

ORIGIN

R-850152

MORGAN, LEWIS & BOCKIUS

WASHINGTON
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PHILADELPHIA, PENNSYLVANIA 19103

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LONDON

DAVID B. MACGREGOR
DIAL DIRECT (215) 963-5448

June 21, 1985

RECEIVED

JUN 21 1985

SECRETARY'S OFFICE
Public Utility Commission

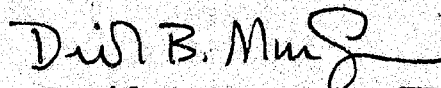
Jerry Rich, Secretary
Pennsylvania Public Utility Commission
North Office Building
Commonwealth and North Streets
Harrisburg, PA 17120

Re: Petition of Philadelphia Electric Company for Special Permission to Depart from (1) the Requirements of 52 Pa. Code §§53.52 and 53.53, Respecting the Filing of Supporting Data for a Test Year Ending 120 Days Prior to the Date of Tariff Filing, and (2) the Requirements of 52 Pa. Code §53.45 Concerning Notification of Customers of the Filing of a Proposed Electric Rate Increase

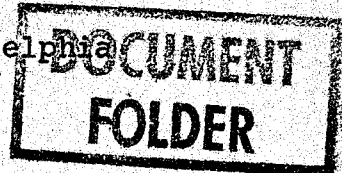
Dear Secretary Rich:

Enclosed for filing with the Commission is the original and three copies of the Petition of Philadelphia Electric Company for Special Permission to Depart from the Requirements of 52 Pa. Code Sections 53.52 and 53.53, Respecting the Filing of Supporting Data for a Test Year Ending 120 Days Prior to the Date of Tariff Filing, and the Requirements of 52 Pa. Code Section 53.45 Concerning Notification of Customers of the Filing of a Proposed Electric Rate Increase.

Sincerely,

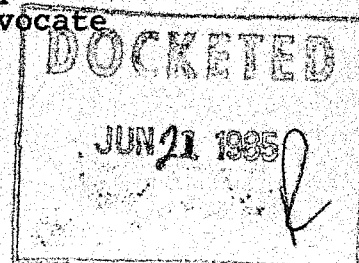


David B. MacGregor
Counsel for Philadelphia
Electric Company



DBM/jmd
Enclosure

cc: Wilmer Patrick, Chief, Tariff Section
Veronica A. Smith, Esq., Commission Prosecutory Staff
Irwin A. Popowsky, Esq., Office of Consumer Advocate



RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUN 21 1985

SECRETARY'S OFFICE
Public Utility Commission

PETITION OF PHILADELPHIA :
ELECTRIC COMPANY FOR SPECIAL :
PERMISSION TO DEPART FROM THE :
REQUIREMENTS OF 52 PA. CODE :
SECTIONS 53.52 AND 53.53, :
RESPECTING THE FILING OF :
SUPPORTING DATA FOR A TEST :
YEAR ENDING 120 DAYS PRIOR TO :
THE DATE OF TARIFF FILING, AND :
THE REQUIREMENTS OF 52 PA. :
CODE SECTION 53.45, CONCERNING :
CUSTOMER NOTIFICATION OF THE :
FILING OF A PROPOSED ELECTRIC :
RATE INCREASE :

DOCKET NO.

R-850152

**DOCUMENT
FOLDER**

PETITION FOR SPECIAL PERMISSION

NOW COMES Philadelphia Electric Company ("PECO" or the "Company"), by its attorneys, and respectfully requests that the Pennsylvania Public Utility Commission (the "Commission") grant it special permission to depart from two requirements of the Commission's regulations in connection with its upcoming general rate increase filing to reflect the Limerick Nuclear Generating Station Unit 1 in base rates. First, the Company requests permission to depart from those portions of 52 Pa. Code Sections 53.52 and 53.53 which require that tariff filings requesting a change in rates be based upon data for a historic test year which ends no more than 120 days before the date the tariff is filed. Specifically, PECO requests that the 120-day period be extended to 180 days and that PECO be permitted to file a general rate increase to obtain the inclusion of Limerick 1 in base rates on or before September 27, 1985, employing a historic test year ended March 31, 1985 and a future test year

DOCKETED
JUN 21 1985

March 31, 1986. Second, the Company requests permission to depart from the requirements of 52 Pa. Code Section 53.45 concerning customer notification of proposed rate increases, and to employ the revised customer notification procedures described below.

As set forth below, on March 18, 1985, the Commission approved identical petitions for the Limerick 1 base rate proceeding based upon test years ending December 31, 1984 and December 31, 1985. However, subsequent events have revised the earliest date for commercial operation of Limerick 1 from December 31, 1985, to the first quarter of 1986. The instant Petition requests that these prior Commission approvals be extended and applied to a filing based upon test years ending March 31, 1985 and March 31, 1986. In support of these requests, PECO states as follows:

1. PECO is a public utility furnishing electric, gas and steam service to customers within its authorized service territory located in Southeastern Pennsylvania. PECO furnishes electric service to a total of approximately 1.3 million retail customers in the City of Philadelphia and surrounding territory in Bucks, Chester, Delaware, Montgomery and York Counties.

2. The names and addresses of PECO's attorneys are as follows:

Walter R. Hall, II
David B. MacGregor
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

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

3. The principal reason for PECO's planned base rate filing is to reflect in rates the original cost of Limerick Unit 1. The Limerick Generating Station consists of two units, each of which has a maximum design capacity of 1,050 megawatts. Construction of Limerick 1 is complete. On October 26, 1984, the Nuclear Regulatory Commission ("NRC") issued PECO an operating license for Limerick 1 authorizing PECO to begin low-power testing of the unit. Fuel loading was completed on November 13, 1984. Low-power testing began on December 22, 1984, and was completed in April 1985. Under the current schedule, it is estimated that the earliest date for commercial operation is in the first quarter of 1986.

REQUEST TO DEPART FROM THE COMMISSION'S
REGULATIONS REGARDING THE FILING
OF A RATE INCREASE WITHIN 120 DAYS
AFTER THE END OF THE HISTORIC TEST YEAR

4. The Company's goal in filing the Limerick 1 rate case is to synchronize commercial operation and rate recognition of Limerick 1 to the maximum extent possible while assuring that

Limerick 1 achieves commercial operation during the future test year employed in the Limerick 1 rate proceeding. Based on the estimated earliest date for commercial operation in the first quarter of 1986, the Company would plan to file rates to reflect Limerick 1 on or before July 29, 1985, employing a future test year ending March 31, 1986. However, a number of events, the most significant of which are beyond PECO's control, could extend this schedule.

For example, the NRC must authorize and issue a full-power operating license for Limerick 1. On June 17, 1985, the NRC Atomic Safety and Licensing Appeal Board vacated two orders of the Atomic Safety and Licensing Board which had granted the Company's request for an exemption authorizing the issuance of a full-power license for Limerick 1 pending resolution of contentions filed by certain inmates of the State Correctional Institute of Graterford concerning the adequacy of the State's Emergency Response Plans for that institution. In addition, the Company is seeking the approval of the Delaware River Basin Commission ("DRBC") of interim water sources for full-power testing of Limerick 1 during the summer of 1985.

5. The foregoing facts are significant for purposes of this Petition because the status of full-power licensing and an interim water supply may not be clarified until after July 29, 1985, the last day upon which a March 31, 1986 future test year could be employed under Commission regulations. The granting of the Petition will give the Company 60 additional days

to determine whether possible schedule delays will occur and whether these delays will impact the projected commercial operation date of Limerick 1. This approach is clearly in the public interest as it will significantly improve the Company's ability to synchronize commercial operation and rate recognition of Limerick 1. This improved synchronization will reduce the financial risk associated with the reflection of Limerick 1 in rates and will thereby reduce PECO's capital costs to the benefit of ratepayers and existing shareholders. Moreover, approval of the Petition reduces the financial risks associated with possible litigation arising out of the application of the Commission's Declaratory Order at Docket No. P-840514, which deals with the accounting and rate recognition of Limerick 1.

6. Granting of this request will not adversely affect ratepayers since it will not increase the level of revenue to be requested by PECO. Moreover, given the additional complexity and volume of data that must be submitted in a general rate increase requesting rate base inclusion of a major nuclear generating unit, the additional sixty days can be used effectively to develop a clearer and more concise presentation to the Commission.

7. By Order entered March 18, 1985, the Commission approved an identical request for the Limerick 1 rate proceeding based upon test years ending December 31, 1984 and December 31, 1985. By Order entered April 6, 1984, in PECO's most recent rate proceeding at Docket No. R-842590, the

Commission granted a request by PECO for special permission to submit supporting data based on an historic test year ending more than 120 days prior to the filing of a proposed general rate increase request seeking rate base inclusion of a major nuclear generating unit (Salem 2). Additionally, on at least five separate occasions, the Commission has granted similar requests by utilities other than PECO. See Equitable Gas Company, Docket No. R-822133 (1982); National Fuel Gas Distribution Corporation, Docket No. R-79090956 (Special Permission No. 28159) (1979); Western Pennsylvania Water Company, Docket No. P-810266, Order Entered April 13, 1981; Western Pennsylvania Water Company, Docket No. R-80061221, Order Entered July 7, 1980; The Roaring Creek Water Company, Docket No. R-832548, Order Entered January 3, 1984. Review of the petitions for special permission filed by the foregoing utilities and the Commission's Orders granting such petitions shows that the reasons supporting PECO's request are at least as compelling or more compelling than those set forth in the aforementioned petitions.

REQUEST TO DEPART FROM THE
COMMISSION'S REGULATIONS WITH
REGARD TO CUSTOMER NOTIFICATION

8. The Commission's regulation at 52 Pa. Code Section 53.45(2) requires utilities to notify all customers of a proposed rate increase, and also requires that, when such notice is given by mail, the written notices must be mailed at least 61 days prior to the proposed effective date of the rate increase, unless otherwise authorized by the Commission.

9. PECO requests that the Commission grant it special permission to depart from the requirements of 52 Pa. Code Section 53.45(2), and to adopt the following four-part procedure to be used to notify customers of its proposed electric rate filing in lieu of the procedures set forth in the aforementioned regulation:

a. Instead of separate postcard and/or letter notices as required by 52 Pa. Code Section 53.45(2), the Company proposes to notify customers of its proposed rate increase by means of a bill insert. The proposed text of this bill insert is set forth as Exhibit A to this Petition. Bill inserts will be included with billings to customers commencing with the meter reading route billed on the date of filing the tariff supplement setting forth the proposed increased base rates and will continue each billing day until the one-month billing cycle is completed and all customers have been notified. The Company will extend from 60 to 90 days the period within which the filing of a complaint places the burden of proof upon the Company with respect to the proposed rate changes. This procedure will ensure that the Company's customers who are on the last billing cycle that receives bill inserts will have a full 60-day notice period within which to file a complaint that places the burden of proof on PECO.

b. On the day that the rate increase is filed, newspaper notices, in the form of a display advertisement describing the rate increase, will be published in the major daily newspapers in the counties served by the Company. A sample of the newspaper notice the Company proposes to have published is set forth on page 1 of Exhibit B, attached hereto. Page 2 of the attached Exhibit B is a list of the newspapers in which the notice will appear.

c. The Company will distribute to local newspapers, radio and television stations, on or before the filing date, news releases containing a description of, and information about, the rate filing.

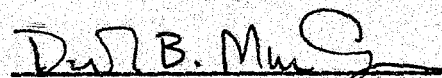
d. After the completion of the one-month billing cycle that begins on the date of filing the proposed rate increase, the Company will submit to the Commission an affidavit affirming that billings containing bill inserts were mailed to all the Company's customers. The Company will also submit proofs of publication of the newspaper notices described in subparagraph b, above.

10. The procedure described above will provide the Company's customers with notice equivalent to that required in the Commission's regulations and, by eliminating the cost of postage and labeling will reduce expenses by \$147,000. A computation of the cost savings is set forth on Exhibit C, attached to the Petition. The instant request to depart from the customer notification procedure required by 52 Pa. Code

Section 53.45(2) is identical in all substantive respects to the request approved by the Commission on January 27, 1983 in connection with the Company's electric rate proceeding at Docket No. R-822291 and the request approved by the Commission on April 6, 1984, in connection with the Company's electric rate proceeding at Docket No. R-842590.

WHEREFORE, for the reasons stated above, Philadelphia Electric Company respectfully requests that the Commission grant its request for special permission to file a general base rate increase on or before September 27, 1985 employing supporting data based upon an historic test year ended March 31, 1985 and a future test year ending March 31, 1986, and to employ the alternative customer notification procedures set forth above.

Respectfully Submitted,



Walter R. Hall, II
David B. MacGregor

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

MORGAN, LEWIS & BOCKIUS
2000 One Logan Square
Philadelphia, PA 19103

EXHIBIT A

"BILL INSERT"

IMPORTANT NOTICE TO OUR CUSTOMERS

Please take notice that on _____ the under-
signed filed with the Pennsylvania Public Utility Commission
Supplement No. x to Electric Tariff No. 26, increasing your
bills for service effective _____. The total increase
of approximately \$xxx million is approximately xx.x% of the
Company's annual electric revenues, but the increase in your
bill may vary slightly or substantially from this percentage
depending on use or applicable rate schedules. The annual
cost of service to the average residential user (500
Kilowatt-hours per month) would increase from \$xxx to \$xxx,
or by xx cents per day.

Upon request, the Company will inform you of the effect
upon your bills. You may examine, at the Company's offices,
a copy of the material filed with the Public Utility
Commission explaining the proposed increase and its
justification.

The proposed rate increase is subject to examination
by the Pennsylvania Public Utility Commission which may
suspend its effectiveness or institute a formal investigation
thereof, or both, if it deems it appropriate.

Forms for the filing of a formal complaint may be
obtained by you upon request to Pennsylvania Public Utility
Commission, Harrisburg, Pennsylvania 17120. The timely

filing of a formal complaint entitles you to a hearing at which you may present testimony and question Company witnesses, and places on the Company the burden of proving that the proposed rates are reasonable.

PHILADELPHIA ELECTRIC COMPANY

NEWSPAPER NOTICES
(DISPLAY AD)

IMPORTANT NOTICE

To Our Customers:

Please take notice that on _____ the undersigned filed with the Pennsylvania Public Utility Commission Supplement No. x to Electric Tariff No. 26, increasing your bills for service effective _____. The total increase of approximately \$xxx million is approximately xx.x% of the Company's annual electric revenues, but the increase in your bill may vary slightly or substantially from this percentage depending on use or applicable rate schedules. The annual cost of service to the average residential user (500 Kilowatt-hours per month) would increase from \$xxx to \$xxx, or by xx cents per day.

Upon request, the Company will inform you of the effect upon your bills. You may examine, at the Company's offices, a copy of the material filed with the Public Utility Commission explaining the proposed increase and its justification.

The proposed rate increase is subject to examination by the Pennsylvania Public Utility Commission which may suspend its effectiveness or institute a formal investigation thereof, or both if it deems it appropriate.

Forms for the filing of a formal complaint may be obtained by you upon request to Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania 17120. The timely filing of a formal complaint entitles you to a hearing at which you may present testimony and question Company witnesses, and places

on the Company the burden of proving that the proposed rates are reasonable.

PHILADELPHIA ELECTRIC COMPANY.

LIST OF NEWSPAPERS

<u>County</u>	<u>Newspaper</u>
Bucks	Courier Times, Inc. - Levittown
	The Daily Intelligencer - Doylestown
Chester	Daily Local News - West Chester
	Record - Coatesville
	The Evening Phoenix - Phoenixville
Delaware	Delaware County Daily Times - Primos
Montgomery	Today's Spirit - Hatboro
	Mercury - Pottstown
	The Times Herald - Norristown
	North Penn Reporter - Lansdale
Philadelphia	The Philadelphia Inquirer - Philadelphia
	Philadelphia Daily News - Philadelphia
	Tribune - Philadelphia
	La Actualidad - Philadelphia (Spanish)
York	York Daily Record
	York Dispatch

EXHIBIT C

CUSTOMER NOTIFICATION EXPENSESPROCEDURE USED IN THE PAST:

Postcard and/or letter notices mailed to all customers on the day prior to the filing.

Postage	-	\$156,000	(1,300,000 notifications at 12¢)
Printing & Labeling	-	<u>17,500</u>	
Total			\$173,500

ALTERNATIVE METHOD BEING REQUESTED:

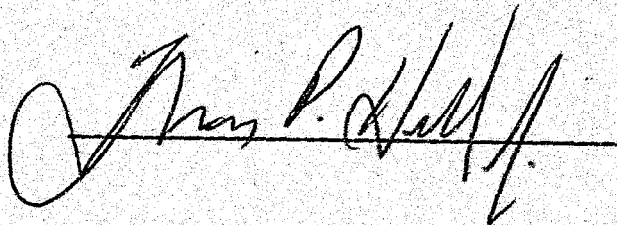
Bill Inserts and Newspaper Notices. Bill inserts would be included with all bills starting with meter reading route billed on the filing date and continuing each billing day until one-month billing cycle is completed and all customers notified.

Printing Bill Inserts	-	\$ 5,500
Newspaper Notices	-	<u>21,000</u>
Total		<u>\$ 26,500</u>

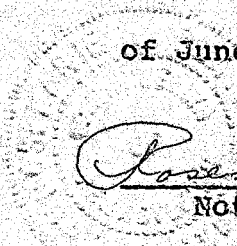
EXPENSE SAVINGS BY USING ALTERNATIVE METHOD: \$147,000

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA :

THOMAS P. HILL, JR., being duly sworn according to law, hereby deposes and says that he is Assistant Manger, Rate Division, of the Philadelphia Electric Company, that he is duly authorized to make this affidavit, and that the facts set forth in the attached Petition for Special Permission are true and correct to the best of his knowledge, information and belief.



SWORN TO AND SUBSCRIBED
before me this *20th* day
of June 1985.



Rosemarie K. Blatteau
Notary Public

My Commission Expires:

ROSEMARIE K. BLATTEAU, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES SEPT. 1, 1988
Member, Pennsylvania Association of Notaries

ORIGINAL

MORGAN, LEWIS & BOCKIUS

WASHINGTON
NEW YORK
LOS ANGELES

COUNSELORS AT LAW
ONE LOGAN SQUARE
PHILADELPHIA, PENNSYLVANIA 19103

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DAVID B. MACGREGOR
DIAL DIRECT (215) 963-5448

DOCUMENT
FOLDER

DOCKETED
DOCKET
AUG 16 1985

August 13, 1985

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AUG 16 1985

Jerry Rich, Secretary
Pennsylvania Public Utility Commission
North Office Building
Commonwealth and North Streets
Harrisburg, PA 17120

SECRETARY'S OFFICE
Public Utility Commission

Re: Pa. P.U.C. v. Philadelphia Electric Co.,
Docket No. R-850152
(Limerick 1 Base Rate Proceeding)

Dear Secretary Rich:

On July 11, 1985, the Commission approved Philadelphia Electric Company's request to depart in two respects from the Commission's regulations in the filing of the Limerick 1 rate proceeding, as follows: (1) to depart from the requirements of 52 Pa. Code §53.45(2) regarding customer notification of the filing of a general rate increase; and (2) to file a general rate increase based on data for an historic test year ended more than 120 days from the date of tariff filing, i.e., to file the Limerick 1 rate case on or before September 27, 1985, based on an historic test year ended March 31, 1985, and a future test year ended March 31, 1986.

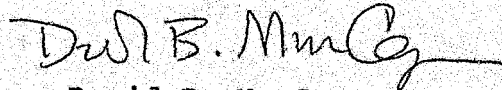
Based on information obtained subsequent to the filing and approval of this Petition, the Company has decided to file the Limerick 1 rate proceeding on or before October 28, 1985, based on an historic test year ended June 30, 1985, and a future test year ended June 30, 1986. Thus, the waiver of the "120-day rule" is no longer necessary, as the Company does not seek to depart from the 120-day rule in a filing based on June 30, 1985 and June 30, 1986 test years. The waiver of 52 Pa. Code §53.45(2) is still required, and the Company will comply with the procedures and requirements set forth in its June 21, 1985

MORGAN, LEWIS & BOCKIUS

Jerry Rich, Secretary
August 13, 1985
Page 2

Petition and the Commission's July 11, 1985 approval of this
Petition in the upcoming Limerick 1 rate filing.

Sincerely,



David B. MacGregor
Counsel for Philadelphia
Electric Company

DBM/jmd

cc: Wilmer Patrick, Chief, Tariff Section
Veronica A. Smith, Esquire, Commission Prosecutory Staff
Irwin A. Popowsky, Esquire, Office of Consumer Advocate

July 12, 1985

IN REPLY PLEASE
REFER TO OUR FILE

R-850152

David B. MacGregor, Esquire
Philadelphia Electric Company
Morgan, Lewis & Bockius
One Logan Square
Philadelphia, Pennsylvania 19103

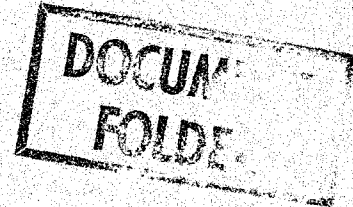
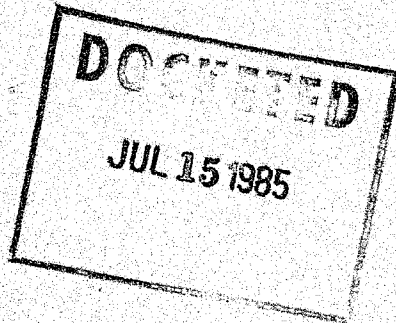
PENNSYLVANIA PUBLIC UTILITY COMMISSION
v.
PHILADELPHIA ELECTRIC COMPANY

Dear Sir:

The Commission in a public meeting on July 11, 1985, granted your request as set forth in your letter-petition filed on behalf of Philadelphia Electric Company-Electric Division to depart from the requirements of 52 PA Code Section 53.52 and 53.53 pertaining to the "120" Day Rule, providing the company meets the conditions stated in your petition and enunciated in the enclosed Special Permission. All filings made in compliance with this request will be annotated with R-850152.

Very truly yours,

Terry Rich
Secretary



PENNSYLVANIA PUBLIC UTILITY COMMISSION

SPECIAL PERMISSION

IN RE: Departure from Tariff Regulations

Harrisburg, PA

July 11, 1985

Philadelphia Electric Company for good cause shown in its petition dated June 20, 1985, is hereby permitted in the filing of tariff revisions which will be made effective on full statutory notice after filing with this Commission and posting at offices of said Company copies thereof as required by the Public Utility Law and Regulations of the Commission, to depart from the requirements of 52 PA Code Section 53.45 (2) to the extent that written customers' notice of proposed tariff revisions be by bill insert rendered with customers' billings beginning with the one month billing cycle which commences 61 days prior to the effective date of the tariff revisions provided that; concurrently with such rate filing, or as soon thereafter as practical, the company will cause the notice to be published in at least one daily newspaper, if any, of general circulation published in the territory in each county served by the Company, or where no daily newspaper is in circulation in such territory, the notice will be placed in at least one non-daily newspaper; any complaint filed with the Commission with respect to such tariff filing will place the burden of proof upon the Company with respect to such proposed revised tariff providing that the complaint is received by the Commission within ninety (90) days after the tariff filing; and the Company furnish proof of such mailings and such newspaper publications not more than ten (10) days after completion of the one (1) month billing cycle with which the notice is given.

This permission is limited strictly to the filing and posting under the provisions of 52 PA Code Section 53.45 (2), of said tariff revisions to be submitted to the Commission which would become effective on full statutory notice, and does not include later tariffs, supplements, thereto or reissues thereof.

Neither this permission nor the filing of said tariff revisions with the Commission is to be construed as an approval by the Commission of the rates, charges, or other compensation, or the rules and regulations, contained in the said tariff revisions, nor are any of the Commission's rules relative to the construction, filing and posting of tariff publications waived hereby, EXCEPT AS ABOVE STATED.

BY THE COMMISSION,

SECRETARY

July 12, 1985

IN REPLY PLEASE
REFER TO OUR FILE

R-850152

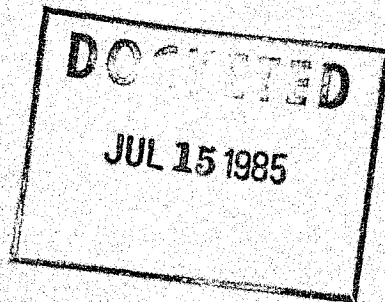
David B. MacGregor, Esquire
Philadelphia Electric Company
Morgan, Lewis & Bockius
One Logan Square
Philadelphia, Pennsylvania 19103

PENNSYLVANIA PUBLIC UTILITY COMMISSION
V.
PHILADELPHIA ELECTRIC COMPANY

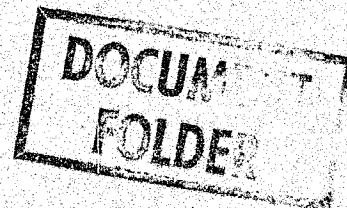
Dear Sir:

The Commission in a public meeting on July 11, 1985, granted your request as set forth in your letter-petition filed on behalf of Philadelphia Electric Company-Electric Division to depart from the requirements of 52 PA Code Section 53.45 (2) pertaining to the date of mailing written notices to customers with bill inserts, providing the company meets the conditions stated in your petition and enunciated in the enclosed Special Permission. All filings made in compliance with this request will be annotated with R-850152.

Very truly yours,



Jerry Rich
Secretary



PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

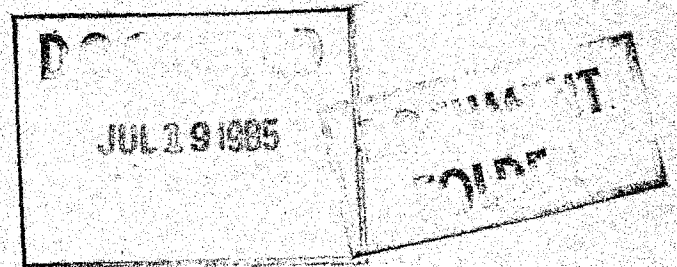
1. <u>REPORT DATE:</u>	June 27, 1985	:	2. <u>BUREAU AGENDA NO.</u>
3. <u>BUREAU:</u>	Rates	:	JUL-85-R-848
4. <u>SECTION(S):</u>	Tariff	:	5. <u>PUBLIC MEETING DATE:</u>
6. <u>APPROVED BY:</u>		:	July 11, 1985
Director:	Birx 7-4886	:	
Supervisor:	Patrick 3-3600	:	
7. <u>MONITOR:</u>		:	
8. <u>PERSON IN CHARGE:</u>		:	
9. <u>DOCKET NO:</u>	R-850152	:	
10. (a) <u>CAPTION</u> (abbreviate if more than 4 lines)			
(b) Short summary of history & facts, documents & briefs			
(c) Recommendation			

(a) Philadelphia Electric Company - Electric Division (PECO) (Home office - Philadelphia, Pennsylvania) Petition requesting special permission.

(b) PECO is requesting special permission to depart from the requirements of 52 Pa. Code §53.45(2) regarding notification of customers prior to filing a proposed general rate increase on or about September 27, 1985.

The company is also requesting permission to make this filing using supporting data not more than 180 days old in lieu of the required 120 days as required under 52 Pa. Code §53.52.

(c) The Tariff Division recommends that the petitions filed by Philadelphia Electric Company be granted.



11. MOTION BY: Commissioner Chm. Taliaferro Commissioner Cawley - Yes
 Commissioner Fischl - Yes
SECONDED: Commissioner Shane Commissioner

CONTENT OF MOTION: Staff recommendation adopted.

