarello  
Director of Energy  
Occidental Chemical Corporation  
P.O. Box 4020  
River Park  
Darien, CT 06820

Stephen Bosch, Esquire  
450 Carnell Hall  
Broad Street & Montgomery Avenue

Martha Bush, Esquire  
Pa. Energy Ratepayers Coalition  
237 S. Melville Street  
Philadelphia, PA 19139

Bernard A. Ryan, Jr., Esquire  
Dechert Price & Rhoads  
800 N. third Street  
Harrisburg, PA 17102

William T. Hawke, Esquire  
Joseph J. Malatesta, Esquire  
Malatesta, Hawke, McKeon & Morris  
212 Locust Street  
P.O. Box 12110  
Harrisburg, PA 17108

  
William E. Zeiter  
Counsel for Philadelphia  
Electric Company



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

DOCUMENT  
 FOLDE

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	ALI Adjustments	Adjusted Proposed Rates	Revenue Reduction	ALI Recommendation
Operating Revenue	\$3,183,753	\$0	\$3,183,753	(\$380,112)	\$2,803,641
Deductions					
OGM 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	(\$187,121)	\$695,730
Rate Base	\$6,943,888	(\$1,146,136)	\$5,797,750		
LIJ Rate of Return			12.00%		

LIJ Recommended Return

	Capital Structure	Cost	Weighted Cost
Long-Term Debt	30.90%	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
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)							
GPR 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 Capital	\$5,557							
Common Plant								
Annual Depreciation				(\$32,488)				
Tax Depreciation								
Excess Tax Depreciation						\$9,675	\$59,338	\$32,488
Allocation of LTC							(\$49,669)	(\$69,013)
Mgt. Audit-Salem No. 1			(\$3,642)			\$254	\$1,563	\$49,669
Decomm. Peach Bottom No. 1			(\$691)			\$48	\$1,558	(\$1,563)
Lim. No. 2-Show Cause Inv.			(\$1,100)			\$77	\$296	\$1,930
Amort. Damaged Nuc. Fuel			(\$104)			\$7	\$471	\$347
Decomm. Exp. Reserve Def.			(\$1,896)			\$132	\$45	\$52
Refund at C-550138			(\$1,049)			\$7	\$811	\$953
Keystone Alliance			(\$4,383)			\$72	\$442	\$519
Salem No. 2 Benefits			(\$228)			\$306	\$1,975	\$2,202
Actual Taxes Paid			(\$4,383)			\$16	\$98	\$114
Acc. Def. State Taxes			(\$16,208)			\$1,131	\$6,935	\$8,142
Con. Tax Return Savings			(\$5,958)			\$395	\$2,421	\$2,842
Proposed Refund R-823291			(\$2,747)			\$192	(\$342)	\$342
Interest Expenses						\$4,896	\$30,032	(\$31,928)
	(\$1,146,138)	\$0	(\$37,690)	(\$32,488)	\$0	\$17,201	\$57,049	(\$4,072)

Interest Expense

Rate Base \$ 5,797,750  
Red Cost of Debt 0.0541

Interest Expense \$313,658  
Any Claim \$383,940

Interest Claim \$70,182  
Income Tax Rate 0.0697874  
Tax Adjustment \$4,896

Interest Claim \$70,182  
Tax Adjustment \$4,896

Adj. Interest Claim \$65,286  
Income Tax Rate 0.46  
Total Tax Adjustment \$30,032