R-850152
RECEIVED

PHILADELPHIA ELECTRIC COMPANY

2301 MARKET STREET

P.O. BOX 8699

PHILADELPHIA, PA. 19101

(215) 841-4000

SEP 27 1985

SECRETARY'S OFFICE
Public Utility Commission

JOHN H. AUSTIN, JR.
PRESIDENT

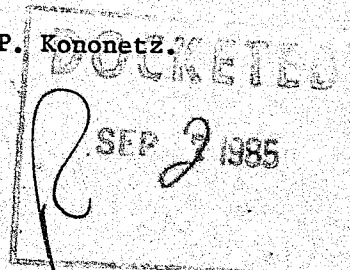
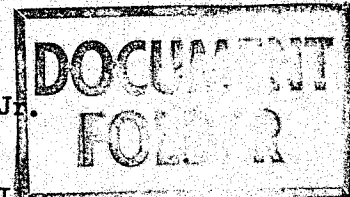
September 27, 1985

Mr. Jerry Rich, Secretary
Pennsylvania Public Utility Commission
North Office Building
Post Office Box 3265
Harrisburg, Pennsylvania 17120

Dear Mr. Rich:

This transmits for filing with the Commission eight copies each of the following enclosures pertaining to the Company:

- ✓ A. Supplement No. 15 to Tariff Electric-Pa. P.U.C. No. 26.
- ✓ B. Supporting data for the computation of the State Tax Adjustment surcharge value which reflects the change in electric base revenues.
- ✓ C. Samples of Bill Insert and Newspaper Notice to be used for Customer notification of this filing. This procedure for Customer notification is in accordance with Commission authorization of July 11, 1985 at Docket No. R-850152.
- D. Information submitted pursuant to Section 53.51, et seq. of the Commission regulations as amended, as follows:
 - ✓ 1. PECO. Exhibit 1; Volume 1 and Volume 2 - General Filing Information; Rate Base and Operating Income.
 - ✓ 2. PECO. Exhibit 1; Volume 3 and Volume 4 - Rate of Return; Rate Structure and Cost Allocation.
 - ✓ 3. PECO. Exhibit 1; Volume 5 and Volume 6 - Plant and Depreciation Data; Unadjusted Comparative Balance Sheets and Operating Income Statements.
 - ✓ 4. PECO. Exhibit 2; Limerick 1 and Common Plant - Explanation of reasons for cost and schedule growth, including data on the effect of new and revised regulatory requirements.
 - 5. PECO. Exhibit 3; Statement of Reasons.
 - ✓ 6. Statement 1 - Direct Testimony of V. S. Boyer.
 - ✓ 7. Statement 2 - Direct Testimony of J. S. Kemper.
 - ✓ 8. Statement 3 - Direct Testimony of J. F. Paquette, Jr.
 - ✓ 9. Statement 4 - Direct Testimony of J. J. Clarey.
 - ✓ 10. Statement 5 - Direct Testimony of D. R. Helwig.
 - ✓ 11. Statement 6 - Direct Testimony of E. F. Sproat, III.
 - ✓ 12. Statement 7 - Direct Testimony of C. K. Soppet.
 - ✓ 13. Statement 8 - Direct Testimony of J. O. Love & B. P. Kononetz.
 - ✓ 14. Statement 9 - Direct Testimony of R. J. Mattson.
 - ✓ 15. Statement 10 - Direct Testimony of W. A. Abrams.
 - ✓ 16. Statement 11 - Direct Testimony of L. J. Perl.
 - ✓ 17. Statement 12 - Direct Testimony of L. Guth.

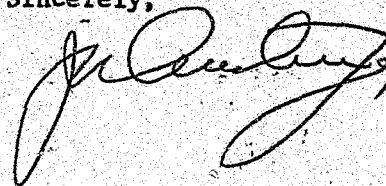


- ✓ 18. Statement 13 - Direct Testimony of W. C. Hoch.
- ✓ 19. Statement 14 - Direct Testimony of C. H. Rush.
- ✓ 20. Statement 15 - Direct Testimony of W. H. Hieronymus.
- ✓ 21. Statement 16 - Direct Testimony of D. G. Farling.
- ✓ 22. Statement 17 - Direct Testimony of R. C. Williams.
- ✓ 23. Statement 18 - Direct Testimony of T. P. Hill, Jr.
- ✓ 24. Statement 19 - Direct Testimony of A. J. Solecki.
- ✓ 25. Statement 20 - Direct Testimony of R. W. Wright.
- ✓ 26. Statement 21 - Direct Testimony of A. Wroblewski.
- ✓ 27. Statement 22 - Direct Testimony of J. J. Carroll.
- ✓ 28. Statement 23 - Direct Testimony of G. A. Sileo.
- ✓ 29. Statement 24 - Direct Testimony of W. F. Sundermeir.
- ✓ 30. Statement 25 - Direct Testimony of W. H. Smith.
- ✓ 31. Statement 26 - Direct Testimony of J. B. Cotton.
- ✓ 32. Statement 27 - Direct Testimony of N. B. McLeod.
- ✓ 33. Statement 28 - Direct Testimony of J. F. Brennan.
- ✓ 34. Statement 29 - Direct Testimony of J. H. Wile
- ✓ 35. Exhibit TPH-1 - Income and Measures of Value for Determination of Rate of Rate of Return for the Test Year Ended June 30, 1985.
- ✓ 36. Exhibit TPH-2 - Income and Measures of Value for Determination of Rate of Rate of Return for the Test Year Ended June 30, 1986.
- ✓ 37. Exhibit WFS-1 - Cost of Service Study, Twelve Months Ended June 30, 1986.
- ✓ 38. Exhibit AW-1 - 1985 Depreciation Study.
- ✓ 39. Exhibit AW-2 - Plant and Depreciation for Electric and Common Plant at June 30, 1985.
- ✓ 40. Exhibit AW-3 - Plant and Depreciation for Electric and Common Plant at June 30, 1986.
- ✓ 41. Exhibit NBM-1 - Decommissioning Cost Estimates for:
 - Limerick Generation Station, Units 1 and 2.
 - Peach Bottom Atomic Power Station, Units 2 and 3.
 - Salem Nuclear Generating Station, Units 1 and 2.
- ✓ 42. Exhibit JFB-1 - Exhibits of Joseph F. Brennan Concerning Fair Rate of Return.

The above documents, which exceed those required by the Commission's Tariff Filing Regulations, constitute the Company's presentation in support of the requested levels and structure of the proposed rates. This material has been prepared and is presented at this time to assist the Commission's Staff in reviewing the Company's request, and to assist the Commission in its investigation of that request within the confines of the seven-month statutory period.

Would you please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,



Enclosures

Copies to: Chairman Linda C. Taliaferro
 Commissioner Frank R. Fischl
 Commissioner William R. Shane
 Office of Consumer Advocate

PHILADELPHIA ELECTRIC COMPANY

ELECTRIC SERVICE TARIFF

RECEIVED

COMPANY OFFICE LOCATIONS

PHILADELPHIA DIVISION: DIVISION OFFICE:
2301 Market Street, Philadelphia

District Offices:
535 Adams Avenue
1819 E. Allegheny Avenue
3501 N. Broad Street
2009 S. Broad Street
55 W. Chelton Avenue
3925-B Walnut Street

SEP 27 1985

SECRETARY'S OFFICE
Public Utility Commission

DELAWARE DIVISION: 18 E. Fifth Street, Chester

EASTERN DIVISION: 400 Park Avenue, Warminster
Mechanicsville & Street Roads, Bensalem

MAIN LINE DIVISION: 213 W. County Line Road, Ardmore
76 S. 69th Street, Upper Darby

SCHUYLKILL DIVISION: 680 Ridge Pike, Plymouth Meeting
500 Germantown Pike, Plymouth Meeting
365 High Street, Pottstown

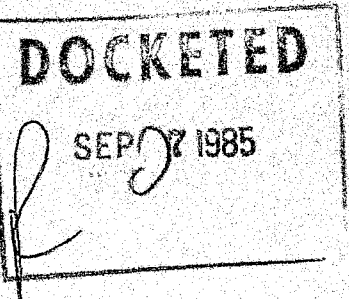
WESTERN DIVISION: 175 N. Cain Road, Coatesville
3211 Lincoln Highway, Thorndale
Main Street, Delta

For List of Communities Served, See Pages 4 and 5.

Issued September 27, 1985

Effective November 27, 1985

ISSUED BY: J. H. AUSTIN, JR., President
2301 MARKET STREET
PHILADELPHIA, PA. 19101



NOTICE.

[INCREASES]
THIS SUPPLEMENT MAKES [DECREASES] IN EXISTING RATES. SEE PAGE 2.
[CHANGES]

LIST OF CHANGES MADE BY THIS SUPPLEMENTINCREASES AND CHANGES

RATE R RESIDENCE SERVICE. (3rd Rev. Page 33; 1st Rev. Page 34.)
RATE R-H RESIDENTIAL HEATING SERVICE. (4th Rev. Page 35.)

In the monthly rate table reference to the Unrecovered Revenue Collection Rider is added; the customer charge and the energy charge prices are changed, resulting in increases.

RATE GS GENERAL SERVICE. (3rd Rev. Page 38; 4th Rev. Page 39.)

Separate pricing for customers with and without demand measurement is eliminated and the customer charge and energy prices in the monthly rate table are changed; in the energy charge, the first block is changed from 65 hours' use to 80 hours' use of billing demand; reference to the Unrecovered Revenue Collection Rider is added; the minimum charge is changed; and the price for space heating under separate meters is changed, resulting in increases. The Determination of Demand provision is changed to provide for computed billing demands for customers without measured demands and for customers with measured demands whose use is less than 1,100 kilowatt-hours per month.

RATE PD PRIMARY-DISTRIBUTION POWER. (3rd Rev. Page 40.)
RATE HT HIGH-TENSION POWER. (3rd Rev. Page 41.)

In the monthly rate table reference to the Unrecovered Revenue Collection Rider is added; the customer, capacity and energy charge prices in the monthly rate table are changed, resulting in increases.

RATE BLI BORDERLINE INTERCHANGE SERVICE. (3rd Rev. Page 49.)

In the monthly rate table reference to the Unrecovered Revenue Collection Rider is added; the energy charge is changed, resulting in increases.

RATE EP-A ELECTRIC PROPULSION - AMTRAK. (Original Page 49A.)
RATE EP-S ELECTRIC PROPULSION - SEPTA. (Original Page 49B.)

These new rates are available only to AMTRAK and SEPTA, respectively, and the pricing will result in increases to each customer. Reference to the Unrecovered Revenue Collection rider is included in the monthly rate table.

TRANSFORMER RENTAL RIDER. (3rd Rev. Page 66.)

Under the monthly rental charge reference to the Unrecovered Revenue Collection Rider is added; the fixed charge and operating charge prices are changed, resulting in increases.

INCREASES AND DECREASES

RATE SL-S STREET LIGHTING SUBURBAN. (3rd Rev. Page 46.)

All prices for the incandescent, mercury vapor and sodium vapor lamps listed in the rate table are changed, resulting in increases for some customers and decreases for others.

DECREASES AND CHANGES

STATE TAX ADJUSTMENT CLAUSE. (5th Rev. Page 30.)

The surcharge value is decreased from 5.97% to 5.86% to reflect the change in electric base revenues in this supplement (Docket No. R-850152). The applicable date is changed from April 10, 1985 to November 27, 1985.

CHANGES

ENERGY COST RATE. (1st Rev. Page 32.)

The base energy cost per kilowatt-hour is changed from 28.178 mills to 20.823 mills.

APPLICABILITY INDEX OF RIDERS. (2nd Rev. Page 50.)

New Rates EP-A and EP-S and Rate BLI are added to the index and the applicability of various riders to these rates is indicated. The new Unrecovered Revenue Collection Rider is added to the index and its applicability to Rates R, R-H, GS, PD, HT, EP-A, EP-S and BLI and to the Transformer Rental Rider is indicated.

LIST OF CHANGES MADE BY THIS SUPPLEMENT-Continued

CHANGES-Continued

UNRECOVERED REVENUE COLLECTION RIDER. (Original Pages 55A and 55B.)

This is a new rider which provides for the delay of the billing of part of the revenue due under Rates R, R-H, GS, PD, HT, EP-A, EP-S and BLI and the Transformer Rental Rider, and the subsequent recovery of this revenue.

EMERGENCY ENERGY CONSERVATION RIDER. (1st Rev. Page 56.)

Reference to Rates EP-A and EP-S is added to this rider to indicate its applicability to these rates.

Tariff Electric-Pa. P.U.C. No. 26, first filed to be effective November 23, 1983, is modified so that it now consists of the ORIGINAL TARIFF with the following changes:

PAGE NUMBER	EFFECTIVE DATE	SUPL. NUMBER	PAGE SUPERSEDED	PAGE NUMBER	EFFECTIVE DATE	SUPL. NUMBER	PAGE SUPERSEDED
21 ³	Nov. 27, 1985	15	210,211,212	43 ²	Jan. 25, 1985	11	43,43 ¹
2A ³	" " "	15	-	46 ³	Nov. 27, 1985	15	46 ²
31 ³	" " "	15	310,311,312	48 ²	Jan. 25, 1985	11	48,48 ¹
10 ¹	Apr. 13, 1985	12	10	49 ³	Nov. 27, 1985	15	49 ²
11 ¹	" " "	12	11	49A	" " "	15	-
12 ¹	" " "	12	12	49B	" " "	15	-
17 ¹	Jul. 27, 1984	5	17	50 ²	" " "	15	50 ¹
18 ¹	" " "	5	18	51 ²	Jan. 25, 1985	11	51,51 ¹
19 ¹	" " "	5	19	52 ¹	Sep. 25, 1984	6	52
23 ²	Jan. 25, 1985	11	23,23 ¹	55 ¹	Dec. 21, 1984	8	55
30 ⁵	Nov. 27, 1985	15	30 ⁴	55A	Nov. 27, 1985	15	-
31 ¹	Oct. 12, 1984	7	31	55B	" " "	15	-
32 ¹	Nov. 27, 1985	15	32	56 ¹	" " "	15	56
33 ³	" " "	15	33 ²	57 ¹	Jun. 3, 1985	14	57
34 ¹	" " "	15	34	58 ¹	" " "	14	58
35 ⁴	" " "	15	35 ³	60 ²	Jan. 25, 1985	11	60,60 ¹
36 ¹	Apr. 13, 1985	12	36	61 ³	" " "	11	61 ¹ ,61 ²
37 ²	Jan. 25, 1985	11	37,37 ¹	62 ²	" " "	11	62,62 ¹
38 ³	Nov. 27, 1985	15	38 ²	63 ²	" " "	11	63,63 ¹
39 ⁴	" " "	15	39 ³	66 ³	Nov. 27, 1985	15	66 ²
40 ³	" " "	15	40 ²				
41 ³	" " "	15	41 ²				

¹ First Revised Page; ² Second Revised Page, etc.

Philadelphia Electric Company

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, exclusive of Energy Cost Rate charges, a surcharge of 5.86% will apply to all service rendered on and after November 27, 1985. (D)(C)

The above surcharge will be recomputed, using the same elements prescribed by the Commission:

(a) Whenever any of the tax rates used in calculation of the surcharge are changed.

(b) Whenever the utility makes effective increased or decreased rates;

(c) And on March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such recomputation; and that if the recomputed surcharge is less than the one in effect, the utility will, and if the recomputed surcharge is more than the one then in effect, the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date which shall be 10 days after filing.

(D) Indicates decrease.

(C) Indicates change.

ENERGY COST RATE-Continued

E = Experienced net over or under collection of the cost of energy as of the end of the twelve-month period ending with the preceding January billing period including interest. Interest shall be computed monthly at the appropriate rate as provided in Section 1308(d) of the Public Utility Code from the month the over or under collection occurs to the effective month such over collection is refunded and such under collection is recouped. Customer shall not be liable for interest on net under collections.

S_f = The Company's projected total kilowatt-hour sales to the customers excluding firm sales to other utilities during the computation year.

S_a = The Company's kilowatt-hour sales to which the energy cost rate applies, projected for the computation year.

B = Base energy cost of 20.823 mills per kilowatt-hour.

(C)

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form.

Minimum bills shall not be reduced by reason of this energy cost rate. This rate shall be applied to all kilowatt-hours supplied and such charge shall be in addition to any minimum applicable.

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed. The third quarter report shall be accompanied by a tentative estimate of the energy cost rate for the next computation year.

The application of the energy cost rate shall be subject to continuous review and to audit by the Commission at such intervals as the Commission shall determine. The Commission shall continuously review the reasonableness and lawfulness of the amounts of the charges produced by the energy cost rate and the charges included herein.

If from such audit it shall be determined, by final order entered after notice and hearing, that this energy cost rate has been erroneously or improperly utilized, the Company will rectify such error or impropriety, and in accordance with the terms of the order, apply credits against future energy cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the right of appeal.

(C) Indicates change.

RATE R RESIDENCE SERVICE

AVAILABILITY.

Single-phase electric service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic electric service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; (c) the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and his or her resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS.

Standard single-phase secondary service.

MONTHLY RATE TABLE.

CUSTOMER CHARGE: \$4.75 (1)

ENERGY CHARGE PRICES: (1)

SUMMER MONTHS. (June through September)

13.62¢ per kWh for the first 500 kWh per dwelling unit

15.66¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

13.62¢ per kWh.

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

(1) Indicates increase.

RATE R RESIDENCE SERVICE-Continued

EXPERIMENTAL TIME-OF-USE ADJUSTMENT:

Time-of-use billing will be applicable to a group of customers selected on a statistically reliable sample basis. Participation by customers will be on a voluntary basis during a one-year experimental period.

There will be a meter charge of \$6.25 per month in addition to the Customer Charge. There will be a credit for energy used during off-peak hours and an additional charge for energy used during on-peak hours.

On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	<u>Summer Months</u> (June through September)	<u>Winter Months</u> (October through May)
Off-peak credit.....	4.85¢ per kWh	3.63¢ per kWh
On-peak charge.....	6.82¢ per kWh	5.19¢ per kWh

Time-of-use billing is not available to single-metered multiple dwelling units.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to (c) this rate.

PAYMENT TERMS.
Standard.

(C) Indicates change.

RATE R-H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single-phase electric service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is supplied through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where all of the supplementary heating required is supplied by non-electric energy sources and/or by electric energy sources served on Rate OP Off-Peak Service. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

(Not available when the source of supply is service purchased from a neighboring Company under Rate BLI Borderline Interchange Service.)

CURRENT CHARACTERISTICS.

Standard single-phase secondary service.

MONTHLY RATE TABLE.

CUSTOMER CHARGE: \$4.75

ENERGY CHARGE PRICES:

SUMMER MONTHS. (June through September)

13.62¢ per kWh for the first 500 kWh per dwelling unit

15.66¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

13.62¢ per kWh for the first 500 kWh per dwelling unit

7.05¢ per kWh for additional kWh.

(1)
(1)

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

EXPERIMENTAL TIME-OF-USE ADJUSTMENT:

Time-of-use billing will be applicable to a group of customers selected on a statistically reliable sample basis. Participation by customers will be on a voluntary basis during a one-year experimental period.

There will be a meter charge of \$6.25 per month in addition to the Customer Charge. There will be a credit for energy used during off-peak hours and an additional charge for energy used during on-peak hours.

On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	<u>Summer Months</u> (June through September)	<u>Winter Months</u> (October through May)
Off-peak credit.....	4.85¢ per kWh	1.62¢ per kWh
On-peak charge.....	6.82¢ per kWh	2.46¢ per kWh

Time-of-use billing is not available to single-metered multiple dwelling units.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to (c) this rate.

(1) Indicates increase.
(C) Indicates change.

RATE GS GENERAL SERVICE

AVAILABILITY.

Electric service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules.

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.

CUSTOMER CHARGE: \$6.00 for single-phase service; \$20.50 for polyphase service. (1)

ENERGY CHARGE: (1)

- 23.45¢ per kWh for the first 80 hours' use of billing demand
- *11.05¢ per kWh for the next 80 hours' use of billing demand
- 8.02¢ per kWh for additional use; except
- 5.14¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

* During October through May this block is eliminated.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply (c) to this rate.

DETERMINATION OF DEMAND. (c)

The billing demand will be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the Heating Modification is applied; or where the Customer requests demand measurement. Where demand measurement is requested by the Customer, a \$6.00 annual surcharge will be payable until the above demand or consumption level is exceeded. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement, during October through May the billing demand will not be less than 40% of the highest billing demand in the preceding months of June through September, nor less than the minimum value stated in the contract for service. If a measured demand Customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the registered demand or the metered monthly kilowatt-hours divided by 175, whichever is less, but not less than 40% of the highest billing demand in the preceding months of June through September, nor less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

MINIMUM CHARGE.

The monthly minimum charge for customers without demand measurement will be the Customer Charge. The monthly minimum charge for customers with demand measurement will be the Customer Charge, plus a charge of \$6.20 per kW of billing demand. (1)

HEATING MODIFICATION.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

(Continued)

(1) Indicates increase.

(C) Indicates change.

RATE GS GENERAL SERVICE-Continued

METERING.

A. Single Meter.

Applicable where an area is heated solely by permanently connected electric space heating installations acceptable to the Company and where the area heating requirements are at least equal to the Customer's total electrical energy requirements for all other purposes during October through May.

During October through May the monthly maximum measured demand shall be reduced by one-half of the kilowatt input to the space heating installations. This kilowatt input, used for determining such decrease in billing demand, shall not exceed the kilowatt space heating requirements of the area to be heated as determined by a mutually acceptable formula. During October through May the billing demand shall never be less than 15 kilowatts; or, except for those customers in service as of February 18, 1971, less than one-half of the monthly measured demand.

This modification will be applied upon notification to the Company of qualifying installations. It shall be the responsibility of the Customer to notify the Company of any subsequent changes in the installation.

B. Separate Meters.

At the option of the Customer, electricity supplying permanently connected space heating installations or heating equipment sensitive to outdoor temperature with a total capacity of not less than 5 kilowatts, which are acceptable to the Company, will be measured apart from the Customer's other requirements for electric service at the premises. Air conditioning equipment also may be supplied through this separate heating circuit.

During October through May the usage of this separate circuit shall be billed at 7.05¢ per kWh (1) in lieu of the pricing of the basic Monthly Rate Table.

During June through September the combined usage shall be billed under the price provisions of the basic Monthly Rate Table.

TERM OF CONTRACT.

Annual.

PAYMENT TERMS.

Standard.

(1) Indicates Increase.

RATE PD PRIMARY-DISTRIBUTION POWER**AVAILABILITY.**

Untransformed electric service from the primary supply lines of the Company's distribution system where the Customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the Customer was served with standard primary service prior to the conversion of the area to either 13 kV or 33 kV.

CURRENT CHARACTERISTICS.

Standard primary service.

MONTHLY RATE TABLE.

CUSTOMER CHARGE: \$260.58 (1)

CAPACITY CHARGE: \$10.14 per kW (1)

ENERGY CHARGE PRICES: (1)

9.77¢ per kWh for the first 150 hours' use of billing demand

6.78¢ per kWh for the next 150 hours' use of billing demand

3.83¢ per kWh for additional use.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to (C) this rate.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge, plus the capacity charge for the monthly billing demand.

TERM OF CONTRACT.

Three years, and thereafter from year to year until terminated by 60 days' notice from either party to the other.

PAYMENT TERMS.

Standard.

(1) Indicates Increase.

(C) Indicates change.

RATE HT HIGH-TENSION POWER

AVAILABILITY.

Untransformed electric service from the Company's standard high-tension lines, where the Customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high-tension service.

MONTHLY RATE TABLE.

CUSTOMER CHARGE: \$264.15

CAPACITY CHARGE: \$9.44 per kW.

ENERGY CHARGE PRICES:

9.64¢ per kWh for the first 150 hours' use of billing demand

6.68¢ per kWh for the next 150 hours' use of billing demand,
but not more than 7,500,000 kWh

3.75¢ per kWh for additional use.

(I)
(I)
(I)

TIME-OF-USE ADJUSTMENT:

Customers with measured demand of 2,000 kW or greater will be given a credit for energy use during off-peak hours and will be subject to an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months October through May)
Off-peak credit.....	0.21¢ per kWh	0.21¢ per kWh
On-peak charge.....	0.57¢ per kWh	0.22¢ per kWh

HIGH VOLTAGE DISCOUNT:

For customers supplied at 33,000 volts: 7¢ per kW

For customers supplied at 66,000 volts: 30¢ per kW for first 10,000 kW of measured demand.

For customers supplied over 66,000 volts: 30¢ per kW for first 100,000 kW of measured demand.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply (C)
to this rate.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

DELIVERY POINTS.

Where the load of an Industrial Customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the Customer, an additional separate delivery point may be established for such premises upon the written request of the Customer and billing continued as if the service were being delivered and metered at a single point, provided such multi-point delivery is not disadvantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge, plus the capacity charge for the monthly billing demand, less the supply voltage discount where applicable.

TERM OF CONTRACT.

Three years, and thereafter from year to year until terminated by 60 days' notice from either party to the other.

PAYMENT TERMS.

Standard.

(I) Indicates increase.

(C) Indicates change.

SUBURBAN DIVISIONS

RATE SL-S STREET LIGHTING-SUBURBAN

AVAILABILITY.

Outdoor lighting of streets, highways, bridges, parks and similar places for the safety and convenience of the public in Suburban Divisions.

RATE TABLE - MANUFACTURER'S RATING OF LAMP SIZES.

(1)(D)

Incandescent Filament Lamps		
Size of Lamp	Billing Watts	Rate per Year
320 Lumens	32	\$ 80.76
600 "	58	112.68
1,000 "	103	158.40
2,500 "	202	218.88
6,000 "	448	252.96
10,000 "	690	366.12

For each Customer, the supply of energy for incandescent filament lamps is restricted to the total of each rating in service on May 10, 1980; except that for 320 lumen and 600 lumen lamps the supply is restricted for any Customer to the total of such rating in service on October 15, 1963 and in each succeeding year beginning January 1, 1964, to the number of each rating in service on January first of each such year.

Mercury Vapor Lamps		
Size of Lamp	Billing Watts	Rate per Year
Nominally 4,000 Lumens	115	\$203.76
" 8,000 "	191	216.96
" 12,000 "	275	237.60
" 20,000 "	429	299.88
" 42,000 "	768	430.80
" 59,000 "	1,090	489.60

Sodium-Vapor Lamps		
Size of Lamp	Billing Watts	Rate per Year
Nominally 5,800 Lumens	94	\$203.88
" 9,500 "	131	223.80
" 16,000 "	192	263.28
" 25,000 "	294	310.20
" 50,000 "	450	371.40

STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to this rate.

GENERAL PROVISIONS.

1. **Service.** The lighting service will be operated on an all-night, every-night lighting schedule of approximately 4,100 hours annual burning time (average monthly burning hours = 341.11 hours), under which lights are turned on after sunset and off before sunrise. It includes the supply of lamps and their removal when burned out or broken.

2. **Outage Allowances.** Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the Customer to a pro rata reduction in his street lighting bill for the hours of failure if such failure continues for a period in excess of 12 hours after the notice is received. Allowances will not be made for outages resulting from the Customer's failure to protect the lighting system or from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.

(Continued)

(I) Indicates increase.
(D) Indicates decrease.

RATE BL1 BORDERLINE INTERCHANGE SERVICE

AVAILABILITY.

Electric service supplied under reciprocal agreements, to neighboring electric utilities for resale in their adjacent territory at delivery points where the Company in its judgment can provide capacity in excess of the requirements of present and prospective customers in its own territory and for periods fixed by contract and terminable after the expiration of the initial term if capacity is no longer available.

CURRENT CHARACTERISTICS.

Standard primary or secondary service.

MONTHLY RATE TABLE.

INVESTMENT CHARGE:

An amount equal to 1% per month on the additional investment in facilities required to deliver and meter the service supplied.

ENERGY CHARGE:

13.93¢ per kWh.

(1)

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to (C) this rate.

MEASUREMENT.

The energy delivered may be metered or may be estimated from the purchaser's resales plus an agreed-upon correction to cover transformation and distribution losses.

TERM OF CONTRACT.

Five years, and thereafter from year to year until terminated by 60 days' notice from either party to the other.

PAYMENT TERMS.

Payment of amounts billed shall be made within 15 days from date of bill.

(1) Indicates Increase.

(C) Indicates change.

Philadelphia Electric Company

RATE EP-A ELECTRIC PROPULSION - AMTRAK

(1)(C)

AVAILABILITY.

This rate is available only to the National Rail Passenger Corporation (AMTRAK) for untransformed electric service from the Company's standard high-tension lines, where the Customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is supplied for the operation of AMTRAK's electrified railroad system and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high-tension service.

MONTHLY RATE TABLE.

SERVICE CHARGE: \$1,460.00 per delivery point

CAPACITY CHARGE: \$ 15.78 per kW.

ENERGY CHARGE: 3.75¢ per kWh.

TIME-OF-USE ADJUSTMENT:

AMTRAK will be given a credit for energy use during off-peak hours and will be subject to an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months October through May)
Off-peak credit.....	0.21¢ per kWh	0.21¢ per kWh
On-peak charge.....	0.57¢ per kWh	0.22¢ per kWh

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to this rate.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

DELIVERY POINTS.

As set forth in separate agreement with AMTRAK.

SPECIAL RULES AND REGULATIONS.

AMTRAK is contractually obligated to reimburse the Company for operation and maintenance of certain substations as set forth in separate agreement with AMTRAK.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge, plus the capacity charge for the monthly billing demand.

TERM OF CONTRACT.

One year, and thereafter from year to year unless terminated by written notice sent by either party on or before November 1st of any year, in which event the Agreement shall terminate on the date specified in said notice (which date may be any day selected by the terminating party or midnight December 31st of the year during which notice is sent, whichever date is later).

PAYMENT TERMS.

Standard.

(1) Indicates increase.

(C) Indicates change.

Philadelphia Electric Company

RATE EP-S ELECTRIC PROPULSION - SEPTA

(1)(C)

AVAILABILITY.

This rate is available only to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed electric service from the Company's standard high-tension lines, where the Customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is supplied for the operation of SEPTA's electrified transit and railroad systems and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high-tension service.

MONTHLY RATE TABLE.

SERVICE CHARGE: \$1,336.00 per delivery point
CAPACITY CHARGE: \$ 16.88 per kW.
ENERGY CHARGE: 3.75¢ per kWh.

TIME-OF-USE ADJUSTMENT:

SEPTA will be given a credit for energy use during off-peak hours and will be subject to an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months (October through May)
Off-peak credit.....	0.21¢ per kWh	0.21¢ per kWh
On-peak charge.....	0.57¢ per kWh	0.22¢ per kWh

HIGH VOLTAGE DISCOUNT:

For delivery points supplied at 33,000 volts: 7¢ per kW
For delivery points supplied at 66,000 volts: 30¢ per kW for first 10,000 kW of measured demand.
For delivery points supplied over 66,000 volts: 30¢ per kW for first 100,000 kW of measured demand.

UNRECOVERED REVENUE COLLECTION RIDER, STATE TAX ADJUSTMENT CLAUSE and ENERGY COST RATE apply to this rate.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

DELIVERY POINTS.

All service delivered for the operation of the electrified railroad operating on the rights-of-way of the former Reading system, regardless of its point of delivery, shall be billed as if delivered at a single point, designated SEPTA-Reading. All other service delivered, at any delivery point, for the operation of other portions of SEPTA transit system shall likewise be billed as if delivered at a second single point designated SEPTA-Transit.

MINIMUM CHARGE.

The monthly minimum charge shall be the Customer Charge, plus the capacity charge for the monthly billing demand, less the supply voltage discount where applicable.

TERM OF CONTRACT.

Three years, and thereafter from year to year until terminated by 60 days' notice from either party to the other.

PAYMENT TERMS.

Standard.

(I) Indicates Increase.
(C) Indicates change.

APPLICABILITY INDEX OF RIDERS

Introductory Statement

Customers under different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the rate under which they are supplied. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the Customer and the Company as the case may require, notwithstanding anything to the contrary contained in the rate to which the rider is applied.

Riders	Page Numbers	Rates to Which Riders Apply									(c)
		R	R-H	GS	PD	HT	SL-P	EP-A	EP-S	BLI	
Alley Lighting	51	-	-	-	-	-	X	-	-	-	
Auxiliary Service	52	X	X	X	X	X	-	X	X	-	
Casualty	53	X	X	X	X	X	-	X	X	-	
Construction	54	-	-	-	X	X	-	X	X	-	
Curtailment HT	55	-	-	-	-	X	-	X	X	-	
Unrecovered Revenue Collection	55A,55B	X	X	X	X	X	-	X	X	X	(c)
Emergency Energy Conservation	56	-	-	-	-	X	-	X	X	-	
Employment & Economic Recovery	57,58	-	-	[3]	X	X	-	X	X	-	
Investment Return Guarantee	59	-	-	X	-	-	-	-	-	-	
Night Service GS	60	-	-	X	-	-	-	-	-	-	
Night Service HT	61	-	-	-	-	X	-	X	X	-	
Night Service PD	62	-	-	-	X	-	-	-	-	-	
Off-Peak	63	-	-	-	[2]	[2]	-	-	-	-	
Receivership	64	X	X	X	X	X	-	X	X	-	
Temporary Service	65	X	X	X	X	X	-	X	X	-	
Transformer Rental [4]	66	-	-	-	[1]	[1]	-	-	-	-	(c)

NOTES:

[1] Rider restricted to customers served prior to October 15, 1963.

[2] Rider restricted to customers served as of October 5, 1972.

[3] Effective June 3, 1985 this rider is available under Rate GS, but only when the qualifying or new service location is in an Enterprise Development Area as described in Title 16, Chapter 23 of the Pennsylvania Code.

[4] The Unrecovered Revenue Collection Rider is applicable to this rider.

(C) Indicates change.

Philadelphia Electric Company

STANDARD RIDERS-Continued

Applicable to rates as Indicated In Applicability Index of Riders

UNRECOVERED REVENUE COLLECTION RIDER

(C)

APPLICABILITY. This rider provides for the delay of the billing of part of the revenue otherwise due through application of Rates R, R-H, GS, PD, HT, EP-A, EP-S and BLI and the Transformer Rental Rider, and the subsequent recovery of this revenue.

TERMS. In accordance with the provisions of this rider, revenue collection will be partially delayed during the two years after the effective date of this rider. The base rate revenue to be billed to customers on this rider during each year after the effective date of the increase approved at Docket No. R-850152 shall be computed by use of the factors shown herein. The unrecovered revenues are the differences between the revenues due through application of the base rates and the billed base rate revenues. This revenue shall be recovered in a three-year period beginning with the end of the third year that this rider is in effect; however, this rider shall remain in effect until the unrecovered revenue account balances are zero for all applicable rates. The Unrecovered Revenue Collection Rider applies only to the timing of the billing of the rates as filed in this tariff supplement, and does not in any way affect the Company's right to recover and the Customer's obligation to pay the full amount of the rates as set forth in this tariff supplement.

OTHER PROVISIONS. In the event base rates are changed by action of the Pennsylvania Public Utility Commission from those reflected in the tariff supplement of which this rider was first a part, appropriate changes shall be made to this rider so that the effects on Customer billing will be substantially the same as those contemplated in the original rider.

UNRECOVERED REVENUE FACTORS. Unrecovered revenue factors are applied to each block of each rate schedule. The unrecovered revenue factors to be applied to each rate schedule for each of the six years are as follows:

RATE	Year 1	Year 2	Year 3	Years 4, 5 & 6
<u>R</u>				
Customer Charge	0.96421	0.98316	1.00000	1.01684
Energy Charge				
Summer				
Block 1	0.83994	0.91997	1.00000	1.08003
Block 2	0.83589	0.91762	1.00000	1.08237
Winter	0.83994	0.91997	1.00000	1.08003
<u>R-H</u>				
Customer Charge	0.96421	0.98316	1.00000	1.01684
Energy Charge				
Summer				
Block 1	0.83994	0.91997	1.00000	1.08003
Block 2	0.83589	0.91762	1.00000	1.08237
Winter				
Block 1	0.83994	0.91997	1.00000	1.08003
Block 2	0.89362	0.94752	1.00000	1.05248
<u>GS</u>				
<u>Without Demand Measurement</u>				
Customer Charge				
Single-Phase	0.94500	0.97167	1.00000	1.02833
Polyphase	0.82780	0.91366	1.00000	1.08634
Energy Charge				
Block 1				
65 Hours' Use	0.83326	0.91642	1.00000	1.08358
15 Hours' Use	0.61578	0.80810	1.00000	1.19190
Block 2				
65 Hours' Use	0.93303	0.96652	1.00000	1.03348
15 Hours' Use	0.75023	0.87511	1.00000	1.12489
Block 3	0.90773	0.95386	1.00000	1.04614
Block 4	1.22957	1.11479	1.00000	0.88521

(C) Indicates change.

(Continued)

Philadelphia Electric Company

STANDARD RIDERS-Continued

Applicable to rates as Indicated In Applicability Index of Riders

UNRECOVERED REVENUE COLLECTION RIDER-Continued

(c)

RATE	Year 1	Year 2	Year 3	Years 4, 5 & 6
<u>GS</u>				
<u>With Demand Measurement</u>				
Customer Charge				
Single-Phase	0.94500	0.97167	1.00000	1.02833
Polyphase	0.82780	0.91366	1.00000	1.08634
Energy Charge				
Block 1				
65 Hours' Use	0.83326	0.91642	1.00000	1.08358
15 Hours' Use	0.61578	0.80810	1.00000	1.19190
Block 2				
65 Hours' Use	0.93303	0.96652	1.00000	1.03348
15 Hours' Use	0.75023	0.87511	1.00000	1.12489
Block 3	0.90773	0.95386	1.00000	1.04614
Block 4	1.14591	1.04864	1.00000	0.95136
Heating Block	0.89362	0.94752	1.00000	1.05248
<u>PD</u>				
Customer Charge	0.98308	0.99152	1.00000	1.00848
Capacity Charge	0.67554	0.83826	1.00000	1.16174
Energy Charge				
Block 1	0.88229	0.94166	1.00000	1.05834
Block 2	0.92330	0.96165	1.00000	1.03835
Block 3	1.02611	1.01305	1.00000	0.98695
<u>HT</u>				
Customer Charge	0.88972	0.94484	1.00000	1.05516
Capacity Charge	0.71292	0.85593	1.00000	1.14407
Energy Charge				
Block 1	0.84440	0.92220	1.00000	1.07780
Block 2	0.88772	0.94461	1.00000	1.05539
Block 3	1.00267	1.00000	1.00000	1.00000
<u>BLI</u>				
Energy Charge	0.85140	0.92606	1.00000	1.07394
<u>EP-A</u>				
Service Charge	0.35013	0.67506	1.00000	1.32493
Capacity Charge	0.56020	0.78010	1.00000	1.21990
Energy Charge				
Block 1	1.64800	1.32267	1.00000	0.67733
Block 2	1.32267	1.16000	1.00000	0.84000
Block 3	1.00000	1.00000	1.00000	1.00000
<u>EP-S</u>				
Service Charge	0.33675	0.66838	1.00000	1.33162
Capacity Charge	0.54492	0.77246	1.00000	1.22754
Energy Charge				
Block 1	1.64800	1.32267	1.00000	0.67733
Block 2	1.32267	1.16000	1.00000	0.84000
Block 3	1.00000	1.00000	1.00000	1.00000
<u>Transformer Rental Rider</u>				
Fixed Charge				
Block 1	0.85426	0.92704	1.00000	1.07296
Block 2	0.85569	0.92477	1.00000	1.07523
Operating Charge	0.84431	0.92216	1.00000	1.07784

(C) Indicates change.

STANDARD RIDERS-Continued

Applicable to rates as indicated in Applicability Index of Riders

EMERGENCY ENERGY CONSERVATION RIDER

APPLICABILITY. This rider is applicable in conjunction with Tariff Rule 12.3 relating to mandatory emergency energy conservation. It provides for modifications to the charges and practices otherwise applicable to certain customers as a result of compliance with or non-compliance with energy conservation curtailment levels as mandated by the appropriate governmental authority under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation. This rider is applicable to individual electric Customer accounts served under Rates EP-A, EP-S and HT, with a billing demand of 2,000 kilowatts or higher, in a recent twelve-month period prior to the emergency conservation condition. Customers designated by the procedures of Tariff Rule 12.3 and by the Pennsylvania Public Utility Commission, will be exempt from the provisions of this rider. (C)

BASE PERIOD ENERGY USE. The base energy use for a weekly period shall be determined by the Company for each applicable electric Customer account based upon a consideration of the Customer's actual past or current electric consumption and the Customer's existing operations.

MANDATORY CURTAILMENT ENERGY USE LEVEL TARGET. The mandatory curtailment energy use level target for each applicable Customer shall be that percentage of base period energy use ordered pursuant to the emergency energy conservation procedures provided by Tariff Rule 12.3 or other percentage as a result of the order of appropriate governmental authority.

COMPLIANCE. When the energy consumption in any weekly period during the period of mandatory curtailment is equal to or less than the mandatory curtailment use level target, the Customer will be deemed to have complied.

When the energy consumption in any weekly period during the period of mandatory curtailment exceeds the mandatory curtailment energy use level target, the Customer will be deemed to be in non-compliance. Customers deemed to be in non-compliance will not receive the billing modifications as set forth in this rider. In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

BILLING FOR CUSTOMERS IN COMPLIANCE. During the period of emergency energy conservation condition, billing will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and historical or contract demand or ratchet provisions and will be billed instead on the basis of current consumption and demand whenever the normal calculation method would produce a greater bill.

These customers will be individually notified of this special billing provision prior to the implementation of the emergency energy conservation procedure.

(C) Indicates change.

STANDARD RIDERS-Continued

Applicable to rates as indicated in applicability index of Riders.

TRANSFORMER RENTAL RIDER

(This rider is in process of elimination and its application is restricted to customers who had it incorporated in contracts, or had accepted it in writing, prior to October 15, 1963. The capacity of each individual installation under this rider shall be limited to the amount in service as of that date. Ownership of facilities provided under this rider will be made available to the Customer if he wishes to purchase them from the Company.)

APPLICABILITY. To the supply in Suburban Divisions, of a transformer installation furnished, operated and maintained on the premises of a Customer to transform a single standard primary or high-tension service to a supply corresponding in phase and voltage to the standard polyphase secondary or primary service supplied by the Company at the time when and in the territory where the installation is made. Transformation from standard high-tension service to 2,400 volts, 3-phase, although nonstandard in 4,160-volt, 3-phase areas, may be furnished at the Customer's request in such areas.

INSTALLATION CONDITIONS. The transformer installation under this rider is limited to a single bank of transformers installed in accordance with the Company's applicable standards, and to exclusive operation and control by the Company. Suitable housing, foundations, supporting structures and inclosures for such installations and all secondary facilities including suitable overload protective equipment, shall be provided, owned and maintained by the Customer.

MONTHLY RENTAL CHARGE.
FIXED CHARGE:

Supply Voltage	Type of Switching Installation	Amount	(1)
2,400 volts or 4,160 volts	Outdoor or Indoor	\$ 54.00	
33,000 volts	Outdoor	325.00	

OPERATING CHARGE: 33.4¢ per kilowatt of demand. (1)

UNRECOVERED REVENUE COLLECTION RIDER and STATE TAX ADJUSTMENT CLAUSE apply to this rider. (c)

DEMAND DEFINED. The demand for application of this rider shall be: (a) the billing demand of the current month, or (b) when in conjunction with the Night Service Rider, the sum of the on-peak billing demand and the excess off-peak demand of the current month.

No waivers allowable as to minimum demands shall be considered as applicable in the determination of the transformer-rental charge.

LIABILITY. The Company shall not be liable for any loss, damage or injuries to person or property, including loss of life or property, sustained by the Customer, his agents or employees, or by any person whatsoever, arising out of the presence or operation of said transformer installation on the Customer's premises, except where caused by the negligence of the Company, its agents and employees, and except for injuries sustained by the Company's employees, not caused by the negligence of the Customer, his agents and employees.

CONTRACT TERM. Coincidentally with the rate to which this rider is attached, but not for less than 3 years from the date the rider is accepted.

(1) Indicates increase.
(c) Indicates change.

REFERENCE: LIMERICK NO. 1 RATE INCREASE FILING
SUPPLEMENT NO. 15 TO ELECTRIC TARIFF NO. 26
Issued September 27, 1985 - to become effective November 27, 1985

PHILADELPHIA ELECTRIC COMPANY

ELECTRIC OPERATIONS

Supporting Data for The Computation of The
State Tax Adjustment Clause Surcharge Value

September 27, 1985

PHILADELPHIA ELECTRIC COMPANY - ELECTRIC OPERATIONS
 Computation of State Tax Adjustment
 To Recover New and Increased State Taxes
 Based on Twelve Months Ended December 31, 1984

<u>Additional Revenue Required to Recover:</u>	<u>Electric Operations</u>	<u>Reference</u>
1. Increase in the Capital Stock Tax From 6 Mills to 10 Mills	\$ 8,411,581	Line 8, Exh. 1
2. Increase in the Penna. Corporate Net Income Tax Rate from 7-1/2% to 9-1/2%	29,843,648	Line 16, Exh. 2
3. 30 Mill Public Utility Realty Tax	55,840,760	Line 14, Exh. 3
4. Increase in the Utility Gross Receipts Tax from 20 Mills to 45 Mills	<u>75,237,994</u>	Line 7, Exh. 4
5. Subtotal Before Adjustment for Gross Receipts Tax	\$169,333,983	(1)+(2)+(3)+(4)
6. <u>Total Additional Revenue Required</u> <u>Including Adjustment for Gross</u> <u>Receipts Tax on Additional Revenue</u>	\$177,313,071	(5) ÷ 0.955
7. <u>Gross Intra-State Operating Revenue</u> <u>Derived from Service under Rates and</u> <u>Riders Subject to PUC Jurisdiction</u>	\$3,025,045,083	Line 8, Exh. 5
8. <u>State Tax Adjustment</u>	5.86%	(6) ÷ (7)

PHILADELPHIA ELECTRIC COMPANY

Details of Computation of Increase in Capital Stock Tax
12 Months Ended December 31, 1984

	Phila. Elec. Co.			Reference
	Electric Operations	Gas Operations	Steam Operations	
1. Taxable Value of Capital Stock	2,219,180,626			Value Determined by Last Settlement (1983)
2. Capital Stock Tax @ 6 Mills	13,315,084			(1) x .006
Allocation to Operations				
3. - %	100%			Based on Utility Plant
4. - Amount	12,617,374	4,68%	0.56%	(2) x (3)
5. Capital Stock Tax @ 10 Mills	22,191,806			(1) x .010
Allocation to Operations				
6. - %	100%	94.76%	0.56%	Based on Utility Plant
7. - Amount	21,028,955	1,038,955	124,274	(5) x (6)
8. Increase		8,411,581	49,710	(7) - (4)

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Net Income for Computing Penna.
Corporate Net Income Tax

	Total PECO	Electric Operations	Gas Operations	Steam Operations	
1) Actual 1984-Total Company	136,965,802				Company Records
2) Deduct: Non Utility Income	(210,615,445)				Company Records
3) Actual 1984 from Utility Operation	<u>347,581,247</u>	269,451,632	65,828,940	12,300,675	Allocated (based on calculated taxable Income for each utility service)
4) Less: Tax Preference Items -					
Excess of Amortization over Liberalized Depreciation on Pollution Control Facilities	(467,917)	(467,917)	-	-	Company Records
Excess of Liberalized Over Straight Line Depreciation Applicable to Bldg.	252,051	223,632	26,889	1,530	Company Records
Add'l Income to Reflect Full Yr. Effect of - Liberalized Depn Subject to Normalization - Deferred Fuel Expenses	<u>10,523,552</u> 86,895,533	<u>117,109,406</u> (a)	<u>10,231,534</u> 25,212,072	<u>292,018</u> (5,001,801)	Company Records Company Records
6) Actual Total for Computing Adjustment for Incr. In Corporate Net Income Tax Rate	445,216,198	386,805,323	50,821,513	7,589,362	(5)--(4)+(5)
7) Add:					
Add'l Rev. to Reflect			26,134,637	256,304	Ln.2, Exh.5; Ln.2, Exh.4
1984 Rate Increase - Full Yr. Effect		150,518,000	-	-	Ln.2, Exh.5
1985 Rate Increase - Full Yr. Effect		670,700,000	-	-	Ln.3, Exh.5;
1986 Rate Increase - Full Yr. Effect		3,010,360	522,693	-	(7) x .02
1985 Rate Increase - Full Yr. Effect		13,414,000	-	-	(7) x .02
1986 Rate Increase - Full Yr. Effect			-	-	(7) x .02
8) Less: Gross Rec. Tax Add'l Rev. from:					
1984 Rate Increase - Full Yr. Effect		3,010,360	522,693	-	(7) x .02
1985 Rate Increase - Full Yr. Effect		13,414,000	-	-	(7) x .02
1986 Rate Increase - Full Yr. Effect			-	-	(7) x .02
9) Less: CNL Portion of STAC Revenues Included In Line 3) Above		17,283,187	1,966,459	343,493	Company Estimate
10) Revised Total for Computing Adjustment for Incr. In Corp. Net Income Tax Rate	<u>1,256,284,947</u>	<u>1,174,315,776</u>	<u>74,466,998</u>	<u>7,502,173</u>	(6)+(7)-(8)-(9)
11) Less: Total Income Allocable to Other States - Electric Operations		<u>102,963,858</u>	-	-	Supp (10) X .081959
12) Total Allocable to Pennsylvania		1,071,351,918	74,466,998	7,502,173	(10)-(11)
13) Adj. for Incr. In Penna. Net Income Tax Rate Adjustment for Disallowance of Tax Preference Items:		29,869,291	2,076,140	209,161	(12) x .02788
14) Excess of Amortization over Liberalized Depreciation on Pollution Control Devices Excess of Liberalized Over Straight Line Depreciation Applicable to Buildings	(467,917)	-	-	-	Company Records
Total Tax Preference Items	<u>(244,285)</u>	<u>26,889</u>	<u>1,530</u>	<u>1,530</u>	Company Records
15) Adj. A/C Loss of Tax Preference Items	(25,643)	2,823	161	161	(14) x .10497
16) Total Incr. In Penna. Corp. Net Income Tax	<u>29,843,648</u>	<u>2,078,963</u>	<u>209,322</u>	<u>(13) + (15)</u>	
(a) Electric Deferred Taxes on Liberalized Depreciation Disallowed at R-842590, January 24, 1985					

PHILADELPHIA ELECTRIC COMPANY

Computation of 30 Mill State Public Utility Realty Tax
Based on Utility Plant as of December 31, 1984

Original Cost - 12/31/84	Electric Operations	Gas Operations	Steam Operations	Sub-Total	Common Plant	Total	Reference
1. Land Owned In Fee	\$ 54,602,289	\$ 418,708	\$ 587,884	\$ 55,608,881	\$ 2,369,745	\$ 57,978,626	Note A
2. Structures and Improvements	<u>1,345,381,627</u>	<u>5,479,114</u>	<u>4,192,839</u>	<u>1,355,055,580</u>	<u>23,253,091</u>	<u>1,378,306,671</u>	Note A
3. Sub-Total	\$1,399,983,916	\$5,897,822	\$4,780,723	\$1,410,662,461	\$25,622,836	\$1,436,285,297	(1) + (2)
4. Less: Realty Taxed Locally	<u>12,283,118</u>	<u>54,329</u>	<u>35,350</u>	<u>12,372,797</u>	<u>1,148,205</u>	<u>13,521,002</u>	Company Estimates
5. Sub-Total	\$1,387,700,798	\$5,843,493	\$4,745,373	\$1,398,289,664	\$24,474,631	\$1,422,764,295	(3) - (4)
6. Less: Accrued Deprn on Structures	<u>178,911,038</u>	<u>1,991,790</u>	<u>3,157,632</u>	<u>184,060,460</u>	<u>7,853,001</u>	<u>191,913,461</u>	Company Estimates
7. State Taxable Value	\$1,208,789,760	\$3,851,703	\$1,587,741	\$1,214,229,204	\$16,621,630	\$1,230,850,834	(5) - (6)
8. Realty Tax @ 30 Mills	\$ 36,263,693	\$ 115,551	\$ 47,632	\$ 36,426,876	\$ 498,649	\$ 36,925,525	(7) x .03
9. Allocated Common	\$ 420,935	\$ 71,331	\$ 6,383	\$ 498,649	\$ (498,649)	-	Note B
10. Total 1985 Tax Including Allocation of Common	\$ 36,684,628	\$ 186,882	\$ 54,015	\$ 36,925,525	-	\$ 36,925,525	(8) + (9)
11. 1984 Tentative Tax to be Collected	<u>20,487,407</u>	<u>4,762</u>	<u>(2,743)</u>	<u>20,489,426</u>	-	<u>20,489,426</u>	Note C
12. Sub-Total	\$ 57,172,035	\$ 191,644	\$ 51,272	\$ 57,414,951	-	\$ 57,414,951	(10) + (11)
13. Less: Refund of Payments Previously Withheld on Specific Facilities	<u>1,331,275</u>	-	-	<u>1,331,275</u>	-	<u>1,331,275</u>	Note D
14. Total	\$5,840,760	\$191,644	\$51,272	\$5,683,676	-	\$5,683,676	

Note A - Based on Company records.

Note B - Allocation based on average plant, revenue and customers for the separate utility service as of 12/31/83.

Electric @ 84.415%
Gas @ 14.305%
Steam @ 1.280%

100.00%

Note C - Company is subject to two year collection of 1984 tentative tax.

Note D - See Exhibit 3b of March 29, 1985 Filing of Supplement No. 13 to Tariff No. 26.

September 26, 1985
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PHILADELPHIA ELECTRIC COMPANY
Computation of Increase in
Gross Receipts Tax
12 Months Ended December 31, 1984

	<u>Electric Operations</u>	<u>Reference</u>
State Tax Base for Computation of 1984 Gross Receipts Tax		
1. Based on Actual Revenue	\$2,254,784,564	Est. that would be filed on return
2. <u>Plus</u> Additional Revenue from 1/25/85 Base Rate Increase, Not Yet Reflected in Actual Revenue	150,518,000	Line 2, Exh. 5
3. <u>Plus</u> Additional Revenue from Proposed Base Rate Increase, Not Yet Reflected in Actual Revenue	670,700,000	Line 3, Exh. 5
4. <u>Less</u> Actual Revenue from Energy Cost Rate on Sales in 1984	(61,462,777)	Line 4, Exh. 5
5. <u>Less</u> Revenue from State Tax Adjustment for 1984	<u>127,945,583</u>	Company Records
6. Adjusted Tax Base	\$3,009,519,758	(1)+(2)+(3)-(4)-(5)
7. 25 Mill Increase in Gross Receipts Tax	\$75,237,994	(6) x .025

PHILADELPHIA ELECTRIC COMPANY

Development of Gross Intra-State Operating Revenue
12 Months Ended December 31, 1984

<u>Reference</u>		<u>Electric Operations</u>
1. Actual Revenue from Sales	\$2,240,526,794	Company Accounts (Note A)
2. <u>Plus</u> Additional Revenue from 1/25/85 Base Rate Increase, Not Yet Reflected in Actual Revenue	150,518,000	Company Estimate
3. <u>Plus</u> Additional Revenue from Proposed Base Rate Increase, Not Yet Reflected in Actual Revenue	670,700,000	Company Estimate
4. <u>Less</u> Actual Revenue from Energy Cost Rate on Sales in 1984	<u>(61,462,777)</u>	Company Accounts
5. Adjusted Revenue from Sales	\$3,123,207,571	(1)+(2)+(3)-(4)
6. <u>Less</u> Revenue not subject to PUC Jurisdiction:		
Interdepartmental Sales	4,262,841	Company Accounts
Sales to Conowingo Power Co.	25,611,701	Company Accounts
Sales to Borough of Lansdale	7,542,541	Company Accounts
Sales to Jersey Central Power & Light	66,988,810	Company Accounts
Borderline Sales to Conowingo Power Co	1,471	Company Accounts
HT Supplemental Energy	4,170,660	Company Accounts
7. <u>Plus</u> Other Operating Revenue Subject to PUC Jurisdiction:		
Forfeited Discounts	8,448,926	Company Accounts
Transformer Rental Rider	280,866	Company Accounts
Return Check Charge	136,557	Company Accounts
New or Transfer Customer Charge	<u>1,549,187</u>	Company Accounts
8. Total Gross Intra-State Operating Revenue Derived from Service Under Rates and Riders Subject to PUC Jurisdiction	\$3,025,045,083	(5)-(6)+(7)

Note A: Excludes revenues from State Tax Adjustment Clause = \$127,945,583.

September 26, 1985
2246/92H

REFERENCE:

PHILADELPHIA ELECTRIC COMPANY
SUPPLEMENT NO. 15 TO ELECTRIC TARIFF NO. 26
Filed September 27, 1985 - to become effective November 27, 1985

Notice of rate change to be sent to all customers during a one-month billing cycle, starting with bills mailed on September 27, 1985, until all customers are notified. NOTE: (Pa. PUC Authorization of July 11, 1985 at R-850152)

SAMPLE OF BILL INSERT

as being in the best interests of PE customers. This conclusion was reached after this lengthy investigation compared Limerick against many alternatives.

Q. Has the Limerick Generating Station construction project been well managed?

A. Yes, according to the United States Nuclear Regulatory Commission (NRC) and a PUC mandated management audit.

The NRC in a 1983 review of the Limerick project concluded, as part of their Systematic Assessment of Licensee Performance, that "Philadelphia Electric has continued to manage the construction program for Units #1 and #2 well. By providing knowledgeable staffs, and by effectively controlling the Constructor and Architect-Engineer, Philadelphia Electric has achieved the requisite level of quality. Additionally, the technical knowledge and expertise of Philadelphia Electric's construction Quality Assurance organization has contributed substantially to the overall effort."

The NRC reinforced this finding in their 1984 Systematic Assessment of Licensee Performance concluding that the quality of construction activities remained high. In 1979, a prominent management consulting firm conducted a management audit of Philadelphia Electric Company for the PUC. As part of that review the consultant selected by the PUC concluded that "The management of the Limerick Project is sound."

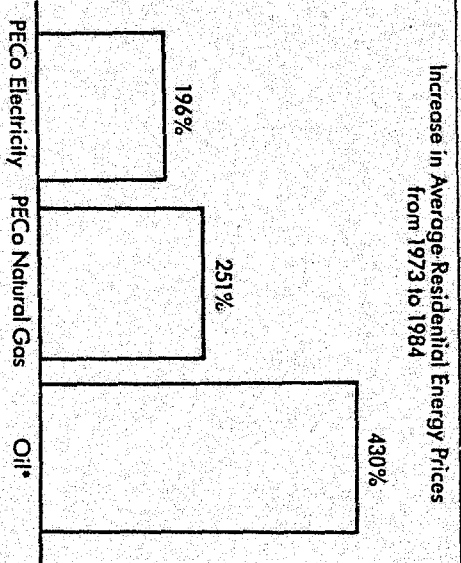
Q. Why must PE ask for such a large increase?

A. The increase is not so high when one considers that Limerick is replacing power plants that were put into service over 40 years ago when the cost of living was only a fraction of today's cost. Just as the cost of a new automobile has become very expensive, the construction of a new power plant has become far more expensive than it was in years past. Today's plants, regardless of fuel type, are much more costly than plants constructed years ago.

Once a nuclear plant like Limerick begins operating, the cost of the power it generates is expected to be quite stable. Unlike oil or gas or coal, nuclear fuel comprises only a small fraction of the full cost of nuclear power. During each of the first two years of Limerick Unit 1 operation we estimate that it will produce about \$207 million of fuel savings which will benefit our customers. As the cost of fossil fuels increase relative to nuclear fuel, these savings should increase.

Q. How do increases in the cost of electricity compare with the increased cost of other residential fuels?

A. While the cost of electricity for home use has risen since 1973, this increase was lower than that of competing residential energy sources. The table below shows the increase in average energy costs for residential customers from 1973 to 1984 for oil, natural gas, and electricity.



*U.S. Dept. of Labor, Bureau of Labor Statistics

IMPORTANT NOTICE TO OUR CUSTOMERS

NEW RATE FILING

Please take notice that on September 27, 1985 the undersigned filed with the Pennsylvania Public Utility Commission Supplement No. 15 to Electric Tariff No. 26, increasing your bills for service effective November 27, 1985. The requested increase of approximately \$671 million consists of \$878 million decreased by \$207 million for anticipated lower energy costs. The increase of \$671 million is approximately 28.2% of the Company's annual electric revenues, but the increase in your bill may vary slightly or substantially from this percentage depending on use or applicable rate schedules. The annual cost of service to the average residential user (500 kilowatt-hours per month) would increase from \$700 to \$910, or by 58 cents per day.

Upon request, the Company will inform you of the effect upon your bills. You may examine, at the Company's offices, a copy of the material filed with the Public Utility Commission explaining the proposed increase and its justification.

The proposed rate increase is subject to examination by the Pennsylvania Public Utility Commission which may suspend its effectiveness or institute a formal investigation thereof, or both, if it deems it appropriate.

Forms for filing of a formal complaint may be obtained by you upon request to Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania 17120. The timely filing of a formal complaint entitles you to a hearing at which you may present testimony and question Company witnesses, and places on the Company the burden of proving that the proposed rates are reasonable.

PHILADELPHIA ELECTRIC COMPANY

Electric Rate Filing Q&A

On September 27, 1985 Philadelphia Electric Company (PE) asked the Pennsylvania Public Utility Commission (PUC) for permission to increase electric rates by 9.4 percent in each of the next three years.

Under this phase-in proposal, revenue would increase about \$224 million in each year for a total of \$671 million or 28.2 percent of current electric revenues.

The following questions and answers will help you better understand this request.

Q. When will the new rates be effective?

A. PE expects that the PUC will suspend the increase so public hearings can be held. Therefore, a final decision and the effective date of the proposed first step, a 9.4% increase, are expected to occur at the end of June 1986. If approved the second and third steps, also 9.4% increases, would become effective late in June 1987 and June 1988 respectively. The amount of the total increase ultimately approved by the PUC that is not billed during the first two years will be requested to be recovered as a surcharge over three years beginning June 1989.

Q. Why is PE filing for a rate increase?

A. Limerick Unit #1 is scheduled to begin commercial operation in the first quarter of 1986. This rate increase is needed to recover the carrying costs on the money invested to build Unit 1 and common facilities, and the annual operating and maintenance expenses, net of the expected \$207 million fuel savings, that will result from the unit's operation.

Unit #1 and common plant have been under construction since October 1974, but under Pennsylvania law PE has not been allowed to include any of the capital costs or interest expense in customers' rates. PE's investment to build Unit #1 and common plant is approximately \$3.8 billion, of which \$1.4 billion is the interest accumulated over the approximately 12 years of construction.

Q. How much will electric bills increase?

A. If approved in full, the bills of a typical residential customer using 500 kilowatt hours (kWh) a month will increase according to the following chart:

	Amount	Change
Present	\$58.35	\$5.79 (19 cents per day)
June 1986	\$64.14	\$5.86 (19 cents per day)
June 1987	\$70.00	\$5.86 (19 cents per day)
June 1988	\$75.86	\$5.86 (19 cents per day)

Q. What has PE done to minimize the impact of this rate request on its customers?

A. PE has taken a number of steps to lessen the impact on our customers' bills.

First, we have asked the PUC for permission to utilize a phase-in plan to spread the rate increase over a three year period. Of the total 28.2 percent increase, PE has asked that the increase be made effective in three annual increases of about 9.4 percent each.

Also, in order to help reduce the size of the total increase, the Company has requested a lower return on shareholder's investment than the Commission allowed the Company in its January 1985 rate decision. In addition, all other operating expenses have been held to the lowest possible level consistent with the Company's responsibility to render reliable service.

Q. Can PE be expected to file for another rate increase?

A. In a further effort to help customers, PE intends not to file a new electric base rate increase prior to September 27, 1987 unless, in the Company's judgement, a failure to do so would jeopardize its financial viability.

Q. Why should PE customers pay for Limerick Unit #1?

A. The Limerick plant is now ready to serve our customers, and to supply the reliable electric service which they have enjoyed for over 100 years.

Usage of electricity is growing and is predicted to continue to grow into the 21st century. Limerick is required to supply those needs.

Furthermore, many of the generating stations now serving PE customers are old, oil-fired power plants with high maintenance and fuel costs. The time has come for these generating stations, some of which are over 40 years old, to be taken out of service. In recent years, PE has been purchasing a large

amount of electricity from other utilities to supply its customers because it could buy the power at a lower cost than generating the electricity at the old oil-fired power plants. PE and its customers cannot continue to rely indefinitely on other utilities for an economic and reliable supply of electricity.

Additionally, Limerick Unit 1 will provide the assured, domestic, electric power supply needed for economic growth in southeastern Pennsylvania. Without Limerick the economic future of the region would be highly dependent upon energy imports; electricity from beyond our area or oil from the troubled regions of the world. Economic growth, and the new employment generated by that growth, will not be possible without a safe, adequate and reliable source of electricity. For this reason Limerick is that source.

Q. Why did PE decide to build Limerick?

A. This question has been asked and answered repeatedly from the time PE decided to build Limerick throughout the entire construction period.

The decision to build Limerick reflected PE's successful experience with its Peach Bottom Atomic Power Station. In the first 10 years of Peach Bottom's operation, replacement fuel savings in excess of \$2 billion—more than twice the capital cost of the plant—have been passed on to customers. The Limerick design was a duplicate of Peach Bottom; the same engineering-construction company, the same utility company management, the same General Electric hardware. The differences between Peach Bottom and Limerick have been differences external to the plants—changes in environmental laws, new regulatory requirements and the effects of inflation upon construction costs.

PE chose Limerick as the best long-term alternative to supply electricity to its 1.3 million customers. This decision was made after careful evaluation of Limerick compared to coal, or oil-fired plants and to nuclear plants at other locations.

In 1980, after six years of construction, this question was brought before the Pennsylvania Public Utility Commission (PUC). The PUC conducted a 16-month investigation which resulted in the Administration Law Judge's recommendation that both Limerick units should be completed as quickly as possible. The PUC endorsed the continued construction of Limerick Unit #1

REFERENCE:

PHILADELPHIA ELECTRIC COMPANY

SUPPLEMENT NO. 15 TO ELECTRIC TARIFF NO. 26

Filed September 27, 1985 - to become effective November 27, 1985

SAMPLE OF NEWSPAPER NOTICE (DISPLAY ADVERTISEMENT)

Newspaper Notices to be published in the form of a Display Advertisement in major daily newspapers in the counties where electric service is supplied by the Company, on the day that the filing is made, or as soon as possible thereafter.

NOTE: (Pa. PUC Authorization of July 11, 1985 at R-850152)

Important Notice

NEW RATE FILING

Please take notice that on September 27, 1985 the undersigned filed with the Pennsylvania Public Utility Commission Supplement No. 15 to Electric Tariff No. 26, increasing your bills for service effective November 27, 1985. The requested increase of approximately \$671 million consists of \$878 million decreased by \$207 million for anticipated lower energy costs. The increase of \$671 million is approximately 28.2% of the Company's annual electric revenues, but the increase in your bill may vary slightly or substantially from this percentage depending on use or applicable rate schedules. The annual cost of service to the average residential user (500 kilowatt-hours per month) would increase from \$700 to \$910, or by 58 cents per day.

Upon request, the Company will inform you of the effect upon your bills. You may examine, at the Company's offices, a copy of the material filed with the Public Utility Commission explaining the proposed increase and its justification.

The proposed rate increase is subject to examination by the Pennsylvania Public Utility Commission which may suspend its effectiveness or institute a formal investigation thereof, or both, if it deems it appropriate.

Forms for the filing of a formal complaint may be obtained by you upon request to Pennsylvania Public Utility Commission, Harrisburg, Pennsylvania 17120. The timely filing of a formal complaint entitles you to a hearing at which you may present testimony and question Company witnesses, and places on the Company the burden of proving that the proposed rates are reasonable.

Philadelphia Electric Company

R R 850152

ORIGINAL

RECEIVED

SEP 27 1985

SECRETARY'S OFFICE
Public Utility Commission

PHILADELPHIA ELECTRIC COMPANY
BEFORE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

INFORMATION SUBMITTED PURSUANT TO
SECTION 53.51 et seq OF THE COMMISSION'S REGULATIONS

VOLUME I - GENERAL FILING INFORMATION
VOLUME II - RATE BASE AND OPERATING INCOME

SUPPLEMENT NO. 15

TO

TARIFF ELECTRIC - PA. P.U.C. NO. 26

ISSUED SEPTEMBER 27, 1985

EFFECTIVE NOVEMBER 27, 1985

DOCKETED
SEP 27 1985

Information Submitted Pursuant to
Section 53.52
Of the Commission's Regulation

- (a)(1) The specific reasons for each increase or decrease.

Philadelphia Electric Company - Electric Operations submit the specific reasons for the rate increase in the statement of reasons (PECO Exh. 3).

- (a)(2) The operating revenues of the utility for a 12-month period, the end of which shall not be more than 120 days prior to such filing.

Operating revenues for the 12 months ended June 30, 1985 are provided in Exhibit TPH-1 page A-5 (Column 3). Operating revenues for the 12 months ended June 30, 1986 are provided in Exhibit TPH-2, page A-5 (Column 3).

- (a)(3) The total number of customers served by the utility at the close of such period.

Customers at June 30, 1985 are provided in Exhibit TPH-1, page A-5 (Column 2). Customers at June 30, 1986 are provided in Exhibit TPH-2, page A-5 (Column 2).

- (a)(4) A calculation of the number of customers, by tariff subdivision whose bills will be increased.

All customers served at June 30, 1985 and June 30, 1986 as shown on Exhibits TPH-1 and TPH-2, page A-5, are increased except 102,250 customers served on Rate OP, 3430 customers on Rate POL, 2 customers served on Rate SL-P, and 205 customers served on Rate TL who will receive no increase for the portion of their service provided on these rates. On Rate SL-S there will be 136 customers increased \$72,000 and 128 customers decreased \$72,000.

- (a)(5) A calculation of total increases, in dollars, by tariff subdivision, projected to an annual basis.

Reference response to (a)(4).

- (a)(6) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

Reference response to (a)(4).

- (a)(7) A calculation of the total decreases in dollars, by tariff subdivision, projected to an annual basis.

Reference response to (a)(4).

- (c)(1) A statement showing the utility's calculation of the rate of return earned in the 12-month period referred to in subsection (a)(2) of this section, and the anticipated rate of return to be earned when the tariff, revision or supplement, becomes effective. The rate base used in this calculation shall be supported by summaries of book value, and shall be supported, if available, by summaries of original cost, historical cost, reproduction cost, and other factors used in its determination.

The requested statements on an original cost basis only for the test year ended June 30, 1985 are provided in Exhibit TPH-1, pages A-1 and A-2.

The requested statements on an original cost basis only for the test year ended June 30, 1986 are provided in Exhibit TPH-2, pages A-1 and A-2.

- (c)(2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (a)(2) of this section.

The balance sheet at June 30, 1985 is provided in Exhibit TPH-1, pages B-1 and B-2. The balance sheet at June 30, 1986 is provided in Exhibit TPH-2, pages B-1 and B-2.

- (c)(3) A summary, by detailed plant accounts, of the book value of the utility's property at the date of the balance sheet required by paragraph (2) of this subsection.

The value of electric plant at June 30, 1985 is provided in Exhibit TPH-1, pages B-3 through B-6. The value of electric plant at June 30, 1986 is provided in Exhibit TPH-2, pages B-3 through B-6.

- (c)(4) A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2) of this subsection, applicable to the property summarized as required by paragraph (3) of this subsection.

The amount of book depreciation reserve at June 30, 1985 is provided in Exhibit TPH-1, page B-7.

The amount of book depreciation reserve at June 30, 1986 is provided in Exhibit TPH-2, page B-7.

- (c)(5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2) of this subsection.

The requested statement for the period ending June 30, 1985 is provided in Exhibit TPH-1 pages B-8 through B-14.

The requested statement for the period ending June 30, 1986 is provided in Exhibit TPH-2 pages B-8 through B-14.

- (c)(6) A brief description of any change in the operating or financial condition of the utility, occurring between the date of the balance sheet required by paragraph (2) of this subsection and the date of transmittal of the tariff, revision, or supplement. As used in this paragraph, a "major change" is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)-(5) of this subsection.

On January 25, 1985, the Pa.PUC granted the Company an electric base rate increase of \$149.6 million which was offset by a guaranteed annual Energy Cost Rate savings of \$101.1 million, resulting in a net annual revenue increase of \$48.6 million. It should be noted that the effects of the rate increase have been fully reflected in the Company's test year revenues.

- Q.1. Provide a summary discussion of the rate change request, including specific reasons for each increase or decrease. Also provide a breakdown which identifies the revenue requirement value of the major items generating the requested rate change.
- A.1. The requested data is provided in PECO Exhibit 3, the Statement of Reasons and Summary of this rate increase request submitted with this filing.

Q.2. Identify the proposed witness(es) for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.

A.2. The list below provides the witnesses who are providing direct testimony on behalf of the Company together with their areas of expertise.

<u>Witness</u>	<u>Area</u>	<u>Statement No.</u>	<u>Exhibits</u>
V.S.Boyer	Overview and decisions respecting scheduled completion of Limerick	1	PECo Exh.2
J.S.Kemper	Limerick Project Management	2	PECO Exh.2
J.F.Paquette, Jr.	Financial Management and need for rate increase	3	
J.J.Clarey	Construction site Management	4	PECo Exh.2
D.R. Helwig	Preparation of PECo Exhibit 2	5	PECo Exh.2
E.F.Sproat, III	Preparation of PECo Exhibit 2	6	PECo Exh.2
C.K.Soppett (Bechtel)	Project organization, experience and procedures of BPC; Effects of NRC changing design & quality assurance requirements	7	
J.O.Love & B.P. Kononetz (TBA)	Independent assessment of the prudence and reasonableness of Limerick 1 and common plant project management	8	PECo Exh.2
R.J.Mattson (IEAL)	Effects of changing NRC licensing requirements and preparation of PECo Exh.2	9	PECo Exh.2
W.A. Abrams (Duff & Phelps)	Financial management	10	
L.J.Perl (NERA)	Economics of Limerick vs. alternatives	11	
L. Guth (NERA)	Load Forecasting Methodology	12	
W. C. Hoch	Load Forecasting	13	
C.H.Rush	Explanation of Electric System, Capacity Planning	14	

<u>Witness</u>	<u>Area</u>	<u>Statement No.</u>	<u>Exhibits</u>
W.H.Hieronimus (PHB)	Limerick Economic Benefits Analysis	15	
D.G.Farling (C&L)	Accounting issues related to rate phase-in proposal	16	
R.C.Williams	Rate Phase-in proposal, class revenue allocation and rate design	17	
T.P.Hill, Jr.	Overview of rate request, explanation of accounting data and certain rate base and expense claims	18	TPH-1, 2 PECo Exh. 1 PECo Exh. 3
A.J.Solecki	Budgeting Process	19	
R.W.Wright	Non-Revenue Producing CWIP, Land Held for Future Use Materials and Supplies (excl. fuel), Cash Working Capital, Decommissioning and Spent Fuel Accounting	20	
A.Wroblewski	Depreciation Studies	21	AW-1, 2, 3
J.J.Carroll	Explanation of Coal & Oil Inventory and Production Plant Expenses; Development of Limerick fuel savings	22	
G.A.Sileo	Tax Levels and Tax Adjustments	23	
W.F.Sundermeir	Class Cost Allocation and Unit Cost Study	24	WFS-1
W.H.Smith	Plant in Service Accounting Procedures and Controls	25	
J.B.Cotton	Operating Organization at Limerick, Non-Outage Operating and Maintenance Expense	26	
N.B.McLeod (E.R.Johnson Assoc., Inc.)	Nuclear Decommissioning Cost Study	27	NBM-1
J.F.Brennan	Rate of Return	28	JFB-1
J.H. Wile (NERA)	Economics of Limerick vs. alternatives	29	

Q.3. Provide a single page summary table showing, at present and at proposed rates, together with references to the filing information, the following as claimed for the fully adjusted test year:

Revenues
Operating Expenses
Operating Income
Rate Base
Rate of Return (produced)

A.3. Page A-1 of Exhibits TPH-1 and TPH-2 provides the requested data for the historic and future test years respectively.

Q.4. All initial utility direct testimony shall be provided as part of the filing materials. The testimony of the filing utility shall include a full and complete explanation and justification of all claims which depart from the unadjusted test period results of operations, including the methodology and rationale thereof, and shall be accompanied by supporting worksheets where necessary and shall refer to any supporting exhibits to which the testimony relates. The explanation and documentation of the proposed adjustments should enable any reasonably informed party to determine how the amount was calculated and to understand why the amount is being claimed.

A.4. All initial direct testimony is provided with the Company's filing material. This testimony contains detailed explanations of all Company claims and references appropriate exhibits or sections of exhibits which are also provided as part of this filing material.

Q.5. Whenever major generating plant shall be placed in operating service or removed from operating service the utility shall separately indicate the effect of such plant addition or removal from service upon rate base, revenue, expense, tax, income and revenue requirement as it affects the test year.

A.5. The Company's rate increase request reflects the commercial operation of Limerick Unit #1 and common facilities and the retirement of Richmond Unit #9, Southwark Units #1 and #2 and miscellaneous internal combustion turbines. Tables #1 and #2 attached to the Direct Testimony of Thomas P. Hill, Jr., provide the requested rate impact summary for the addition of Limerick Unit #1 and common facilities and the retirement of Richmond Unit #9 Southwark Units #1 and #2 and miscellaneous internal combustion turbines, respectively.

Detailed explanations and references to appropriate exhibits or sections of exhibits pertaining to the data discussed above is provided in the Direct Testimonies of T. P. Hill, Jr. and J. J. Carroll.

Q.1. Provide a corporate history including the dates of original incorporation, subsequent mergers and/or acquisitions. Indicate all counties, cities and other governmental sub-divisions to which service is provided (including service areas outside the state), and the total number of customers or billed units in the areas served.

A.1. The following dates provide the nucleus of the corporate history of the Company:

October 27, 1902	The Philadelphia Electric Company incorporated.
May 1, 1922	Susquehanna Power Company incorporated as a subsidiary of the Philadelphia Electric Company.
January 27, 1925	Susquehanna Electric Company incorporated as a subsidiary of The Philadelphia Electric Company.
February 14, 1928	Control of The Philadelphia Electric Company acquired by U.G.I.
October 31, 1929	The Philadelphia Electric Company and Philadelphia Suburban-Counties Gas and Electric Company merged to form Philadelphia Electric Company.
January 22, 1931	Conowingo Power Company incorporated as a subsidiary of the Philadelphia Electric Company.
August 20, 1943	U.G.I. divests itself of its stockholding of the Philadelphia Electric Company.

Following is a list of the subsidiary companies of Philadelphia Electric Company, and of their States of organization, together with a description of the location and nature of their business:

Philadelphia Electric Power Company - Incorporated in Pennsylvania

This Company, a wholly-owned subsidiary of Philadelphia Electric Company and a registered holding company, together with its wholly-owned subsidiary, The Susquehanna Power Company, are joint licensees under a Federal license dated February 20, 1926, issued by the Federal Power Commission under the provisions of the Federal Water Power Act of 1920, under which they have constructed and now own the Conowingo hydro-electric project (Project No. 405). Philadelphia Electric Power Company owns that portion of the project located in Pennsylvania, and its portion of the transmission line is leased to and operated by Philadelphia Electric Company.

The Susquehanna Power Company - Incorporated in Maryland.

Owns that portion of the Conowingo project located in Maryland. This property is leased to and operated by The Susquehanna Electric Company, a wholly-owned subsidiary of Philadelphia Electric Company.

The Proprietors of the Susquehanna Canal - Incorporated in Maryland-Inactive.

The Susquehanna Electric Company - Incorporated in Maryland. Operates the Maryland portion of the Conowingo hydro-electric project. It sells practically all of the energy produced to Philadelphia Electric Company and the balance to Conowingo Power Company.

Conowingo Power Company - Incorporated in Maryland. Supplies electric service to approximately 26,700 customers in portions of Cecil and Harford counties in northern Maryland, in territory adjacent to Philadelphia Electric Company. It is a wholly owned subsidiary of Philadelphia Electric Company.

Eastern Pennsylvania Development Company (EPDC) - Incorporated in Pennsylvania 2301 Market Street, Philadelphia, Pennsylvania. The Company's sole function is to act as a holding company for Adwin Equipment Company and Adwin Realty Company.

Adwin Equipment Company (AEC) - Incorporated in Pennsylvania 2301 Market Street, Philadelphia, Pennsylvania. This company is a wholly-owned subsidiary of EPDC and is primarily engaged in electrical distribution equipment rental, the storage and maintenance of electric generating equipment and engineering and management consulting services, primarily in the energy field.

Adwin Realty Company (ARC) - Incorporated in Pennsylvania 2301 Market Street, Philadelphia, Pennsylvania. This company is a wholly-owned subsidiary of EPDC and is engaged in the development, primarily commercial and industrial, of Philadelphia Electric Company's surplus real estate.

Eastern Pennsylvania Exploration Company (EPEC) - Incorporated in Pennsylvania 2301 Market Street, Philadelphia, Pennsylvania.

This wholly-owned subsidiary of Philadelphia Electric Company is a partner with one or more subsidiaries of other utility companies in five joint ventures engaged in natural gas exploration and drilling. Significant gas discoveries are transported by interstate pipeline to delivery points on PECO's gas distribution system; oil and natural gas liquids as well as minor gas discoveries are sold where they are produced. The area of interest includes the Gulf Coast, both onshore and in State waters but excluding Federal waters, and the Appalachian region of Virginia and West Virginia.

The electric service area of the Philadelphia Electric Company itself, all in Pennsylvania, is 1,972 square miles, contains a population of about 3,700,000 and includes 209 cities, townships, and boroughs. Natural Gas Service is supplied to a population of 1,900,000 in a 1,475 square mile area of Southeastern Pennsylvania adjacent to Philadelphia. Steam service is supplied in the central and West Philadelphia areas. The electric service area of the Conowingo Power Company, all in Maryland, is 368 square miles. The Philadelphia Electric Company and the Conowingo Power Company together comprise the Philadelphia Electric Company System. As of June 30, 1985, the Company had 1,340,153 electric customers, 307,621 gas customers and 497 steam customers. Conowingo Power Company served 28,351 customers as of June 30, 1985.

Attachment I-B-1a provides a map of the Company's electric service area.

Attachment I-B-1b provides a map of the Company's gas service area.

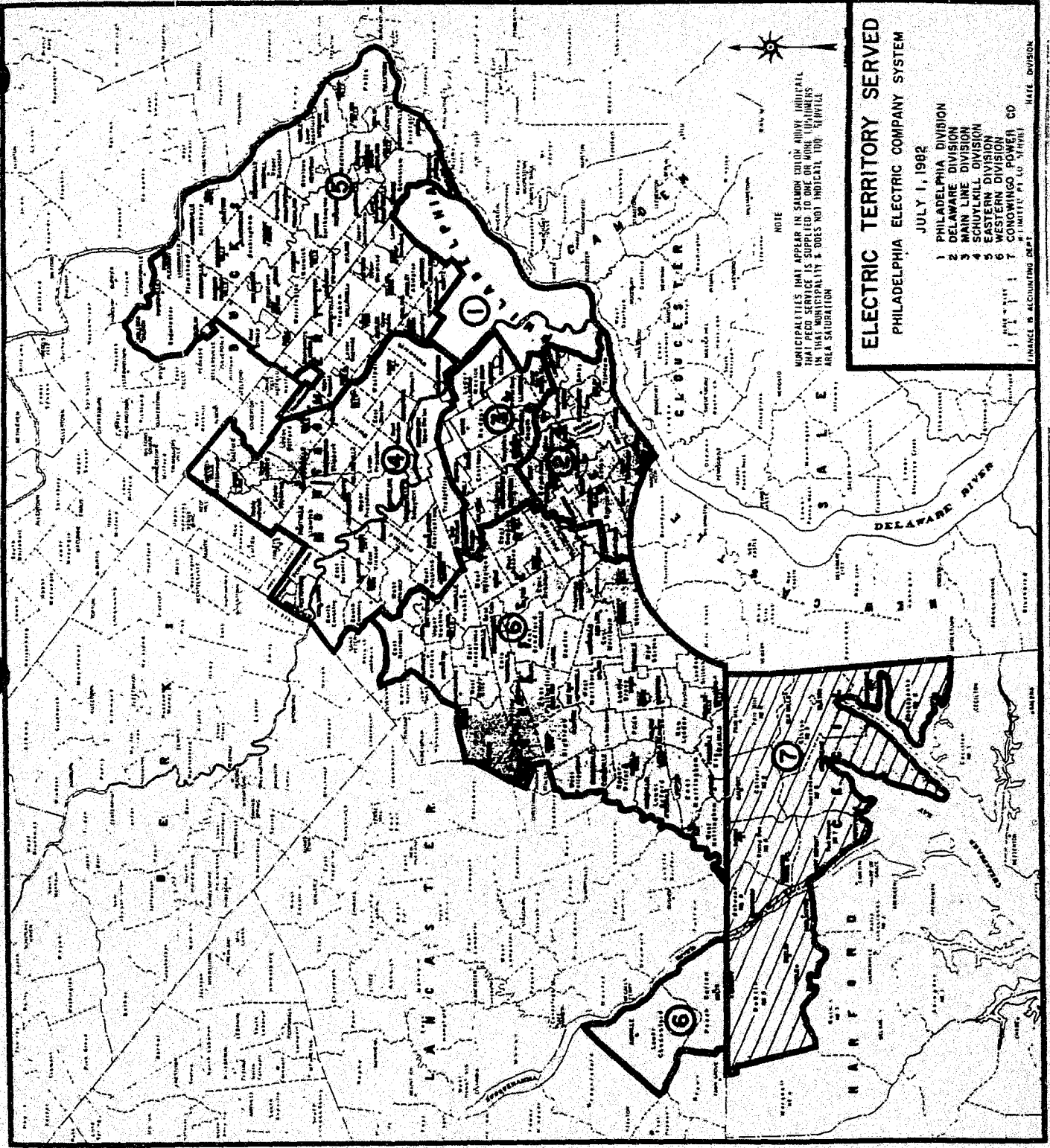
Attachment I-B-1c provides an index of the cities, boroughs, and townships to which the Philadelphia Electric Company provides electric service.

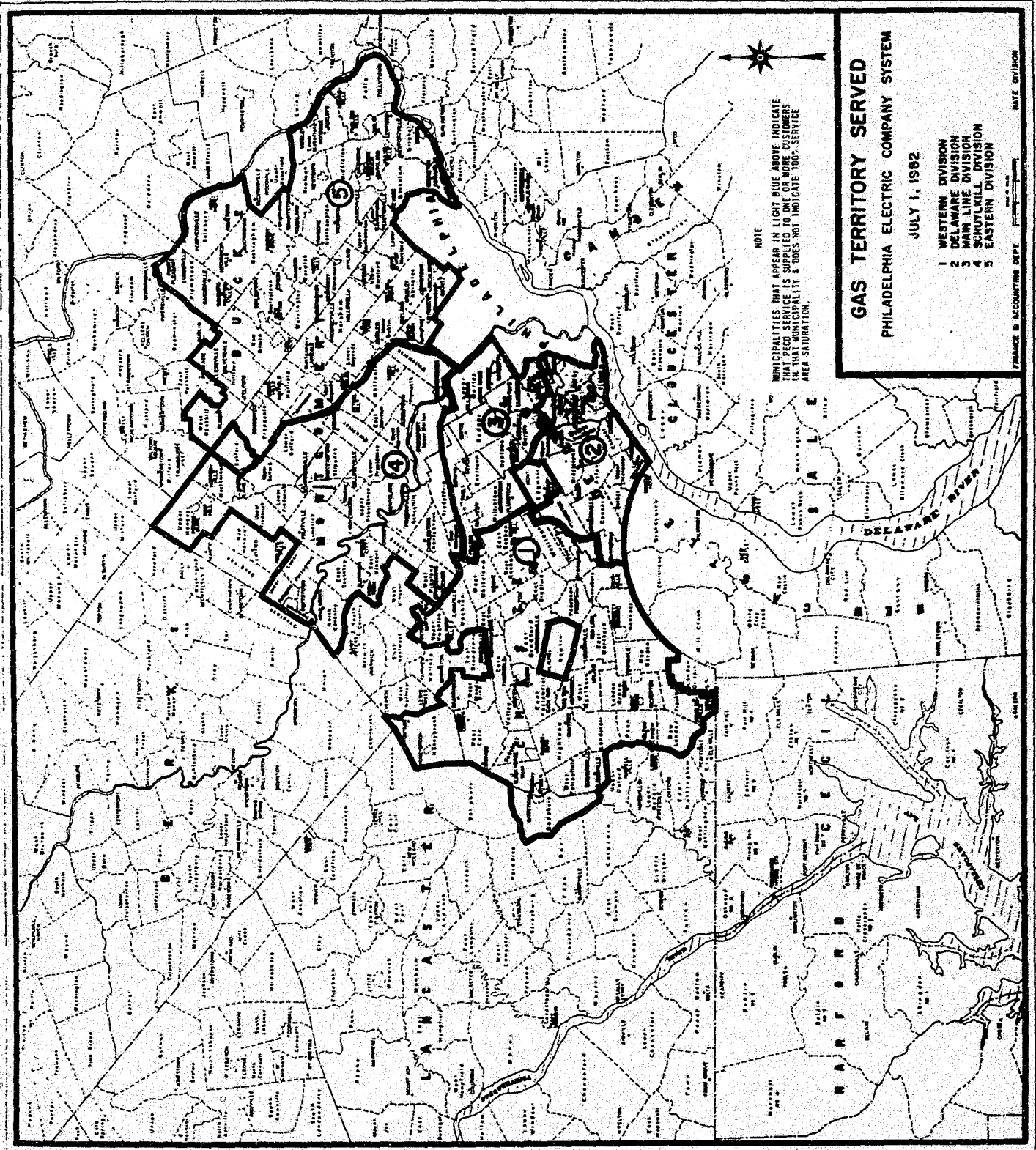
Attachment I-B-1d provides the counties and cities to which the Conowingo Power Company provides electric service.

Attachment I-B-1e provides an index of the cities, boroughs and townships to which the Philadelphia Electric Company provides gas service.

Attachment I-B-1f provides the areas to which the Philadelphia Electric Company provides steam service.

Attachment I-B-1g provides the total numbers of customers in the areas served as of December 31, 1984.





NOTE
 MUNICIPALITIES THAT APPEAR IN LIGHT BLUE ABOVE INDICATE THAT PECO SERVICE IS SUPPLIED TO ONE OR MORE CUSTOMERS IN THAT MUNICIPALITY & DOES NOT INDICATE 100% SERVICE AREA SATURATION.

GAS TERRITORY SERVED
 PHILADELPHIA ELECTRIC COMPANY SYSTEM

JULY 1, 1962

- 1 WESTERN DIVISION
- 2 DELAWARE DIVISION
- 3 NORTHERN DIVISION
- 4 SOUTHWEST DIVISION
- 5 EASTERN DIVISION

PLANNING & ACCOUNTING DEPT. DATE DIVISION

Philadelphia Electric Company

LIST OF COMMUNITIES SERVEDPHILADELPHIA DIVISION:CITY AND COUNTY OF Philadelphia.DELAWARE DIVISION:DELAWARE COUNTY

CITY: Chester.

BOROUGHs: Aidan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Lansdowne, Marcus Hook, Media, Morton, Norwood, Parkside, Prospect Park, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tincum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Birmingham, Chester, Concord, Edgmont, Middletown, Thornbury, Upper Providence.

CHESTER COUNTY:

SECOND-CLASS TOWNSHIPS: Thornbury, Westtown, Willistown.

EASTERN DIVISION:BUCKS COUNTY

BOROUGHs: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Pennel, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Buckingham, Doylestown, Falls, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, Wrightstown.

MONTGOMERY COUNTY

BOROUGHs: Ambler, Bryn Athyn, Hatboro, Jenkintown, North Wales, Rockledge.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Moreland, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland.

SECOND-CLASS TOWNSHIPS: Horsham, Lower Gwynedd, Lower Salford, Montgomery, Towamencin, Whitmarsh, Whitpain.

MAIN LINE DIVISION:CHESTER COUNTY

BOROUGH: Malvern.

SECOND-CLASS TOWNSHIPS: East Goshen, East Whiteland, Easttown, Tredyffrin, Willistown.

DELAWARE COUNTY

BOROUGH: Millbourne.

FIRST-CLASS TOWNSHIPS: Haverford, Marple, Radnor, Upper Darby.

SECOND-CLASS TOWNSHIPS: Edgmont, Newtown.

Philadelphia Electric Company

LIST OF COMMUNITIES SERVED - ContinuedMONTGOMERY COUNTY:

BOROUGH: Norberth.

FIRST-CLASS TOWNSHIP: Lower Merion.

SECOND-CLASS TOWNSHIP: Upper Merion.

SCHUYLKILL DIVISION:CHESTER COUNTY:

BOROUGHS: Phoenixville, Spring City.

SECOND-CLASS TOWNSHIPS: Charlestown, East Coventry, East Pikeland, East Vincent, East Whiteland, North Coventry, Schuylkill, South Coventry, Tredyffrin, West Pikeland, West Vincent.

MONTGOMERY COUNTY:

BOROUGHS: Bridgeport, Colleeville, Conshohocken, Green Lane, Norristown, Pottstown, Royersford, Schwenksville, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Lower Merion, Lower Pottsgrove, Plymouth, Springfield, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Limerick, Lower Frederick, Lower Providence, Lower Salford, Marlborough, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Merion, Upper Providence, Upper Salford, Whitmarsh, Whitpain, Worcester.

WESTERN DIVISION:CHESTER COUNTY:

CITY: Coatesville.

BOROUGHS: Avondale, Downingtown, Kennett Square, Modena, Oxford, Parkesburg, South Coatesville, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Cain.

SECOND-CLASS TOWNSHIPS: Birmingham, East Bradford, East Brandywine, East Cain, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Whiteland, Elk, Franklin, Highland, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, Penn, Pennsbury, Pocopson, Sadsbury, Thornbury, Upper Oxford, Upper Uwchlan, Uwchlan, Valley, Wallace, West Bradford, West Brandywine, West Cain, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

DELAWARE COUNTY:

SECOND-CLASS TOWNSHIPS: Birmingham, Concord, Thornbury.

YORK COUNTY:

BOROUGH: Delta.

SECOND-CLASS TOWNSHIPS: Chanceford, Fawn, Lower Chanceford, Peach Bottom.

CONOWINGO POWER COMPANY

ELECTRIC SERVICE TARIFF

EFFECTIVE IN

HARFORD COUNTY: Election District No. 5

CECIL COUNTY: Election Districts Nos. 2, 3, 4, 5, 6, 7, 8 and 9;
including Towns of Charlestown, Chesapeake City, Elkton,
North East, Perryville, Port Deposit, and Rising Sun

MAIN OFFICE:
213 NORTH STREET
ELKTON, MARYLAND 21921

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Issued July 20, 1984

Effective August 1, 1984

Issued in compliance with Proposed Order of Public Service
Commission of Maryland Hearing Examiner dated June 26, 1984
at Case No. 7819.

Issued by T. W. COPPOCK, President
Elkton, Maryland

Philadelphia Electric Company

LIST OF COMMUNITIES SERVEDDELAWARE DIVISION:DELAWARE COUNTY

CITY: Chester.

BOROUGHs: Aidan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Lansdowne, Marcus Hook, Media, Morton, Norwood, Parkside, Prospect Park, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tinicum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Birmingham, Chester, Concord, Middletown, Upper Providence.

EASTERN DIVISION:BUCKS COUNTY

BOROUGHs: Bristol, Chalfont, Doylestown, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Penndel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIP: Bensalem, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Upper Southampton, Warminster, Warrington, Warwick, West Rockhill, Wrightstown.

MONTGOMERY COUNTY

BOROUGHs: Ambler, Bryn Athyn, Hatboro, Hatfield, Jenkintown, Lansdale, North Wales, Rockledge, Souderton, Telford.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Moreland, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland.

SECOND-CLASS TOWNSHIPS: Franconia, Horsham, Lower Gwynedd, Montgomery, Towamencin, Whitmarsh, Whitpain.

MAIN LINE DIVISION:CHESTER COUNTY

BOROUGH: Malvern.

SECOND-CLASS TOWNSHIPS: East Goshen, East Whiteland, Easttown, Tredyffrin, Willistown.

DELAWARE COUNTY

BOROUGH: Millbourne.

FIRST-CLASS TOWNSHIPS: Haverford, Marple, Radnor, Upper Darby.

SECOND-CLASS TOWNSHIP: Newtown.

MONTGOMERY COUNTY:

BOROUGH: Narberth.

FIRST-CLASS TOWNSHIP: Lower Merion.

SECOND-CLASS TOWNSHIP: Upper Merion.

LIST OF COMMUNITIES SERVED - ContinuedSCHUYLKILL DIVISION:CHESTER COUNTY:

BOROUGHs: Phoenixville, Spring City.

SECOND-CLASS TOWNSHIPS: Charlestown, East Coventry, East Pikeland, East Vincent, East Whiteland, North Coventry, Schuylkill, Tredyffrin, West Pikeland.

MONTGOMERY COUNTY:

BOROUGHs: Bridgeport, Colleeville, Conshohocken, East Greenville, Green Lane, Norristown, Pennsburg, Pottstown, Red Hill, Royersford, Schwenksville, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Lower Merion, Lower Pottsgrove, Plymouth, Springfield, Upper Gwynedd, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Limerick, Lower Frederick, Lower Providence, Lower Salford, Marlborough, Perkiomen, Skippack, Towamencin, Upper Frederick, Upper Hanover, Upper Merion, Upper Providence, Upper Salford, Whitmarsh, Whitpain, Worcester.

WESTERN DIVISION:CHESTER COUNTY:

CITY: Coatesville.

BOROUGHs: Atglen, Avondale, Downingtown, Honey Brook, Kennett Square, Parkesburg, South Coatesville, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Cain.

SECOND-CLASS TOWNSHIPS: Birmingham, East Bradford, East Cain, East Fallowfield, East Goshen, East Marlborough, East Whiteland, Franklin, Honey Brook, Kennett, Londonderry, London Grove, New Garden, New London, Penn, Pennsbury, Pocopson, Sadsbury, Thornbury, Upper Uwchlan, Uwchlan, Valley, West Brandywine, West Cain, West Goshen, West Marlborough, West Nantmeal, West Sadsbury, West Whiteland, Westtown, Willistown.

DELAWARE COUNTY:

SECOND-CLASS TOWNSHIPS: Birmingham, Concord, Thornbury.

LANCASTER COUNTY:

BOROUGH: Christiansa.

SECOND-CLASS TOWNSHIP: Sadsbury.

PHILADELPHIA ELECTRIC COMPANY

STEAM SERVICE TARIFF

.....O.....

PHILADELPHIA DISTRICT

That section of the City of Philadelphia bounded by South Street,
Grays Ferry Avenue, Woodland Avenue, Fortieth Street,
Girard Avenue, West College Avenue, Poplar Street,
South College Avenue, Girard Avenue, Dyott Street,
and the Delaware River.

DISTRICT OFFICE: 2301 Market Street, Philadelphia, PA. 19101

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Issued March 30, 1984

Effective April 10, 1984

Issued under Order of the Pennsylvania Public Utility
Commission, State Tax Adjustment Procedure, dated March 10, 1970-as amended.

ISSUED BY: J. H. AUSTIN, JR., President
2301 MARKET STREET
PHILADELPHIA, PA. 19101

NOTICE.

THIS SUPPLEMENT MAKES [INCREASES] IN EXISTING RATES. SEE PAGE 2.
[CHANGES]

705

1984

For Year ended December 31.....

705 TERRITORY CHARTERED AND SERVED

1. Report by counties, all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".

2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community (a)	Population Served By Respondent (b)	Also Served By Others (c)	Number of Customers Served By Respondent (d)	Name of Other Agency Serving Same Community (e)
Electric Territory				
Delaware Division - Del. Co.				
<u>Townships</u>				
Aston	14,530			
Derby	12,264			
Middletown	12,463			
Nether Providence	12,730			
Ridley	33,771			
Springfield	25,326			
Upper Chichester	14,377			
Upper Derby	23,500			
<u>Boroughs</u>				
Derby	11,513			
Lansdowne	11,891			
Yeadon	11,727			
<u>City</u>				
Chester	45,794			
<u>All Other</u>				
	148,004			
Total Delaware Division	377,890		144,787	
Eastern Division				
<u>Bucks County</u>				
<u>Townships</u>				
Bensalem	52,399			
Bristol	58,733			
Doylestown	11,824			
Falls	36,083			
Lower Makefield	17,351			
Lower Southampton	18,305			
Middletown	34,246			
Northampton	27,392			
Upper Southampton	15,806			
Warminster	35,543			
Warrington	10,704			
<u>Boroughs</u>				
Bristol	10,667			

For Year ended December 31.....1984.....

705 TERRITORY CHARTERED AND SERVED

1. Report by counties, all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".

2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community (a)	Population Served By Respondent (b)	Also Served By Others (c)	Number of Customers Served By Respondent (d)	Name of Other Agency Serving Same Community (e)
<u>Montgomery County</u>				
<u>Townships</u>				
Abington	59,084			
Chelfenham	35,509			
Hatfield	13,411			
Horsham	15,959			
Lower Moreland	12,472			
Springfield	20,344			
Towanencin	11,112			
Upper Dublin	22,348			
Upper Moreland	25,874			
<u>All Other</u>	<u>107,812</u>			
Total Eastern Division	653,178		247,529	
<u>Main Line Division</u>				
<u>Delaware County</u>				
<u>Townships</u>				
East Goshen	10,021			
Haverford	52,349			
Merple	23,642			
Newtown	11,775			
Radnor	27,676			
Upper Darby	60,554			
<u>Montgomery County</u>				
<u>Townships</u>				
Lower Merion	59,651			
<u>All Other</u>	<u>25,188</u>			
Total Main Line Division	270,856		105,588	

For Year ended December 31.....

705 TERRITORY CHARTERED AND SERVED

1. Report by counties, all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".

2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community (a)	Population Served By Respondent (b)	Also Served By Others (c)	Number of Customers Served By Respondent (d)	Name of Other Agency Serving Same Community (e)
<u>SCHUYLKILL DIVISION</u>				
<u>Montgomery County</u>				
<u>Townships</u>				
East Norriton	12,711			
Lower Providence	18,945			
Plymouth	17,168			
Upper Merion	26,138			
West Norriton	14,034			
Whitemarsh	15,101			
Whitpain	11,772			
<u>Boroughs</u>				
Norristown	34,684			
Pottstown	22,729			
<u>Chester County</u>				
<u>Township</u>				
Tredyffrin	23,019			
<u>Borough</u>				
Phoenixville	14,165			
<u>All Other</u>	116,901			
Total Schuylkill Division	327,367		122,211	
<u>Western Division</u>				
<u>Chester County</u>				
<u>Township</u>				
West Goshen	16,164			
<u>Borough</u>				
West Chester	17,435			
<u>City</u>				
Coatesville	10,698			
<u>All Other</u>	123,022			
Total Western Division	167,319		83,643	
Total Philadelphia Division	1,688,210		619,079	
Total Electric	3,484,820		1,322,837	

For Year ended December 31, 1984

705 TERRITORY CHARTERED AND SERVED

1. Report by counties all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".
2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community (a)	Population Served By Respondent (b)	Also Served By Others (c)	Number of Customers Served By Respondent (d)	Name of Other Agency Serving Same Community (e)
<u>Gas Territory</u>				
<u>Delaware Division - Del. Co.</u>				
<u>Townships</u>				
Aston	14,530			
Darby	12,264			
Middletown	12,463			
Nether Providence	12,730			
Ridley	33,771			
Springfield	25,326			
Upper Chichester	14,377			
Upper Darby	23,500			
<u>Boroughs</u>				
Darby	11,513			
Lansdowne	11,891			
Yeadon	11,727			
<u>City</u>				
Chester	45,794			
<u>All Other</u>	146,566			
Total Delaware Division	376,452		88,609	
<u>Eastern Division</u>				
<u>Bucks County</u>				
<u>Townships</u>				
Bensalem	52,399			
Bristol	58,733			
Doylestown	11,824			
Falls	36,083			
Lower Makefield	17,351			
Lower Southampton	18,305			
Northampton	34,246			
Middletown	27,392			
Upper Southampton	15,806			
Warminster	35,543			
Warrington	10,704			
<u>Borough</u>				
Bristol	10,867			

705 TERRITORY CHARTERED AND SERVED

1. Report by counties, all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".

2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community	Population Served By Respondent	Also Served By Others	Number of Customers Served By Respondent	Name of Other Agency Serving Same Community
(e)	(b)	(c)	(d)	(a)
<u>Montgomery County</u>				
<u>Townships</u>				
Abington	59,084			
Cheltenham	35,509			
Hatfield	13,411			
Horsham	15,959			
Lower Moreland	12,472			
Springfield	20,344			
Towamencin	11,112			
Upper Dublin	22,348			
Upper Moreland	25,874			
<u>Borough</u>				
Lansdale	16,526			
<u>All Other</u>	<u>110,230</u>			
Total Eastern Division	672,142		93,840	
<u>Main Line Division</u>				
<u>Delaware County</u>				
<u>Townships</u>				
East Goshen	10,021			
Haverford	52,349			
Harpie	23,642			
Newtown	11,775			
Radnor	27,676			
Upper Darby	60,554			
<u>Montgomery County</u>				
<u>Township</u>				
Lower Merion	59,651			
<u>All Other</u>	<u>30,151</u>			
Total Main Line Division	275,819		62,111	

For Year ended December 31.....1984.....

705 TERRITORY CHARTERED AND SERVED

1. Report by counties, all communities within respondent's chartered territory, having a population over 10,000. Classify the remaining communities in each county as "other".
2. Column (b) shall show only that population of the community served by respondent. Indicate by an asterisk in column (c) communities served in part by respondent and by other agencies.

Community (e)	Population Served By Respondent (b)	Also Served By Others (c)	Number of Customers Served By Respondent (d)	Name of Other Agency Serving Same Community (e)
<u>Schuylkill Division</u>				
<u>Montgomery County</u>				
<u>Townships</u>				
East Norriton	12,711			
Lower Providence	18,945			
Plymouth	17,168			
Upper Merion	26,138			
West Norriton	14,034			
Whitemarsh	15,101			
Whitpain	11,772			
<u>Boroughs</u>				
Norristown	34,684			
Pottstown	22,729			
<u>Chester County</u>				
<u>Township</u>				
Tredyffrin	23,019			
<u>Borough</u>				
Phoenixville	14,165			
<u>All Other</u>	117,508			
Total Schuylkill Division	327,974		40,512	
<u>Western Division</u>				
<u>Chester County</u>				
<u>Township</u>				
West Goshen	16,164			
<u>Borough</u>				
West Chester	17,435			
<u>City</u>				
Coatesville	10,698			
<u>All Other</u>	101,206			
Total Western Division	145,503		15,696	
Total Gas	1,797,890		300,768	

Q.2. Provide a description of the property of the utility and an explanation of the system's operation, and supply the following (using available projections if actual data is unavailable):

- a. a schedule of generating capability showing for the test year, and for the two consecutive twelve-month periods prior to the test year, net dependable capacity in kW by unit, plant capacity factor by unit, and total fuel consumption by each station, and operation and maintenance expenses by station;
- b. a schedule showing for the test year and for the twelve-month period immediately prior to the test year the scheduled and unscheduled outages (in excess of 48 hours) for each station, the equipment or unit involved, the date the outage occurred, duration of the outage, maintenance expenses incurred for each outage (if available) and amounts reimbursable from suppliers or insurance companies;
- c. a schedule for any unit retired during the test year or subsequent to the end of the test year, which shows the unit's kW capacity, hours of operation during the test year, net output generated, cents/kWh of maintenance and fuel expenses, and date of retirement; and
- d. a schedule showing latest projections of capacity additions and retirements (costs and kW) and reserve capacity at the time of peak for at least ten years beyond the test year, including the in-service dates (actual or expected) and AFDC cutoff dates (if different from in-service dates) for all new generating units coming on line during or subsequent to the test year (if claimed).

A.2. A description of the Company's property and an explanation of the Company's electric system is provided in the Direct Testimony of C. H. Rush.

- a. Attachment I-B-2a provides the requested data.
- b. Attachment I-B-2b provides the requested data.
- c. Attachment I-B-2c provides the requested data.
- d. Attachment I-B-2d provides the requested data.

JULY 1, 1985 - June 30, 1986

STATION _____

SUBJECT _____

Station-unit	NET CAP (MW)	Generation (MWH)	Cap Fact %	FUEL COOL (Tons)	FUEL OIL (Bbls)	BURN (Gas)	Cap Fact %
Steam							
Conemaugh 233	352	1614 000	52.3	442 000	621.0		36.2
Cromby 1	244	583 000	46.8	245 000	63 700		
Armbury 2	501	512 230	29.1		323 000		16.5
Delaware 7	126	191 000	17.3		327 200		
Delaware 8	124	170 000	15.7	421 000	297 200	316 000	22.8
Edwards 1	311	1138 000	41.8		91 500	293 000	
Edwards 2	324	1040 000	36.6	382 000	96 500		22.8
Edwards 3	382	294 000	8.2		667 200		
Edwards 4	320	313 000	9.4		699 100		22.8
Key Stone 2	357	20 800 000	66.5	559 000	5 300		
Richmond 9	- reserved						
Schuylkill 1	161	297 000	20.4		480 600		73.2
Southwest 12	162*	27 000	1.8		79 600		
Nuclear							
Archbald 2	447	2535 000	64.7				73.2
East Pittston 2	439	3149 000	81.9				
Salem 1	459	2207 000	54.9				62.6
Salem 2	471	3299 000	79.9				
Int. Comb							
Lehigh 1	325	22 100	3.1		168 000		168 000
Salem CT	16	300	0.2		700		
All other							
PE CT's & Diesels	594*	24 700	0.9		95 800		95 800

A Hochman + I-B-2a
(8 Pages)

JULY 1 1984 TO JUNE 30 1985

STATION-UNIT	NET CAP (MW)	GENERATION (MWH)	CAP. FACT %	COAL (TONS)	FUEL OIL (BBL)	GAS (MCF)	CAP. FACT %	WEIGHTED FUEL CAPACITY FRIED	
								7/1/84 - 6/30/85	
STEAM	*								
COLUMBIAN 2	363	2,251,074	73.0	890,953	8497				
CRANDY 1	144	629,524	50.0	253,452	391,624		43.3		
CROMBIE 2	201	679,708	38.6		1,119,723				
DELAWARE 7	126	364,636	33.0		623,659		29.5		
DELAWARE 8	124	281,282	25.9		502,741				
EDGESTONE 1	309.8	1,513,400	37.8	617,310	88,304	684,974			
EDGESTONE 2	324	1,042,638	36.7	411,407	68,943	432,688	32.1		
EDGESTONE 3	380	809,971	24.3		1,023,445				
EDGESTONE 4	390	496,481	14.9		166,340				
KEESWEE 2	357	2,095,006	67.0	831,498	113,282				
RICHMOND 9	152.4	198,142	14.8		412,980				
SCHUYKILL 1	166	325,922	22.4		574,730				
SOUTHWEST 2	336	84,352	2.9		84,352				
NUCLEAR									
DEARBORN 2	447	-32,518	0				37.4		
DEARBORN 3	439	2,935,229	76.3						
SALEM 1	459	2,395,561	59.6				51.3		
SALEM 2	471	1,184,445	28.7						
SALEM 3									
SALEM 4									
SALEM 5									
SALEM 6									
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SALEM 100									

* MARKED UNITS WEIGHED FUEL CAPACITY FRIED 7/1/84 - 6/30/85

5 JUN _____

JULY 1, 1983 to JUNE 30, 1984

SUBJECT _____

STATION - UNIT	NET CAP. (MW)	GENERATION (MWH)	CAP. FACT. %	COAL (MMBtu)	OIL (MMBtu)	FUEL COST (\$/Bbl)	GAS (\$/Mcf)	GAS (MMcf)	GAS FACT. %
STEAM	*								
CONDEMNED 1/2	354	2,242,408	72.5	874,786	10,715				
CRABBY 1	145.8*	970,818	75.8	386,023	53,419				56.8
CRABBY 2	201	760,105	43.1		1,244,634				32.1
DELTA 7	126	377,707	34.1		938,919				
DELTA 8	124	326,564	30.0		561,582				
EDISTONE 1	300.8*	434,711	16.4	188,900	48,526		236,346		25.5
EDISTONE 2	333.2*	794,001	27.1	380,094	58,334		377,301		
EDISTONE 3	380	883,102	26.4		1,705,817				
EDISTONE 4	380	1,016,317	30.4		2,091,352				
KERTINE 1/2	357	1,253,414	46.3	928,041	254,428				
Richmond 9	166	244,485	16.8		504,256				
SCHUYLER 1	166	438,215	30.0		754,481				
SOUTHWOOD 1/2	354.4*	176,067	5.7		209,773				
NUCLEAR									
DELAH ROTM 2	447	1,322,787	33.7						45.6
DELAH BINS 3	439	5,224,897	57.7						41.4
SALEM 1	459	2,392,818	59.3						
SALEM 2	471	986,564	23.8						
SAIT. COAL									
CRABBY C.T.	386.5*	299,971	8.8		613,807				
SALEM C.T.	16	3,892	2.8		5,869				
ALL OTHER P.E. C.T.'S & O.S.S.	946.7*	279,087	3.4		680,590				

* DERIVED UNITS WEIGHTED FOR CAPACITY FROM 7/1/83 - 6/30/84.

PHILADELPHIA ELECTRIC COMPANY
 Electric Steam Power Generation
 Operating and Maintenance Expense
 Twelve Months Ending

Desig.	\$ X 1000 6/30/84	\$ X 1000 6/30/85	\$ X 1000 6/30/86
1 <u>Schuylkill Station</u>			
Operating (Less Fuel)	3 741	4 160	4 170
Fuel	23 349	17 436	15 735
Maintenance	5 158	5 723	5 118
Total	32 248	27 319	25 023
6 <u>Eddystone Station</u>			
Operating (Less Fuel)	14 832	23 920	27 561
Fuel	145 199	143 201	98 159
Maintenance	41 559	38 000	40 935
Total	201 590	205 121	166 655
7 <u>Cromby Station</u>			
Operating (Less Fuel)	7 588	10 268	13 220
Fuel	58 686	48 906	39 979
Maintenance	8 252	11 801	18 094
Total	74 526	70 975	71 293
9 <u>Delaware Station</u>			
Operating (Less Fuel)	3 194	3 471	3 725
Fuel	38 404	33 819	20 291
Maintenance	5 837	6 791	8 375
Total	47 435	44 081	32 391
10 <u>Richmond Station</u>			
Operating (Less Fuel)	2 038	2 201	1 633
Fuel	16 436	13 299	29
Maintenance	1 972	1 344	1 650
Total	20 446	16 844	3 312
12 <u>Southwark Station</u>			
Operating (Less Fuel)	3 100	3 302	3 284
Fuel	14 236	7 788	2 528
Maintenance	2 550	2 070	2 063
Total	19 886	13 160	7 875

PHILADELPHIA ELECTRIC COMPANY
 Electric Steam Power Generation
 Operating and Maintenance Expense
 Twelve Months Ending

Desig.	\$ X 1000 6/30/84	\$ X 1000 6/30/85	\$ X 1000 6/30/86
8 <u>Chester Station</u>			
Operating (Less Fuel)	-	-	-
Fuel	-	-	-
Maintenance	-	-	-
Total	-	-	-
11 <u>Barbadoes</u>			
Operating (Less Fuel)	-	-	-
Fuel	-	-	-
Maintenance	-	-	-
Total	-	-	-
15 <u>Conemaugh Station</u>			
Operating (Less Fuel)	2 444	2 543	3 113
Fuel	29 632	35 591	24 773
Maintenance	6 059	8 791	8 804
Total	38 135	46 925	36 690
17 <u>Keystone Station</u>			
Operating (Less Fuel)	2 147	2 543	2 623
Fuel	28 080	26 282	28 821
Maintenance	4 635	7 846	7 049
Total	34 862	36 671	38 493
136 <u>Allied</u>			
Operating (Less Fuel)	1 159	6 770	11 512
Fuel	-	-	-
Maintenance	-	-	-
Total	1 159	6 770	11 512
137 <u>Essex</u>			
Operating (Less Fuel)	3 441	6 696	6 748
Fuel	-	-	-
Maintenance	-	-	-
Total	3 441	6 696	6 748

PHILADELPHIA ELECTRIC COMPANY
 Electric Nuclear Power Generation
 Operating and Maintenance Expense
 Twelve Months Ending

Desig.	\$ X 1000 6/30/84	\$ X 1000 6/30/85	\$ X 1000 6/30/86
4 <u>Peach Bottom #2</u>			
Operating (Less Fuel)	9 305	11 464	14 387
Fuel	14 222	7 193	24 202
Maintenance	9 716	15 271	12 147
Total	33 243	33 928	50 736
14 <u>Peach Bottom #3</u>			
Operating (Less Fuel)	9 216	10 815	11 780
Fuel	25 039	29 598	32 336
Maintenance	9 644	6 001	8 254
Total	43 899	46 414	52 370
16 <u>Salem #1</u>			
Operating (Less Fuel)	19 034	24 676	23 774
Fuel	20 322	26 129	21 287
Maintenance	18 596	23 049	16 964
Total	57 952	73 854	62 025
13 <u>Salem #2</u>			
Operating (Less Fuel)	18 130	25 968	20 792
Fuel	8 948	12 276	31 906
Maintenance	16 620	22 825	13 891
Total	43 698	61 069	66 589

PHILADELPHIA ELECTRIC COMPANY
 Electric Internal Combustion Power Generation
 Operating and Maintenance Expense
 Twelve Months Ending

Desig.	\$ X 1000 6/30/84	\$ X 1000 6/30/85	\$ X 1000 6/30/86
<u>Simple Cycle I.C.'s</u>			
Operating (Less Fuel)	5 966	5 935	2 793
Fuel	24 455	5 515	3 781
Maintenance	3 706	3 408	5 043
Total	34 127	14 858	11 617
129 <u>Croydon Station</u>			
Operating (Less Fuel)	1 146	1 042	620
Fuel	22 076	15 280	6 387
Maintenance	2 898	1 943	1 851
Total	26 120	18 265	8 858
126 <u>Salem #3 I.C.</u>			
Operating (Less Fuel)	41	25	6
Fuel	384	74	24
Maintenance	28	24	23
Total	453	123	53

PHILADELPHIA ELECTRIC COMPANY
Electric Hydro Power Generation
Operating and Maintenance Expense
Twelve Months Ending

Desig.	\$ X 1000 6/30/84	\$ X 1000 6/30/85	\$ X 1000 6/30/86
19 <u>Muddy Run Station</u>			
Operating (Less Fuel)	1 971	1 915	2 275
Fuel	-	-	-
Maintenance	3 894	3 322	3 852
	<hr/>	<hr/>	<hr/>
Total	5 865	5 237	6 127

July 1, 1984 - June 30, 1985 Attachment 4-0-20
19 Pages

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	OUTAGE \$	Notes
		DATE	TIME(24HR)			
arc 7	S	10/24/84	2245	72.88		A
Delaware	S	12/3	2157	886.78	763,000	
	U	2/14/85	2348	126.45		A
	S	4/12	2228	309.70		A
	U	5/3	1033	50.77		A
arc 8	S	9/7/84	2205	209.64		A
Delaware	S	10/27	2338	141.75		A
	S	1/12/85	2339	337.93		A
	S	2/28	2230	121.45		A
	S	5/20	1940	988.38	332,000	
1	U	7/21/84	1409	138.58		A
Cromby	S	10/9	2325	1885.88	375,9000	
	S	1/16/85	2319	91.86		A
	U	2/4	0229	136.49		A
	U	3/5	1223	128.93		A
	U	3/19	1341	211.35		A
	U	5/10	1059	140.53		A
	U	6/17	1325	67.23		A
rcy 2	U	8/16/84	1237	204.46		A
Cromby	S	9/28	0001	72.41		A
	U	10/11	1745	115.87		A
	U	10/29	2300	59.52		A
	S	11/14	0100	82.07		A
	S	11/30	1549	67.90		A
	U	12/12	0410	134.77		

7/1/84 - 6/30/85

2.

LOCATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage #	Notes
		DATE	TIME(24HR)			
by 2	U	12/26	0608	68.80		A
Cronby	S	1/31/85	2339	59.60		A
	U	3/3	0046	210.55		A
	S	3/25	0001	481.48		A
	S	4/27	0628	72.41		A
	S	5/11	0248	168.53		A
	S	6/27	1956	76.07		A
ylkill 1	U	8/28/84	0919	95.75		A
Schurkill	S	10/22	0724	136.73		A
	S	11/3	0130	275.63		A
	S	11/24	0001	167.35		A
	U	3/9/85	2355	50.58		A
	S	3/27	0915	66.08		A
	S	4/17	0400	56.23		A
	U	4/22	1433	245.77		A
	U	5/3	0232	301.65		A
	S	6/17	0430	110.98		A
stone 1	U	7/5/84	0008	118.10		A
Eddystone	U	7/16	1204	163.93		A
	U	7/23	0800	71.47		A
	U	8/27	0517	81.29		A
	U	10/4	1727	112.42		A
	S	10/12	2156	56.17		A
	U	11/5	2123	176.20		A
	U	11/14	2324	168.93		A
	U	11/22	1141	57.39		A

7/1/84 - 6/30/85

3.

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	outage \$	Notes
		DATE	TIME(24HR)			
dystone 1	U	12/30/84	0248	81.10		A
	U	2/28/85	0824	136.43		A
	U	4/4	0057	197.22		A
	U	4/16	1745	85.47		A
	U	5/31	2240	152.03		A
	U	6/27	0743	88.28		A
dystone 2	S	7/13/84	0952	83.56		A
	U	7/17	2118	91.63		A
	U	7/31	1510	70.40		A
	U	8/3	2018	84.02		A
	U	8/7	1952	101.26		A
	U	8/17	0942	74.52		A
	U	8/23	1834	118.85		A
	U	9/7	2200	133.07		A
	U	10/23	0048	94.07		A
	U	11/13	1513	100.48		A
	U	12/13	0920	68.08		A
	U	1/7/85	0735	68.65		A
	U	1/10	1102	105.63		A
	U	1/17	2032	65.43		A
	U	2/11	1053	77.13		A
	S	2/22	2353	2773.83	8149000	
	U	6/18	2111	103.95		A
	U	6/23	1133	109.25		A
dystone 3	S	9/17/84	1435	66.42		A
	S	1/24/85	2135	49.08		A

7/1/84 - 6/30/85

LOCATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	OUTAGE #	Notes
		DATE	TIME(24HR)			
stone 3	S	3/6/85	2123	50.70		A
Eddystone	S	3/9	0715	57.75		A
	U	5/28	1046	298.07		A
stone 4	U	11/6/84	1645	86.62		A
Eddystone	S	12/14	0014	95.55		A
	S	1/4/85	1217	2576.40	3504010	
	S	5/17	2301	120.47		A
h Bottom 2	S	7/1/84	0001	8760.00	10563000	
h Bottom 3	U	7/11/84	1920	88.05		A
	U	8/21	1402	59.65		A
	S	11/6	0057	189.10		A
	S	12/10	2221	67.98		A
	S	2/1/85	1825	658.20	264000	B
mond 21	U	1/31/85	1702	138.23		C
Richmond	U	2/8	1642	111.50		C
	U	4/9	1908	186.57		C
mond 22	S	9/11/84	0600	341.17		C
Richmond	U	4/9/85	1908	186.57		C
mond 31	U	7/24/84	1743	382.23		C
Richmond	U	4/9/85	1908	327.33		C

ACTION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	outage #	Notes
		DATE	TIME(24HR)			
32	S	12/11/84	1320	193.72		C
Richmond	U	4/9/85	190.8	327.33		C
mond 41	U	4/9/85	1908	144.70		C
	U	4/17	1911	118.32		C
mond 42	U	7/12/84	1316	981.56		C
	U	4/26/85	2012	163.13		C
	S	6/28	0643	65.28		C
mond 43	U	9/10/84	1502	70.40		C
	U	9/26	1324	168.37		C
	U	11/2	1801	645.51		C
	U	1/23/85	0840	725.37		C
	U	2/22	1503	142.78		C
	U	2/28	1440	194.03		C
	U	3/27	1522	118.32		C
	U	4/26	2012	260.90		C
	U	5/31	1030	124.63		C
mond 44	U	7/1/84	0001	8760.00		C
mond 51	U	4/11/85	1222	119.07		C
mond 52	S	8/14/84	0709	56.52		C
	S	8/21	0655	248.35		C

7/1/84 - 6/30/85

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage \$	Notes
		DATE	TIME(24HR)			
no. 61	U	7/1/84	0001	281.03		C
	U	7/24	1743	135.81		C
	U	8/2	1340	7978.32		C
mond 62	S	11/5/84	0645	274.63		C
mond 71	S	7/24/84	1742	163.72		C
	U	6/20/85	0949	141.77		C
mond 72	U	8/17/84	1332	73.69		C
mond 73	U	7/27/84	1712	231.20		C
	U	8/17	0954	77.93		C
	U	8/24	1655	94.41		C
	U	9/7	1528	145.05		C
mond 74	U	7/1/84	0001	8760.00		C
mond 81	S	12/18/84	0800	56.48		C
	S	1/24/85	0944	152.00		C
	S	4/8	0610	107.98		C
mond 91	S	11/14/84	0750	322.30		C
mond 92	U	11/16/84	1754	67.47		C
	S	4/22/85	0716	781.50		C

7/1/84 - 6/30/85

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage #	Notes
		DATE	TIME(24HR)			
11	S	9/5/84	0735	176.75		C
Croydon	S	2/25/85	0700	680.75		C
12	S	8/8/84	1710	220.00		C
Croydon	U	1/7/85	0951	53.28		C
	U	1/21	0831	61.17		C
	U	1/28	1503	76.48		C
	S	2/19	0651	85.83		C
21	S	8/27/84	0454	203.17		C
	U	12/13	1810	88.58		C
	S	3/25/85	0450	682.54		C
22	S	7/8/84	2254	64.53		C
Croydon	U	7/30	1502	65.80		C
	S	8/20	0552	107.55		C
	U	12/21	1701	118.78		C
	U	4/19/85	1955	68.58		C
	S	5/7	0716	56.53		C
	U	5/26	1148	48.78		C
31	U	8/10/84	1556	307.07		C
Croydon	S	9/25	0600	176.62		C
	S	11/27	0700	585.28		C
32	U	8/31/84	1337	96.40		C
Croydon	S	9/11	0620	221.02		C
	S	3/5/85	0451	152.30		C

7/1/84 - 6/30/85

STATION/ UNIT No.	Type of OUTAGE	START OF OUTAGE		OUTAGE DURATION	Outage #	Notes
		DATE	TIME(24HR)			
unit 32	S	5/30/85	0955	104.08		C
Croydon						
don 41	S	9/19/84	1430	170.12		C
Croydon	S	10/15	0655	850.06		C
	U	4/19/85	1531	68.18		C
don 42	S	7/30/84	0600	251.17		C
Croydon	S	10/9	0701	81.28		C
	U	1/11/85	1627	70.93		C
	U	2/7	1755	168.33		C
	U	2/14	1841	189.72		C
	S	5/20	0001	1008.00		C
stone 10	U	9/13/84	1254	127.17		C
addystone	U	11/16	1957	1604.16		C
	U	4/11/85	0903	319.28		C
stone 20	—	—	—	—		
stone 30	U	8/25/84	1230	56.00		C
	U	1/11/85	1028	86.03		C
	S	1/16	0016	161.61		C
	S	1/29	1810	187.95		C
	U	4/4	1625	120.33		C
stone 40	U	7/1/84	0001	4118.98		C
	U	12/27	1431	96.73		C

7/1/84 - 6/30/85

LOCATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	OUTAGE	Notes
		DATE	TIME(24HR)			
Unit 3 Southway	U	11/26/84	1307	333.52		C
Unit 4	U	10/22/84	1620	192.30		C
	U	11/26	1307	266.55		C
	U	1/17/85	1337	147.00		C
	U	2/15	0930	100.83		C
Unit 5	S	12/11/84	0527	149.68		C
Unit 6	U	8/1/84	1519	52.26		C
	S	10/10	0540	218.56		C
Unit 7 Chester	U	7/1/84	0001	57.22		C
	U	7/12	1155	315.06		C
	U	1/4/85	1555	93.62		C
	S	3/11	0609	201.18		C
Unit 8 Chester	U	6/12/85	1540	440.33		C
Unit 9	U	7/1/84	0001	302.13		C
	S	11/1	0912	150.50		C
Unit 9 Delaware	S	8/24/84	1505	67.70		C
	U	9/13	2228	108.28		C
	U	9/27	1253	837.15		C
	U	11/9	1415	125.12		C
	S	11/19	0004	254.93		C
	U	2/1/85	1605	79.33		C

7/1/84 - 6/30/85

10.

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	outage	Notes
		DATE	TIME(24HR)			
AWARE 9	U	2/26/85	1350	308.95		C
Delaware	U	3/15	1351	69.95		C
	S	4/8	0656	61.80		C
	U	4/19	1116	122.50		C
	S	5/14	2200	136.75		C
AWARE 10	U	8/24/84	1352	93.30		C
	U	1/21/85	2151	259.62		C
	S	3/29	0709	155.18		C
	S	4/8	0656	61.80		C
AWARE 11	U	9/13/84	1028	6973.52		C
AWARE 12	U	7/16/84	1208	719.62		C
	U	8/15	1302	722.17		C
	S	9/21	0844	73.62		C
	U	1/14/85	1602	98.88		C
Wylkill 10	U	7/1/84	0001	253.55		C
Schuykill	U	1/14/85	1505	191.87		C
	U	2/15	0955	127.95		C
Wylkill 11	S	8/27/84	1418	48.32		C
	U	9/20	1250	6803.15		C
ser 1	S	9/17/84	0705	79.25		C
Maser	U	12/13	1510	336.22		C
	S	1/1/85	1323	145.27		C

7/1/84 - 6/30/85

LOCATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage #	Notes
		DATE	TIME(24HR)			
2	U	9/17/84	1530	264.08		C
Moser	S	12/14	1146	115.97		C
	S	4/8/85	0737	198.46		C
er 3	U	8/22/84	0240	59.40		C
Mark	S	12/14	1146	115.97		C
	U	1/7/85	1409	913.18		C
	U	3/2	1033	70.32		C
ils 1	S	2/11/85	0650	221.34		C
Fails						
ls 2	-	-	-	-		
ls 3	U	10/5/84	1520	94.57		C
Fails	U	11/2	1106	100.05		C
nouth 9	U	7/1/84	0001	8760.00		C
nouth 15	U	7/1/84	0001	8760.00		C
Plymouth						
nby Diesel	U	8/4/84	1434	246.76		A
aware D	U	10/5/84	1041	242.27		A
	U	2/22/85	1621	118.73		A
	U	2/27	1556	1391.20		A
nond D	U	5/31/85	0918	734.70		A
ll D	U	3/1/85	1141	120.63		A
	U	3/15	1141	119.18		A
	U	5/1	1310	122.15		A
	U	5/17	1353	1008.30		A

7/1/84 - 6/30/85

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	outage \$	Notes
		DATE	TIME(24HR)			
Thruway D	U	7/1/84	0001	1768.99		A
nowingo 1	S	9/23/84	0530	196.95		A
Condwingo	S	10/4	0920	103.50		A
	S	10/22	0101	114.83		A
	S	2/4/85	0206	255.63		A
nowingo 2	U	8/29/84	1039	53.20		A
	S	9/23	0530	196.95		A
	S	10/4	0920	103.50		A
	S	10/9	0041	4289.62		A
	S	5/26/85	2311	249.80		A
	S	6/6	0900	530.88		A
	U	6/28	1320	58.66		A
nowingo 3	S	9/23/84	0530	196.95		A
	S	10/1	2031	59.56		A
	S	10/4	0920	103.50		A
	S	10/22	0101	114.83		A
	S	1/15/85	0705	229.22		A
	S	2/2	0432	53.63		A
nowingo 4	S	9/23/84	0530	196.95		A
	S	10/1	2031	59.56		A
	S	10/4	0920	103.50		A
	S	10/22	0101	114.83		A

7/1/84 - 6/30/85

STATION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage #	Notes
		DATE	TIME(24HR)			
Wingo 5	S	8/28/84	0250	86.47		A
	S	9/10	0310	923.23		A
Wingo 6	S	8/21/84	0135	95.44		A
	S	8/28	0250	86.47		A
	S	9/23	0530	196.95		A
Wingo 7	S	8/21/84	0135	95.44		A
	S	8/28	0250	86.47		A
	S	9/23	0530	196.95		A
Wingo 8	S	7/30/84	0210	1166.10		A
Wingo 9	S	7/1/84	0001	646.50		A
Wingo 10	U	7/1/84	0001	3309.00		A
	U	2/14/85	2002	111.98		A
Wingo 11	S	6/3/85	0042	671.30		A
dy Run 1	S	9/27/84	0612	877.30	86000	
Muddy Run	S	4/26/85	1839	193.82		A
	S	6/10	0658	100.72		A
Wingo in 2	U	8/28/84	2140	178.35		A
	S	9/27	0612	877.30	85000	
	U	4/2/85	1000	200.95		A
	S	4/26	1839	193.82		A

7/1/84 - 6/30/85

TION/ UNIT No.	Type of Outage	START OF OUTAGE		OUTAGE DURATION	Outage \$	Notes
		DATE	TIME(24HR)			
3	S	1/17/85	0541	3954.32	496000	
Run 4	U	1/4/85	1522	62.00		A
	S	1/17	0541	3954.32	497000	
ly Run 5	S	2/6/85	0536	1363.20		A
	S	4/11	0541	63.73		A
	S	4/26	1839	193.82		A
	S	6/4	0643	57.65		A
dy Run 6	U	11/22/84	0143	109.50		A
	U	1/31/85	1050	138.75		A
	S	2/6	0536	1363.20	71000	
	S	4/11	0541	63.73		A
	S	4/26	1839	193.82		A
	S	5/10	0240	129.75		A
dy Run 7	S	4/26/85	1319	67.47		A
	S	4/29	0848	131.67		A
	S	6/19	1026	54.27		A
dy Run 8	S	4/26/85	1319	67.47		A
	S	4/29	0848	131.67		A
	S	6/19	1026	54.27		A
ny Kill 3	S	7/2/84	2055	259.45		A
	S	9/15	1412	229.43		A
	U	12/7	0647	365.80		A

PREPARED		
CHECKED		
TYPED		
RECORDED		
INDEXED		

Outage Summary sheet

July 1, 1984 to June 30, 1985

TYPE OF OUTAGE	UNIT #	outage start date		outage start time	outage Duration (hrs)	outage #	Notes
U	Saker #1	7-9-84	1	0001	2523.78	1048300	
U	"	11-6-84	2	0646	72.76		A
U	"	11-11-84	3	0111	274.62		A
U	"	12-23-84	4	2159	171.98		A
			5				
			6				
			7				
U	Saker #2	7-5-84	8	0942	459.48		A
U	"	7-25-84	9	1719	325.06		A
U	"	8-5-84	10	0314	61.52		A
U	"	10-4-84	11	0916	710.75		A
S	"	11-3-84	12	0001	3576.00	6588100	
U	"	4-1-85	13	0001	259.60		A
U	"	4-13-85	14	2305	92.18		A
U	"	4-23-85	15	2215	72.73		A
U	"	4-25-85	16	0700	65.00		A
U	"	5-2-85	17	0916	55.00		A
U	"	5-10-85	18	1213	105.87		A
U	"	6-28-85	19	1601	55.99		A
			20				
			21				
			22				
			23				
U	Cookmanch #1	7-19-84	24	0719	134.03		A
U	"	8-8-84	25	0213	159.35		A
U	"	8-11-84	26	0237	170.40		A
U	"	11-7-84	27	2143	63.50		A
S	"	2-16-85	28	0049	666.25	1354674	
U	"	3-26-85	29	0617	72.52		A
U	"	4-15-85	30	0749	92.66		A
U	"	6-2-85	31	0141	102.44		A
U	"	6-8-85	32	1422	57.73		A
			33				
			34				
			35				
			36				
U	Cookmanch #2	7-12-84	37	1817	62.10		A
U	"	8-2-84	38	2308	77.95		A
U	"	8-6-84	39	2240	52.15		A
S	"	10-19-84	40	2335	458.40	1443148	
U	"	11-25-84	41	2159	47.48		A
U	"	1-7-85	42	1412	88.27		A
U	"	3-28-85	43	0033	181.68		A
			44				
			45				
			46				
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			50				
			51				
			52				
			53				

PREPARED		
CHECKED		
APPROVED		
FOOTED		

OUTAGE SUMMARY SHEET

July 1, 1984 to June 30, 1985

TYPE OF OUTAGE	UNIT #	outage start date		outage start time	outage duration (hrs)		outage #
U	Keystone #1	8-28-84	1	1737	100.96		
U	"	9-2-84	2	1017	217.72		
U	"	11-15-84	8	1054	115.25		
U	"	2-12-85	4	1551	79.25		
U	"	3-29-85	5	1630	131.30		
U	"	5-13-85	6	0505	82.72		
U	"	5-30-85	7	1131	113.35		
			8				
			9				
			10				
			11				
U	Keystone #2	7-28-84	12	1608	79.74		
U	"	8-3-84	13	1638	78.10		
S	"	8-22-84	14	1425	224.27	1,960.25	
S	"	11-30-84	15	2059	483.10		
U	"	12-22-84	16	1738	95.37		
U	"	2-27-85	17	0916	173.63		
U	"	3-16-85	18	0820	48.90		
U	"	4-5-85	19	2147	53.17		
U	"	4-12-85	20	NEW UNIT	90.05		
U	"	4-26-85	21	1911	86.64		
U	"	6-11-85	22	1535	149.74		
			23				
			24				
			25				
			26				
			27				
			28				
			29				
			30				
			31				
			32				
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			51				
			52				
			53				

Outage Summary Report
July 1, 1984 to June 30, 1985

Notes:

- A - Separate accounting not maintained on outages other than planned outages.
- B - Separate accounting made for this maintenance outage.
- C - Expenses for Combustion Turbine outages not maintained for unique units, rather kept by class of equipment.

Scheduled outages
Test Year Ending 6-30-86

EPARED		
ECKED		
PED		
MP		
DF		

Station	Unit #	Start date	Duration (Weeks)		
Eddystone	1	4 27 86	6		
	2	9 1 85	12		
	3	4 6 86	3		
	4	3 23 86	3		
Cromby	1	5 1 26 86	3		
	2	10 27 85	8		
Delaware	7	7 1 5 86	2		
	8	8 3 23 86	2		
Schurkill	1	9 9 22 85	2		
Limerick	1	10		NO OUTAGE	
Peach Bottom	2	11 4 6 86	8		
	3	12 3 31 85	25		
	3	13 9 25 85	27		
Muddy Run	1	14 9 29 85	27		
	2	15 4 27 86	1		
	3	16 4 27 86	1		
	4	17 3 30 86	5		
	5	18 3 30 86	5		
	6	19 4 27 86	1		
	7	20 4 27 86	1		
	8	21			NO OUTAGE
	9	22 6 30 85	4		
Conamond	1	23 7 28 85	4		
	2	24 8 25 85	4		
	3	25 6 8 86	3		
	4	26 9 22 85	3		
	5	27			NO OUTAGE
	6	28 6 2 85	9		
	7	29 6 15 86	9		
	8	30 7 14 85	4		
	9	31 8 25 85	4		
	10	32			NO OUTAGE
	11	33 9 1 85	8		
Karrstone	1	34		NO OUTAGE	
	2	35		NO OUTAGE	
Salem	1	36 2 22 86	10		
	2	37		NO OUTAGE	
	38				
	39				
Actual expenses for these outages are not available. It should be noted that the Company's test year claim is based on a normalized expense level as shown on Pages D-10a and D-10b of Exhibit TPH-2, and discussed in the Direct Testimony of J. J. Carroll.					
	43				
	44				
	45				
	46				
	47				
	48				
	49				
	50				
	51				
	52				
	53				

Statistics of Retired Units for
Test Year Ending
6-30-85

<u>Unit</u>	<u>Capacity (MW)</u>	<u>¢/kWh</u>		<u>Hours*</u> <u>Operated</u>	<u>Net Gener.</u>	<u>Retire. Date</u>
		<u>Maint.</u>	<u>Fuel</u>			
Richmond No. 9	166	0.67	6.67	1,896	199,518	5/1/85
Richmond No.'s 21, 22, 31, 32, 51, 52, 61, 62	240	4.00	9.68	84	17,087	4/1/86
Richmond No.'s 41, 42, 43, 44, 71, 72, 73, 74	160	3.67	10.53	37	5,753	4/1/86
Plymouth Mtg. No.'s 9 and 15	58	**	**	0	0	4/1/86
Southwark No.'s 1 and 2	336	2.46	9.24	498	84,252	12/1/85
Southwark Diesel	2.7	2.45	7.18	43	115	12/1/85

* Average operating hours per unit

** Since there is no generation, this value cannot be calculated

PHILADELPHIA ELECTRIC COMPANY
TEN YEAR LOAD & CAPACITY FORECAST

1-B-2d

1985-96

YEAR	MW	DATE	CHANGES	CAPACITY	LOAD		PERCENT RESERVE	
					HIGH EST.	BASE EST.	HIGH LOAD	BASE LOAD
1984				7282		6100 (1)		19
	12	9-84	Eddystone 1					
	471	1-85	Salen 2					
1985	-166	5-85	Retire Richmond 9	7599	6310	6140	20	24
	-338	12-85	Retire Swk. 1,2&D					
	1055	2-86	Limerick 1 (3)					
1986	-458	4-86	Retire Misc CT's	7858	6450	6160	22	28
1987				7858	6590	6180	19	27
1988				7858	6730	6200	17	27
	-253	12-88	Retire Del. 7,8&D (2)					
1989	-12	12-88	Retire Sch. 3	7593	6870	6220	14 (2)	22
1990				7593	7010	6240	12 (2)	22
	1055	7-90	Limerick 2 (4)					
1991	-201	12-90	Retire Cromby 2 (2)	8447	7150	6260	24 (2)	35
1992				8447	7330	6320	21 (2)	34
1993				8447	7510	6380	19 (2)	32
1994	-169	12-93	Retire Sch. 1&D (2)	8278	7690	6440	16 (2)	29
1995				8278	7870	6500	13 (2)	27
1996				8278	8050	6560	11 (2)	26

- (1) Load corrected to standard weather conditions.
Actual load was 5925 MW.
- (2) High load growth assumes Delaware 7,8 & D, Cromby 2 and Schuylkill 1 & D are not retired.
- (3) Cost associated with the capacity addition of Limerick 1 and 100% common is \$3,820,000,000.
- (4) Cost associated with the capacity addition of Limerick 2 is \$3,149,300,000

- Q.3. Provide an overall system map, including and labeling all generating plants; transmission substations (indicate voltage), transmission system lines (indicate voltage), and all interconnection points with other electric utilities, power pools, and other such systems.
- A.3. The requested information is contained in the Direct Testimony and Schedules of C. H. Rush.

- Q.1. Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. All claims made on this schedule should be cross-referenced to appropriate supporting schedules.
- A.1. Page A-1 of Exhibit TPH-2 provides the requested data for the claimed test year. All claims made on these schedules are cross-referenced to appropriate supporting schedules which reference appropriate Company testimony.

- Q.2. If the schedule provided in response to Item II-A-1 is based upon a future test year, provide a similar schedule which is based upon actual data for the twelve-month period immediately prior to such test year.
- A.2. Page A-1 of Exhibit TPH-1 provides the requested data for the historic test year. All claims made on these schedules are cross-referenced to appropriate supporting schedules which reference appropriate Company testimony.

- Q.3. Whenever a utility proposes to add a major generating station to rate base, the utility shall identify:
- a. All significant cost increases over original utility estimates and their causes.
 - b. All outstanding claims against project managers, contractors and/or suppliers and their estimated costs.
- A.3. a. The requested data is provided in PECO Exhibit 2. The Direct Testimony of James O. Love, Basil P. Kononetz (Theodore Barry & Associates) provides a detailed discussion of the procedures utilized in the development of PECO Exhibit 2. The Direct Testimonies of Company witnesses V. S. Boyer, J. S. Kemper, J. J. Clarey, D. R. Helwig, E. F. Sproat and R. J. Mattson provide additional discussions pertaining to the sections contained in this exhibit.
- b. Attachment II-A-3 is a list of all outstanding claims against Limerick Generating Station's Project Manager and General Contractor, Bechtel Power Corporation. Article VIII of the Engineering, Procurement and Construction contract between PECO and Bechtel Power Corporation for the construction of the Limerick Generating Station provides the liability of Bechtel under this agreement. Attachment II-A-3, "PE/Bechtel Construction Items", will be discussed with Bechtel to determine the cause of the indicated problems and whether any of these items are candidates for Article VIII consideration.

Attachment II-A-3 does not presently include potential claims against General Electric Company. Internal PECO reviews are now in progress to establish the scope, validity, and dollar value of potential claims.

GE has been advised in various letters, and at meetings that PECO intends to pursue these matters with GE upon completion of our review.

In addition to Attachment II-A-3, the Company, as of June 30, 1985, had approximately \$440,000 of backcharges associated with over 100 invoices ranging in value from \$22 to \$70,000.

PE/Bechtel Construction Items

	<u>\$ Amount</u> <u>(\$1,000)</u>
1. Voids in Unit #1 containment concrete - (1976)	\$250
2. RFP foundations offset 6" - (1977)	100
3. HVAC calculational errors and resultant changes - (1977)	500
4. Weld deficiencies - hanger to structural steel attachments - (1979)	250
5. Voids in concrete block walls - (1979)	1,000
6. Separation of electrical conduit not in conformance with R G 1.75 - (1980)	500
7. Cutting of rebar in reactor pedestal - (1981)	200
8. Electrical penetration/containment nozzle weld design - (1981)	750
9. Failure to track electrical loads resulting in undersized Class 1E load center transformers (1981)	500
10. Voltage drops in control circuits - (1981)	250
11. Box beam welds and design loads - (1981)	500
12. Fuel pool humidity and boiling-inability of SGTS to handle-(1982)	1,000
13. MSRV line analysis - use of wrong forcing function in design-(1982)	500
14. Fire dampers not installed per UL recommendations; also, failure to close under flow conditions - (1982)	300
15. Containment box beam end connections inadequately designed-(1982)	200
16. Improper steam jet ejector loop seal design - (1983)	300
17. Redesign of main steam line supports (design calculation error) (1983)	750
18. Improper condensate recirculation line design - (1983)	200
19. Civil calculation errors (buried pipe anchors; miscellaneous supports) - (1983)	200
20. Containment liner top flange out of round - requiring remachining of seals at top head closure - (1984)	400

Q.1. If a claim is made for Plant Held for Future Use, supply the following:

- a. a description of the plant or land site and its cost and any accumulated depreciation;
- b. the expected date of use for each item claimed;
- c. an explanation as to why it is necessary to acquire each item in advance of its date of use;
- d. the date when each item was acquired; and
- e. the date when each item was placed in plant held for future use.

A.1. The Company's claim for plant held for future use is presented on page C-9 of Exhibits TPH-1 and TPH-2. Additionally, the Direct Testimony of R. W. Wright provides a detailed discussion of the Company's claim for plant held for future use. It should be noted that the Company's claim consists entirely of land held for future use. Consequently, there is no associated accumulated depreciation reserve.

- Q.2. If a claim is made for construction work in progress, provide a supporting schedule which sets forth separately, revenue-producing and non-revenue producing amounts, and include, for each such category a summary of all work orders, amounts expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.
- A.2. Page C-8 of Company Exhibits TPH-1 and TPH-2 provides, by work order, the Company's non-revenue producing construction work in progress for the test years ended 6/30/85 and 6/30/86. This schedule details the actual expenditures as of 6/30/85 and the estimated expenditures to completion, estimated retirements and projected completion dates. Attachment II-B-2 provides copies of the requested summaries for each of the non-revenue producing projects listed on page C-8 of Exhibits TPH-1 and TPH-2.

None of the non-revenue producing construction work in progress will result in insurance recoveries or reimbursements to the Company.

Additional discussion of the Company's non-revenue producing CWIP claim is presented in the Direct Testimony of R. W. Wright.

85-1-53
"General Accounting"

CAPITAL AUTHORIZATION

REV. 9/82 DEPT. Eng. & Research DIVISION OR SECTION Mech. Eng. Div.

LOCAL REFERENCE NO. 12.7

DATE 12/21/84	PROJECT NUMBER 84-056	ESTIMATE NUMBER	JOB NO. T & D ENG. 3016
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AUTHORIZATION NUMBER
405614

COMPANY Philadelphia Electric Company
CUSTOMER OR LOCATION Eddystone Generating Station
ADDRESS #1 Industrial Hwy., Eddystone, PA 19013

ASSOC. EXPENSE AUTH. NO.	DATE AUTH. 12/84
EST. COMP. DATE 12/85	AREA RESPONSIBLE 208

DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE)
Installation of a fire line riser in the Eddystone Crusher House

ESTIMATED SAVINGS \$		
	YES	NO
EXPENDITURE SUBMITTED	y	

Install a fire line riser in the Eddystone Crusher House fire tower and erect three hose Cart Houses at area fire hydrants.

REASON Coal handling areas of the Crusher House lack fire suppression and require the installation of a fire line standpipe to provide manual suppression capability. Also, various fire hydrants require hose cart houses to protect manual fire suppression equipment.

BUDGET AND BILLING INSTRUCTIONS

BASIS FOR NEGOTIATION			
INVESTMENT		REVENUE	
Highway-R/W \$	Rate	Term of Cont.	Yr(s)
System Reinf.			
Sp. T & D Std.			
St Hwy.-R/W	Est. Ann. \$		
Tr. Line/Pipe	Guar. Term		
		ADDITIONAL	TOTAL

MEMO - PLANT REMOVED BUT NOT RETIRED	
Transformers Returned to Reserve Supply	\$
Property Transferred to Other Locations	
	19
	19
	19
	19
	19
MANAGER - VICE PRESIDENT	19
MANAGER - VICE PRESIDENT - COMMERCIAL OPERATIONS	19
MANAGER - VICE PRESIDENT - ELECTRIC-GAS OPERATIONS	19
CONTROLLER - VICE PRESIDENT - ACCOUNTING	19
MANAGER - VICE PRESIDENT - ENGINEERING	19

ESTIMATED PROJECT COST	
1. Direct Cost Of New Plant	\$ 156,400
2. Direct Cost Of Removal	
3. Total Direct Cost (1+2)	156,400
4. General Construction Overheads	9,700
5. Allowance For Funds During Construction	11,700
6. Total Project Cost (3+4+5)	177,800
MEMO - Other Than Project Cost	
7. Transformers From Reserve Supply	
8. Property Trans. From Other Locations	
9. Work Done On Capital Yearly Orders	
10. Maintenance - Operating Expense	
11.	
12. Total Cost Other Than Project (7 to 11)	
13. Gross Cost (6+12)	177,800
14. Salvage	
15. Contributions In Aid Of Construction	
16. Payment By:	
17.	
18. Cr. Applicable To Gross Cost (14 to 17)	
19. Net Cost (13-18)	177,800
20. Orig. Cost Of Plant Retired	

Stephen Hart JAN 14 1985

AUTHORIZATION

PROJECT PREPARED
NOV 21 1984

84-10-128

REV. 9/82 DEPT. Eng. & Research DIVISION OR SECTION M. E. Div./Ind. Sect LOCAL REFERENCE NO. E-5479

PROJECT NUMBER 4-84 84-085	ESTIMATE NUMBER	JOB NO. T & D ENG. 1414
----------------------------------	-----------------	-------------------------------

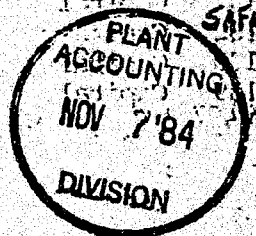
AUTHORIZATION NUMBER
408532

COMPANY Philadelphia Electric Company
 CUSTOMER OR LOCATION Peach Bottom Atomic Power Station
 ADDRESS RD #1, Delta, PA 17314

ASSOC. EXPENSE AUTH. NO.	DATE AUTH. 11-84
EST. COMP. DATE 10/85	AREA RESPONSIBLE 209
ESTIMATED SAVINGS \$	
YES	NO
EXPENDITURE BUDGETED	

DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE)
 1. Provide personnel door inside the Unit 3
 2. Railroad Door

Provide a 3' x 7' pass door inside the existing interior railroad door on unit 3 elevation 135' Reactor Building



REASON
To provide safe passage into the airlock without using the 17' high railroad door.
G. FLYNN

BUDGET AND BILLING INSTRUCTIONS

PECO share of total cost is 42.49%. Remainder of the cost to be divided among the joint owners as follows: Public Service Electric and Gas Company (42.49%), Atlantic City Electric Company (7.51%) and Delmarva Power and Light Company (7.51%). When this authorization is approved, System Planning is requested to transfer all charge from Job No. 1414 to subdivision 8132 of this authorization.

BASIS FOR NEGOTIATION		ESTIMATED PROJECT COST	
INVESTMENT	REVENUE		
Highway-R/W \$ _____ Rate _____ Term of Cont. _____ Yr(s)		1. Direct Cost Of New Plant	\$ 41,200
System Reinf. _____		2. Direct Cost Of Removal	
Imp. T & D Std. _____	ADDITIONAL TOTAL	3. Total Direct Cost (1+2)	41,200
Net Hwy.-R/W _____	Est. Ann. \$ _____ \$ _____	4. General Construction Overheads	
Ser. Line/Pipe _____	Guar. Term _____	5. Allowance For Funds During Construction	
MEMO - PLANT REMOVED BUT NOT RETIRED		6. Total Project Cost (3+4+5)	41,200
Transformers Returned to Reserve Supply	\$ _____	MEMO - Other Than Project Cost	
Property Transferred to Other Locations		7. Transformers From Reserve Supply	
		8. Property Trans. From Other Locations	
		9. Work Done On Capital Yearly Orders	
		10. Maintenance - Operating Expense	
		11.	
		12. Total Cost Other Than Project (7 to 11)	
		13. Gross Cost (6+12)	
		14. Salvage	
		15. Contributions In Aid Of Construction	
		16. Payment By:	
		17.	
		18. Cr. Applicable To Gross Cost (14 to 17)	
		19. Net Cost (13-18)	41,200
		20. Orig. Cost Of Plant Retired	

APPROVALS

[Signatures]
 9-14 1984
 9/20/ 1984
 9-26 1984
 9-27 1984
 10/24 1984

MANAGER - VICE PRESIDENT - COMMERCIAL OPERATIONS 19
 MANAGER - VICE PRESIDENT - ELECTRIC-GAS OPERATIONS 19
 CONTROLLER - VICE PRESIDENT - ACCOUNTING 19
 MANAGER - VICE PRESIDENT - ENGINEERING 19
 PRESIDENT-CHAIRMAN 19

NOV 1 1984
[Signature]
 19

GENERAL ACCOUNTING DIVISION

JSK

SUPPLEMENTARY CAPITAL AUTHORIZATION

85-4-85

Eng. & Research

DIVISION OR SECTION

Mech. Eng. Div. ✓

LOCAL REFERENCE NO.

32 REV. 9/82

DEPT.

DATE 2/22/85	PROJECT NUMBER 82-052	ESTIMATE NUMBER	JOB NO.		AUTHORIZATION NUMBER 205201
COMPANY Philadelphia Electric Company			T & D		APPROX. EXPENSE AUTH. NO.
CUSTOMER OR LOCATION Eddystone Generating Station			ENG.		DATE AUTH.
ADDRESS #1 Industrial Highway, Eddystone, PA 19013					EST. COMP. DATE 12/86
DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE)					AREA RESPONSIBLE 208
1. Eddystone - Install Coal Pile Runoff ✓					ESTIMATED SAVINGS \$
2. System - UNITS 1 & 2 ✓					
EXPENDITURE BUDGETED					YES NO X

Install a Coal Pile Runoff System. The work includes the following: constructing two runoff basins, lined to prevent groundwater contamination; modifying berm and swale around coal pile; providing sumps and pumps to transfer runoff from basins to waste treatment facility; installing new roadway and filling old west runoff basin with engineered backfill.

REASON

Design changes required to accommodate higher than anticipated groundwater level. Settling Basin start-up problems have caused CPRO

CHANGE IN construction delays, resulting in increased project costs.
BUDGET AND BILLING INSTRUCTIONS

Added Sub-Division 8333.

ITEM	TO DATE	ITEM	REVISED APPROPRIATION	PREVIOUS APPROPRIATION	CHANGE IN APPROPRIATION	
TOTAL PROJECT COST	\$	1. Direct Cost Of New Plant	\$ 1,441,000	\$ 1,085,000	\$ 356,00	
MAINTENANCE COST		2. Direct Cost Of Removal	-	-	-	
TOTAL	\$	3. Total Direct Cost (1+2)	1,441,000	1,085,000	356,00	
MEMO - PLANT REMOVED BUT NOT RETIRED			4. General Const. Overheads	11,000	7,500	3,50
Transformers Returned to Reserve Supply	\$	5. A.F.U.D.C.	200,000	48,000	152,00	
Property Transferred to Other Locations		6. Total Project Cost (3+4+5)	1,652,000 ✓	1,140,500	511,50	
APPROVALS			MEMO - Other Than Project Cost			
Department Sent To	Signed By	Date	7. Trans. From Reserve Supply			
			8. Property Transferred			
			9. Work Done On CYO'S			
			10. Maintenance - Oper. Exp.			
			11.			
			12. Total Cost Other Than Project. (7 to 11)			
			13. Gross Cost (6 + 12)	1,652,000	1,140,500	511,50
			14. Salvage			
			15. Contrib. In Aid Of Const.			
			16. Payment By			
			17.			
			18. Cr. Applicable To Gross Cost (14 to 17)			
			19. Net Cost (13 - 18)	1,652,000	1,140,500	511,50
			20. Orig. Cost Of Plant Ret.			

Stephen Hart APR 15 1985

205201

CAPITAL AUTHORIZATION

196-20128 REV. 9/82

DEPT. Eng. & Research

DIVISION OR SECTION

84-10-40

Mech. Eng. Div. (PPSS)

POCKET DEPARTMENT
OCT 26 1984
LOCAL REFERENCE NO.

DATE 9/84	PROJECT NUMBER 84-085	ESTIMATE NUMBER	JOB NO. T & D ENG. 1370
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AUTHORIZATION NUMBER 408526	
ASSOC. EXPENSE AUTH. NO.	DATE AUTH. 10-84
EST. COMP. DATE 7/86	AREA RESPONSIBLE 208
ESTIMATED SAVINGS \$	
EXPENDITURE BUDGETED	YES NO X

COMPANY Philadelphia Electric Company
 CUSTOMER OR LOCATION Peach Bottom Atomic Power Station
 ADDRESS RD #1, Delta, PA 17314

DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 22 CHARACTERS & SPACES 2ND LINE)
 1. PBAPS U/3 - Upgrade ADS A/S Containment
 2. Isolation Valves (Mod 625G)

Upgrade the two (2) containment isolation valves on the backup, safety grade nitrogen supply to the ADS safety/relief valves:

REASON The valves installed in 1982 are not capable of tight shutoff in both directions as required by the system design specification. A deviation from this requirement, until such time as suitable replacement valves could be obtained, was analyzed and justified. The replacement valves will provide the complete isolation capabilities required by the original design.

BUDGET AND BILLING INSTRUCTIONS

PECO share of total cost to be shared with joint owners: Public Service Electric and Gas Company (42.49%), Atlantic Electric Co. (7.51%), and Delmarva Power and Light Company (7.51%).

BASIS FOR NEGOTIATION

INVESTMENT	REVENUE
Highway-R/W \$ _____ Rate _____ Term of Cont. _____ Yr(s)	
System Reinf. _____	
Imp. T & D Std. _____	ADDITIONAL TOTAL
Net Hwy.-R/W _____	Est. Ann. \$ _____ \$ _____
Ser. Line/Pipe _____	Guar. Term _____

ESTIMATED PROJECT COST

1. Direct Cost Of New Plant	\$ 18,738
2. Direct Cost Of Removal	-
3. Total Direct Cost (1+2)	18,738
4. General Construction Overheads	935
5. Allowance For Funds During Construction	-
6. Total Project Cost (3+4+5)	19,673
MEMO - Other Than Project Cost	
7. Transformers From Reserve Supply	
8. Property Trans. From Other Locations	
9. Work Done On Capital Yearly Orders	
10. Maintenance - Operating Expense	
11.	
12. Total Cost Other Than Project (7 to 11)	-
13. Gross Cost (6+12)	19,673
14. Salvage	
15. Contributions In Aid Of Construction	
16. Payment By:	
17.	
18. Cr. Applicable To Gross Cost (14 to 17)	-
19. Net Cost (13-18)	19,673
20. Orig. Cost Of Plant Retired	-

MEMO - PLANT REMOVED BUT NOT RETIRED

Transformers Returned to Reserve Supply	\$ _____
Property Transferred to Other Locations	

<i>[Signature]</i>	8/16 19 84
<i>[Signature]</i>	8/28 19 84
<i>[Signature]</i>	9-7 19 84
<i>[Signature]</i>	9-19 19 84
<i>[Signature]</i>	19
<i>[Signature]</i>	19
<i>[Signature]</i>	19
<i>[Signature]</i>	19
<i>[Signature]</i>	9-15 19 84
<i>[Signature]</i>	19

APPROVALS

OCT 11 1984
19

[Signature]

CAPITAL AUTHORIZATION

195-20128 REV. 9/82

DEPT. Eng. & Res.

DIVISION OR SECTION

M.E. Div. Nuc. Sec.

LOCAL REFERENCE NO.

E-5524

84-11-59

DATE 10/84	PROJECT NUMBER 84-063	ESTIMATE NUMBER	JOB NO. T & D ENG. 1285	AUTHORIZATION NUMBER 408301
COMPANY Philadelphia Electric Company			ASSOC. EXPENSE AUTHN. NO.	DATE AUTH.
CUSTOMER OR LOCATION PEAPS, Lay Road, Peach Bottom Twp., R.D. #1			EST. COMP. DATE 12/87	AREA RESPONSIBLE 208
ADDRESS Delta, PA 17314			ESTIMATED SAVINGS \$	
DESCRIPTION - (MAXIMUM OF 60 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE)			EXPENDITURE BUDGETED	YES NO
1. Peach Bottom/Final Eng. Spent Fuel Racks				X
2. Storage Capacity Increase				

PECO share of total is 42.49%. Remainder of cost is to be divided among the joint owners as follows: Atlantic Electric (7.51%), Delmarva Power & Light Co. (7.51%); Public Service Electric & Gas Co. (42.49%).

Description: Perform final engineering and field installation work necessary to increase the spent fuel pool storage capacity by means of designing, fabricating, licensing and installing new high density spent fuel storage racks.

REASON Reracking our fuel pools will extend the loss of full core discharge reserve from 1987/88 for units 2 and 3 to 1992/93 respectively. (Compaction of spent fuel into a 2:1 ratio will further extend the loss of full core discharge reserve from 1992/93 to 2004/05).

BUDGET AND BILLING INSTRUCTIONS

Charges to C.A. 349913 should be transferred to this C.A.

addition to 1984 Construction Budget - \$ 338,590

BASIS FOR NEGOTIATION				ESTIMATED PROJECT COST	
INVESTMENT		REVENUE			
highway-R/W \$	Rate	Term of Cont.	Yr(s)	1. Direct Cost Of New Plant	\$ 3,420,445
system Reinf.				2. Direct Cost Of Removal	446,145
mp. T & D Std.				3. Total Direct Cost (1+2)	3,866,590
let Hwy.-R/W	Est. Ann. \$			4. General Construction Overheads	48,864
er. Line/Pipe	Guar. Term			5. Allowance For Funds During Construction	44,590
				6. Total Project Cost (3+4+5)	3,960,044
MEMO - PLANT REMOVED BUT NOT RETIRED				MEMO - Other Than Project Cost	
transformers Returned to Reserve Supply				7. Transformers From Reserve Supply	
property Transferred to Other Locations				8. Property Trans. From Other Locations	
				9. Work Done On Capital Yearly Orders	
				10. Maintenance - Operating Expense	
				11.	
				12. Total Cost Other Than Project (7 to 11)	
				13. Gross Cost (6+12)	3,960,044
				14. Salvage	
				15. Contributions In Aid Of Construction	
				16. Payment By:	
				17.	
				18. Cr. Applicable To Gross Cost (14 to 17)	
				19. Net Cost (13-18)	3,960,044
				20. Orig. Cost Of Plant Retired	(1976) 2,518,463.69
					(1981) 98.14
					3,960,044

Suppl. Hist DEC 1984

408301

CAPITAL AUTHORIZATION

104-10128 REV'D 5/78
 DEPT. OF ENERGY
 Eng. & Res. DIVISION OR SECTION
 Mech. Eng.
 LOCAL REFERENCE NO. **SGS 161**
 E-1188

DATE: **8/24/82** PROJECT NUMBER: **82-1018** ESTIMATE NUMBER: _____ JOB NO.: _____ AUTHORIZATION NUMBER: **210182**

CUSTOMER OR LOCATION: **Philadelphia Electric Company**
Salem Generating Station
 ADDRESS: **Lower Alloways Creek Twp., Salem Co., New Jersey**

DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 30 CHARACTERS & SPACES 2ND LINE)
 1. **Fire Protection Sprinklers (NML)**
 2. **Unit No. 2, Salem Gen. Sta.**

ASSOC. EXPENSE AUTH. NO.: _____ DATE AUTH.: **9-82**
 EST. COMP. DATE: **12/86** AREA RESPONSIBLE: **208**
 ESTIMATED SAVINGS \$: _____

The Philadelphia Electric Company's share (42.59%) of the cost of the installation of sprinkler systems in the welding shop (El. 100') and storage locker (El. 120') in the Unit No. 2 turbine building and the installation of one sprinkler head at El. 108' off the existing system over the waste compactor in the drumming and baling area of Unit No. 2, Salem Generating Station.

REASON: These changes are necessary to satisfy Nuclear Mutual Limited fire protection requirements.

BUDGET AND BILLING INSTRUCTIONS

The PECO's share of the charges for this work will be billed to PECO. by PSE&G Co. under PSE&G Co. Account Nos. D68171 and D68172.

Addition to 1982 Construction Budget \$60,000.

BASIS FOR NEGOTIATION

INVESTMENT

REVENUE

HIGHWAY-R/W \$ _____ RATE _____ TERM OF CONT. _____ YR(S) _____
 SYSTEM REINF. _____ ADDITIONAL _____ TOTAL _____
 MP. T&D STD. _____ EST. ANN. \$ _____
 LET HWY.-R/W _____ GUAR. TERM _____
 ER. LINE/PIPE _____

MEMO - PLANT REMOVED BUT NOT RETIRED

Transformers Returned to Reserve Supply \$ _____
 Property Transferred to Other Locations \$ _____

ESTIMATED PROJECT COST

1. New Plant	\$ 60,000
2. Cost of Removal	
3. Total Cost Against Project (1 & 2)	60,000
MEMO - OTHER THAN PROJECT COST	
4. Transformers From Reserve Supply	
5. Property Transferred from Other Loc.	
6. Work Done on Capital Yearly Orders	
7. Interest During Construction	
8. General Overheads	
9. Maintenance - Operating Expense	
10.	
11.	
12. Total Cost Other Than Project (4 to 11)	
13. Gross Cost (3 & 12)	60,000
14. Salvage	
15. Contributions in Aid of Construction	
16.	
17.	
18. CR. Applicable to Gross Cost (14 to 17)	
19. Net Cost (13 - 18)	60,000
20. Orig Cost of Plant Retired Against Proj	
Net Increase (Decrease) to Plant (1 - 20)	60,000

DEPARTMENT SENT TO	SIGNED BY	DATE

Stephen Hart SEP 21 1982

APPLIED TO BUDGET PROVISION

210182

CAPITAL AUTHORIZATION

82-8-61
Mech. Eng.

LOCAL NO. 152
REFERENCE NO.

DEPT. Eng. & Res	DIVISION OR SECTION	PROJECT NUMBER 82-109	ESTIMATE NUMBER	JOB NO.	AUTHORIZATION NUMBER 210908
DATE 7/13/82	CONTRACT NO.	CONTRACTOR Philadelphia Electric Company	T & D	ENG.	ASSOC. EXPENSE AUTH. NO.
CUSTOMER OR LOCATION Salem Generating Station	ADDRESS Lower Alloways Creek Twp., Salem Co., New Jersey	DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE) Fire Protection - Oil Storage Room	EST. COMP. DATE 12/86	AREA RESPON. NO. 208	ESTIMATED SAVINGS \$
UNIT NO. 2, Salem Gen. Sta.					

The Philadelphia Electric Company's share (42.59%) of the cost of purchase and installation of a wet-pipe sprinkler or deluge system in a three-hour fire enclosure in the turbine building of Unit No. 2 at Elevation 121'-0" at the Salem Generating Station. Also included is an additional sprinkler to be installed over seven wire cages housing non-combustible equipment, and the rerouting of the 8" drains for Nos. 26A, 26B and 26C feedwater heaters.

REASON These sprinklers are needed to comply with Nuclear Mutual Limited Fire Protection requirements.

OBJECT AND BILLING INSTRUCTIONS

The PECO. share of the charges for this work will be billed to PECO. by PSE&G Co. under PSE&G Co. Account Nos. A68081 and A68082.

BASIS FOR NEGOTIATION				ESTIMATED PROJECT COST		
INVESTMENT		REVENUE				
SHOWWAY-R/W'S	RATE	TERM OF CONT.	YR(S)			
ITEM REINF.	ADDITIONAL		TOTAL			
P. T & D STD.	EST. ANN.					
T HWY.-R/W	CUAR. TERM					
R. LINE/PIPE						
MEMO - PLANT REMOVED BUT NOT RETIRED				1. New Plant	\$ 107,000	
Transformers Returned to Reserve Supply \$				2. Cost of Removal		
Property Transferred to Other Locations				3. Total Cost Against Project (1 & 2)	107,000	
				MEMO - OTHER THAN PROJECT COST		
DEPARTMENT SENT TO				4. Transformers From Reserve Supply		
SIGNED BY				5. Property Transferred from Other Loc.		
DATE				6. Work Done on Capital Yearly Orders		
				7. Interest During Construction		
				8. General Overheads		
				9. Maintenance - Operating Expense		
				10.		
				11.		
				12. Total Cost Other Than Project (4 to 11)		
				13. Gross Cost (3 & 12)		
				14. Salvage		
				15. Contributions in Aid of Construction		
				16.		
				17.		
				18. CR. Applicable to Gross Cost (14 to 17)		
				19. Net Cost (13 - 18)	107,000	
				20. Orig Cost of Plant Retired Against Proj		
				Net Increase (Decrease) to Plant (1 - 20)		

APPLIED TO BUDGET PROVISION

210908

84-8-79

SUPPLEMENTARY CAPITAL AUTHORIZATION

0132 REV. 9/82

DEPT.

Eng. & Res.

DIVISION OR SECTION

Mech. Eng. Div.

LOCAL REFERENCE NO.

PROJECT NUMBER 8/2/84	ESTIMATE NUMBER 82-021	JOB NO. T.A.D. 1000	AUTHORIZATION NUMBER 202113
COMPANY: Philadelphia Electric Company			ASSOC. EXPENSE AUTH. NO.
CUSTOMER OR LOCATION Conemaugh Station			DATE AUTH. 12/86
ADDRESS New Florence, PA 15944			AREA RESPONSIBLE 208
DESCRIPTION - (MAXIMUM OF 66 CHARACTERS & SPACES 1ST LINE, 30 CHARACTERS & SPACES 2ND LINE)			EST. COMP. DATE
1. Conemaugh Ash & Mine Refuse Disposal			ESTIMATED SAVINGS \$
2. Site Preparation			YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
EXPENDITURE BUDGETED			

The work hereunder is the development of the 2nd stage of the Ash & Mine Waste Disposal Site and its associated waste drainage system. Extremely poor weather in the fall of 1983 caused a delay in the start of construction work, and the tightening of PA DER Regulations has caused an increase in project costs of \$3,926,000 which are addressed in the attached memorandum. The total project cost is now \$6,145,000 of which the Philadelphia Electric share is \$1,275,000.

REASON

CHANGE IN BUDGET AND BILLING INSTRUCTIONS

ITEM	TO DATE	ITEM	REVISED APPROPRIATION	PREVIOUS APPROPRIATION	CHANGE IN APPROPRIATION	
TOTAL PROJECT COST	\$ 173,719	1. Direct Cost Of New Plant	\$ 1,275,000	\$ 449,000	\$ 826,000	
MAINTENANCE COST	-	2. Direct Cost Of Removal	-	-	-	
TOTAL	\$ 173,719	3. Total Direct Cost (1+2)	1,275,000	449,000	826,000	
MEMO - PLANT REMOVED BUT NOT RETIRED						
Transformers Returned to Reserve Supply	\$	4. General Const. Overheads	-	-	-	
Property Transferred to Other Locations		5. A.F.U.D.C.	60,000	20,400	39,600	
APPROVALS		6. Total Project Cost (3+4+5)	1,335,000	469,400	865,600	
Department Sent To	Signed By	Date	MEMO - Other Than Project Cost			
			7. Trans. From Reserve Supply			
			8. Property Transferred			
			9. Work Done On CYO'S			
			10. Maintenance - Oper. Exp.			
			11.			
			12. Total Cost Other Than Project. (7 to 11)			
			13. Gross Cost (6 + 12)	1,335,000	469,400	865,600
			14. Salvage			
			15. Contrib. In Aid Of Const.			
			16. Payment By			
			17.			
			18. Cr. Applicable To Gross Cost (14 to 17)			
			19. Net Cost (13 - 18)	1,335,000	469,400	865,600
			20. Orig. Cost Of Plant Ret.			

Stephen Hart AUG 27 1984

202113

CAPITAL AUTHORIZATION

16-20128 REV. 9/82

Eng. & Res

DIVISION OR SECTION

Mech. Eng.

LOCAL REFERENCE

12/19/83

PROJECT NUMBER

84-667

ESTIMATE NUMBER

JOB NO.

AUTHORIZATION NO.

406704

COMPANY Philadelphia Electric Company

CUSTOMER OR LOCATION Keystone Station

ADDRESS Shelocta, PA 15774

ASSOC. EQUIPMENT AUTH. NO.

EST. COMP. DATE

12/86

AREA RESPONSIBLE

208

DESCRIPTION - (MAXIMUM OF 40 CHARACTERS & SPACES 1ST LINE, 20 CHARACTERS & SPACES 2ND LINE)

Keystone - Fire Protection for Wall
Adjacent to Transformers

ESTIMATED SAVINGS \$

EXPENDITURE SUBMITTED YES NO

EXPENDITURE SUBMITTED

X

The Keystone-Conemaugh Fire Protection Task Force has recommended the installation of a Water Curtain Spray System to protect the Turbine Hall Wall adjacent to the Transformer Bay. The project is described in the attached memorandum and is estimated to cost \$183,000 of which the Philadelphia Electric estimated to cost \$183,000 of which the Philadelphia Electric share is \$39,000.

REASON

BUDGET AND BILLING INSTRUCTIONS

BASIS FOR NEGOTIATION

INVESTMENT

REVENUE

Highway-R/W \$ _____	Rate _____	Term of Cont. _____	Yr(s) _____
System Reinf. _____			
Imp. T & D Std. _____			
at Hwy.-R/W _____	Est. Ann. \$ _____		
sr. Line/Pipe _____	Guar. Term _____		
		ADDITIONAL	TOTAL

MEMO - PLANT REMOVED BUT NOT RETIRED

Transformers Returned to Reserve Supply	\$ _____
Property Transferred to Other Locations	\$ _____

ESTIMATED PROJECT COST

1. Direct Cost Of New Plant	\$ 39,000
2. Direct Cost Of Removal	-
3. Total Direct Cost (1+2)	39,000
4. General Construction Overheads	-
5. Allowance For Funds During Construction	2,000
6. Total Project Cost (3+4+5)	41,000
MEMO - Other Than Project Cost	
7. Transformers From Reserve Supply	
8. Property Trans. From Other Locations	
9. Work Done On Capital Yearly Orders	
10. Maintenance - Operating Expenses	
11. _____	
12. Total Cost Other Than Project (7 to 11)	
13. Gross Cost (6+12)	41,000
14. Salvage	
15. Contributions In Aid Of Construction	
16. Payment By	
17. _____	
18. Cr. Applicable To Gross Cost (14 to 17)	
19. Net Cost (13-18)	41,000
20. Orig. Cost Of Plant Retired	

DEPARTMENT SENT TO

SIGNED BY

DATE

Jan 20 1984

406704

- Q.3. If a claim is made for materials and supplies or fuel inventory provide a supporting schedule for each such claim showing the latest actual thirteen monthly balances and showing in the case of fuel inventory claims, the type of fuel, and location (i.e., station), and the quantity and price claimed.
- A.3. The actual book balance for electric materials and supplies by month for the thirteen months prior to the end of the test year together with the thirteen month average balance are provided on page C-10a of Company Exhibit TPH-1 for the historic test year.

The Company's materials and supplies claim for the future test year is provided on pages C-10 and C-11 of Exhibit TPH-2. The testimony of R. W. Wright discusses the non-fuel part of the materials and supplies claim. The testimonies of J. J. Carroll and T. P. Hill, Jr. discuss the fuel claims and the additional capital requirements associated with nuclear fuel in reactor.

Attachment II-B-3a provides the requested materials and supplies data for the latest actual thirteen month period.

Attachment II-B-3b provides the requested fuel stock data for the most recent 13-month period.

Philadelphia Electric Company - Electric Operations

AVERAGE ELECTRIC M&S AND
TOOLS AND RELATED EQUIPMENT
Thirteen Months Ended 7/31/85
(\$1,000's)

	Electric Fuel Inventory		M&S	Electric Tools and Related Equip	All Operations Stores Exp. Undistributed
	Coal	Oil			
Jul. 1984	24,007	30,803	45,710	2,662	515
Aug.	25,596	29,676	45,342	2,695	803
Sep.	26,397	31,195	45,622	2,550	979
Oct.	27,665	25,345	45,044	2,548	1,269
Nov.	27,263	31,123	45,367	2,555	1,364
Dec.	27,084	35,415	44,488	2,435	1,406
Jan. 1985	28,066	28,220	45,217	2,419	1,416
Feb.	19,075	28,364	44,176	2,410	1,558
Mar.	20,332	28,483	43,738	2,354	1,411
Apr.	21,230	31,992	43,405	2,291	1,268
May	19,403	30,357	43,241	2,172	1,184
June	18,877	26,722	41,314	2,067	1,138
July	18,565	29,412	47,106	2,268	1,111
13 Month Total	\$303,560	\$387,107	\$579,770	\$31,426	\$15,422
13 Month Average	\$23,351	\$29,777	\$44,598	\$2,417	\$1,186
Applicable to Electric - %					86.188%
	- \$				\$1,022

Attachment II-B-3b^o
25 pages

Philadelphia Electric Company - Electric Operations

COAL AND OIL
FOR THE PERIOD 7/84 THROUGH 7/85

	Keystone		Conemaugh		Keystone		Conemaugh	
	\$	Bbls	\$	Bbls	\$	Tons	\$	Tons
Jul. 1984	65,647	1,786	51,195	1,365	3,210,086	104,154	6,695,779	192,414
Aug.	59,334	1,651	32,476	873	3,096,031	105,062	7,519,232	216,729
Sep.	64,635	1,824	51,118	1,429	4,300,504	145,305	7,270,737	208,492
Oct.	68,410	1,925	48,116	1,345	4,975,258	166,930	7,006,105	199,348
Nov.	53,664	1,527	36,424	1,028	5,247,866	179,390	5,248,452	147,222
Dec.	67,730	1,954	63,428	1,825	5,506,313	188,702	6,081,514	167,478
Jan. 1985	66,348	1,926	44,229	1,285	5,029,175	168,037	5,094,058	135,156
Feb.	63,577	1,923	53,567	1,546	4,887,391	166,472	4,320,358	112,866
Mar.	53,630	1,621	28,955	834	4,707,698	158,895	5,345,952	138,265
Apr.	53,418	1,586	52,616	1,505	4,611,859	154,554	5,082,212	130,808
May	68,136	2,003	67,010	1,919	4,385,702	144,502	4,448,076	114,006
June	64,912	1,931	62,983	1,824	4,459,069	146,639	3,776,758	99,795
July	58,445	1,837	55,538	1,621	3,846,268	120,609	2,871,786	76,043

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	EDDYSTONE	219,296.05 TONS	COAL	10,087,806.10	46.0009
08 84		242,920.35 TONS	COAL	11,286,871.69	46.4633
09 84		243,836.75 TONS	COAL	11,507,424.80	47.1932
10 84		263,800.70 TONS	COAL	12,470,794.37	47.2735
11 84		288,667.25 TONS	COAL	13,722,910.53	47.5389
12 84		233,966.95 TONS	COAL	11,732,496.77	50.1460
01 85		190,480.80 TONS	COAL	9,497,252.44	49.8594
02 85		129,532.15 TONS	COAL	6,449,928.53	49.7940
03 85		125,886.20 TONS	COAL	6,251,966.11	49.6636
04 85		154,937.65 TONS	COAL	7,643,230.99	49.3310
05 85		147,564.90 TONS	COAL	7,127,154.48	48.2985
06 85		157,843.85 TONS	COAL	7,411,636.76	46.9555
07 85		192,709.05 TONS	COAL	8,886,095.08	46.1115

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	CRIMBY	82,984.00 TONS	COAL	3,829,135.49	46.1431
08 84		78,220.50 TONS	COAL	3,696,480.41	47.2572
09 84		68,356.50 TONS	COAL	3,197,080.47	46.7707
10 84		65,386.50 TONS	COAL	3,091,869.51	47.2861
11 84		65,387.50 TONS	COAL	3,043,100.36	46.5395
12 84		77,899.15 TONS	COAL	3,763,777.21	48.3160
01 85		74,421.05 TONS	COAL	3,547,252.16	47.6646
02 85		71,561.05 TONS	COAL	3,404,240.39	47.5711
03 85		64,941.65 TONS	COAL	4,025,099.08	47.3866
04 85		83,652.65 TONS	COAL	3,903,322.74	46.6611
05 85		74,707.65 TONS	COAL	3,422,352.84	45.8099
06 85		72,147.65 TONS	COAL	3,310,825.85	45.8896
07 85		65,185.60 TONS	COAL	2,960,499.14	45.4165

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	SCHUYLKILL	5,328.95	BARRELS	#2-OIL	196,419.78	36.8590
08	84		5,256.11	BARRELS	#2-OIL	182,447.91	34.7116
09	84		5,183.59	BARRELS	#2-OIL	179,952.36	34.7158
10	84		5,093.43	BARRELS	#2-OIL	177,020.48	34.7547
11	84		5,247.21	BARRELS	#2-OIL	181,900.79	34.6662
12	84		5,221.36	BARRELS	#2-OIL	180,662.27	34.6044
01	85		5,041.50	BARRELS	#2-OIL	174,797.30	34.6717
02	85		5,082.95	BARRELS	#2-OIL	175,239.03	34.4765
03	85		5,143.39	BARRELS	#2-OIL	176,555.18	34.3266
04	85		5,130.90	BARRELS	#2-OIL	177,300.03	34.5553
05	85		5,122.64	BARRELS	#2-OIL	176,659.93	34.4861
06	85		5,144.66	BARRELS	#2-OIL	158,943.06	30.8948
07	85		5,011.44	BARRELS	#2-OIL	174,557.86	34.8319

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	EDDYSTONE	30,901.84	BARRELS	#2-OIL	1,135,465.28	36.7443
08	84		22,420.19	BARRELS	#2-OIL	811,606.79	36.1998
09	84		31,559.51	BARRELS	#2-OIL	1,121,260.13	35.5284
10	84		23,727.51	BARRELS	#2-OIL	842,837.90	35.5215
11	84		30,153.84	BARRELS	#2-OIL	1,054,201.30	34.9608
12	84		34,292.79	BARRELS	#2-OIL	1,193,079.22	34.7910
01	85		28,501.03	BARRELS	#2-OIL	991,534.62	34.7894
02	85		24,780.03	BARRELS	#2-OIL	861,001.81	34.7458
03	85		22,641.03	BARRELS	#2-OIL	786,680.54	34.7458
04	85		19,424.26	BARRELS	#2-OIL	675,233.87	34.7624
05	85		35,824.76	BARRELS	#2-OIL	1,212,993.94	33.8591
06	85		29,441.76	BARRELS	#2-OIL	996,874.70	33.8592
07	85		25,208.76	BARRELS	#2-OIL	853,548.71	33.8592

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 R4	CRDMRY	870.95	BARRELS #2-OIL	31,192.20	35.8140
08 R4		998.88	BARRELS #2-OIL	33,682.43	33.9204
09 R4		1,088.46	BARRELS #2-OIL	36,052.71	34.9601
10 R4		887.44	BARRELS #2-OIL	31,087.04	35.0300
11 R4		826.75	BARRELS #2-OIL	28,738.06	34.7603
12 R4		1,004.76	BARRELS #2-OIL	33,841.53	33.6812
01 R5		849.23	BARRELS #2-OIL	29,291.47	34.4918
02 R5		894.27	BARRELS #2-OIL	30,027.49	33.5777
03 R5		857.04	BARRELS #2-OIL	28,695.30	33.4803
04 R5		805.32	BARRELS #2-OIL	28,465.81	35.3472
05 R5		910.17	BARRELS #2-OIL	31,862.49	35.0072
06 R5		833.78	BARRELS #2-OIL	28,111.91	33.7162
07 R5		880.30	BARRELS #2-OIL	29,590.77	33.6144

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	CHESTER	5,346.54	BARRELS	#2-OIL	191,652.35	35.8461
08	84		5,219.43	BARRELS	#2-OIL	182,500.03	34.9655
09	84		5,432.52	BARRELS	#2-OIL	224,558.97	34.9100
10	84		6,152.52	BARRELS	#2-OIL	214,784.18	34.9100
11	84		5,741.52	BARRELS	#2-OIL	200,436.17	34.9099
12	84		5,601.57	BARRELS	#2-OIL	195,407.67	34.8844
01	85		4,952.30	BARRELS	#2-OIL	172,697.87	34.8723
02	85		6,107.06	BARRELS	#2-OIL	211,303.40	34.5999
03	85		5,830.88	BARRELS	#2-OIL	201,760.39	34.6020
04	85		5,611.88	BARRELS	#2-OIL	194,184.10	34.6023
05	85		5,322.88	BARRELS	#2-OIL	184,184.04	34.6023
06	85		4,841.88	BARRELS	#2-OIL	167,540.33	34.6023
07	85		4,646.88	BARRELS	#2-OIL	160,792.88	34.6023

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	DELAWARE	6,334.98	BARRELS	#2-OIL	226,963.69	36.1428
08	84		6,461.54	BARRELS	#2-OIL	220,847.69	34.1788
09	84		6,325.58	BARRELS	#2-OIL	218,409.22	34.5279
10	84		6,303.96	BARRELS	#2-OIL	219,374.11	34.7994
11	84		6,357.80	BARRELS	#2-OIL	220,856.87	34.7379
12	84		5,818.60	BARRELS	#2-OIL	199,982.22	34.3695
01	85		6,528.57	BARRELS	#2-OIL	226,618.26	34.7118
02	85		6,592.72	BARRELS	#2-OIL	224,746.98	34.0902
03	85		6,398.75	BARRELS	#2-OIL	216,521.34	33.8381
04	85		6,543.23	BARRELS	#2-OIL	228,127.55	34.8647
05	85		6,407.18	BARRELS	#2-OIL	222,965.66	34.7983
06	85		6,393.13	BARRELS	#2-OIL	220,241.06	34.4496
07	85		6,264.53	BARRELS	#2-OIL	215,173.07	34.3478

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	RICHMOND	86,889.75	BARRELS	#2-OIL	3,138,062.81	36.1155
08	84		97,424.34	BARRELS	#2-OIL	3,405,143.55	34.9517
09	84		90,132.34	BARRELS	#2-OIL	3,150,415.06	34.9532
10	84		84,004.34	BARRELS	#2-OIL	2,936,221.85	34.9532
11	84		107,156.48	BARRELS	#2-OIL	3,692,121.12	34.4554
12	84		105,089.53	BARRELS	#2-OIL	3,611,203.39	34.3631
01	85		87,849.15	BARRELS	#2-OIL	3,019,447.72	34.3708
02	85		109,224.44	BARRELS	#2-OIL	3,716,786.97	34.0289
03	85		100,642.44	BARRELS	#2-OIL	3,423,462.16	34.0161
04	85		105,115.70	BARRELS	#2-OIL	3,590,333.97	34.1560
05	85		99,049.70	BARRELS	#2-OIL	3,383,546.60	34.1601
06	85		92,898.56	BARRELS	#2-OIL	3,173,422.04	34.1601
07	85		86,004.49	BARRELS	#2-OIL	2,937,920.11	34.1601

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	BARRADOES	631.77	BARRELS #2-OIL	22,969.80	36.3579
08 84		518.77	BARRELS #2-OIL	18,861.36	36.3578
09 84		556.15	BARRELS #2-OIL	19,964.33	35.8974
10 84		503.44	BARRELS #2-OIL	18,032.54	35.8186
11 84		605.27	BARRELS #2-OIL	21,361.70	35.2928
12 84		492.96	BARRELS #2-OIL	17,194.12	34.8793
01 85		591.67	BARRELS #2-OIL	20,762.85	35.0919
02 85		616.79	BARRELS #2-OIL	21,096.23	34.2033
03 85		667.70	BARRELS #2-OIL	22,729.79	34.0419
04 85		670.28	BARRELS #2-OIL	23,318.76	34.7896
05 85		664.52	BARRELS #2-OIL	22,983.50	34.5866
06 85		610.31	BARRELS #2-OIL	21,109.00	34.5873
07 85		657.43	BARRELS #2-OIL	22,580.32	34.3463

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	SOUTHMARK	7,006.50	BARRELS	#2-OIL	258,062.46	36.8319
08	84		6,433.77	BARRELS	#2-OIL	225,526.14	35.0535
09	84		7,060.79	BARRELS	#2-OIL	246,954.62	34.9755
10	84		6,859.83	BARRELS	#2-OIL	239,964.02	34.9810
11	84		6,857.78	BARRELS	#2-OIL	239,150.21	34.8728
12	84		6,797.86	BARRELS	#2-OIL	234,871.20	34.5508
01	85		6,872.13	BARRELS	#2-OIL	238,381.29	34.6881
02	85		6,620.39	BARRELS	#2-OIL	226,985.71	34.2859
03	85		6,557.78	BARRELS	#2-OIL	223,160.90	34.0299
04	85		6,913.29	BARRELS	#2-OIL	239,701.43	34.6726
05	85		6,960.49	BARRELS	#2-OIL	241,060.25	34.6327
06	85		6,732.40	BARRELS	#2-OIL	231,080.98	34.3237
07	85		6,912.49	BARRELS	#2-OIL	236,264.02	34.1793

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	PEACH BOTTOM	3,067.74	BARRELS #2-OIL	118,600.65	38.6606
08 84		3,188.80	BARRELS #2-OIL	121,708.28	38.1667
09 84		3,078.43	BARRELS #2-OIL	117,560.75	38.1885
10 84		3,007.86	BARRELS #2-OIL	114,521.92	38.0742
11 84		3,032.29	BARRELS #2-OIL	115,005.98	37.9271
12 84		3,250.15	BARRELS #2-OIL	121,622.12	37.4820
01 85		3,065.15	BARRELS #2-OIL	115,210.67	37.5873
02 85		3,158.81	BARRELS #2-OIL	117,762.04	37.2805
03 85		3,198.24	BARRELS #2-OIL	119,344.26	37.3156
04 85		3,020.24	BARRELS #2-OIL	112,710.39	37.3184
05 85		3,228.69	BARRELS #2-OIL	119,316.05	36.9556
06 85		2,967.69	BARRELS #2-OIL	109,991.63	37.0630
07 85		2,931.56	BARRELS #2-OIL	107,563.98	36.6917

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	FALLS	9,613.17	BARRELS #2-OIL	362,321.24	37.6901
08 84		8,900.23	BARRELS #2-OIL	320,326.07	35.9908
09 84		11,082.34	BARRELS #2-OIL	395,636.56	35.6997
10 84		10,854.34	BARRELS #2-OIL	387,496.98	35.6997
11 84		10,562.34	BARRELS #2-OIL	377,072.67	35.6997
12 84		10,661.39	BARRELS #2-OIL	380,377.61	35.6781
01 85		10,450.71	BARRELS #2-OIL	371,991.75	35.5949
02 85		10,307.71	BARRELS #2-OIL	366,111.46	35.5182
03 85		10,004.71	BARRELS #2-OIL	355,349.94	35.5183
04 85		9,722.71	BARRELS #2-OIL	345,333.78	35.5183
05 85		9,404.71	BARRELS #2-OIL	334,038.96	35.5183
06 85		9,031.71	BARRELS #2-OIL	320,790.63	35.5183
07 85		8,252.71	BARRELS #2-OIL	293,121.87	35.5183

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	MUSER	9,370.09	BARRELS #2-OIL	345,477.44	36.8702
08	84		9,607.57	BARRELS #2-OIL	342,266.34	34.8962
09	84		11,636.13	BARRELS #2-OIL	404,950.36	34.8011
10	84		11,219.13	BARRELS #2-OIL	390,260.59	34.7853
11	84		10,762.13	BARRELS #2-OIL	374,918.06	34.8368
12	84		10,632.17	BARRELS #2-OIL	370,296.82	34.8280
01	85		9,248.79	BARRELS #2-OIL	322,013.26	34.8168
02	85		8,948.79	BARRELS #2-OIL	311,568.22	34.8168
03	85		8,594.79	BARRELS #2-OIL	299,243.07	34.8168
04	85		8,326.79	BARRELS #2-OIL	289,912.17	34.8168
05	85		10,793.84	BARRELS #2-OIL	369,651.99	34.2466
06	85		10,474.41	BARRELS #2-OIL	358,713.32	34.2466
07	85		9,608.29	BARRELS #2-OIL	328,141.84	34.1520

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	PLYMOUTH	13,808.97	BARRELS	#2-OIL	421,666.95	30,5357
08 84		878.66	BARRELS	#2-OIL	26,852.06	30,5602
09 84		362.00	BARRELS	#2-OIL	11,063.14	30,5612
10 84		362.00	BARRELS	#2-OIL	11,063.14	30,5612
11 84		362.00	BARRELS	#2-OIL	11,063.14	30,5612
12 84		362.00	BARRELS	#2-OIL	11,063.14	30,5612
01 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
02 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
03 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
04 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
05 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
06 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612
07 85		362.00	BARRELS	#2-OIL	11,063.14	30,5612

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	CROYDON	238,712.05	BARRELS	#2-OIL	8,491,468.70	35.5720
08	84		221,790.41	BARRELS	#2-OIL	7,751,185.28	34.9482
09	84		195,149.41	BARRELS	#2-OIL	6,866,277.43	35.1847
10	84		175,035.41	BARRELS	#2-OIL	6,158,696.05	35.1854
11	84		131,229.11	BARRELS	#2-OIL	4,534,635.66	34.5551
12	84		202,297.67	BARRELS	#2-OIL	6,804,271.11	33.6349
01	85		182,209.06	BARRELS	#2-OIL	6,166,024.39	33.8404
02	85		169,457.35	BARRELS	#2-OIL	5,687,187.34	33.5612
03	85		155,016.35	BARRELS	#2-OIL	5,236,471.06	33.5636
04	85		133,910.35	BARRELS	#2-OIL	4,494,514.12	33.5636
05	85		141,135.16	BARRELS	#2-OIL	4,693,539.92	33.2556
06	85		131,997.16	BARRELS	#2-OIL	4,389,649.93	33.2556
07	85		146,139.73	BARRELS	#2-OIL	4,760,713.10	32.5764

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	SCHUYLKILL	18,641.94	BARRELS #6-OIL	596,731.86	32.0102
08	84		35,117.61	BARRELS #6-OIL	1,009,875.31	28.7569
09	84		38,609.80	BARRELS #6-OIL	1,164,380.53	30.1584
10	84		40,782.29	BARRELS #6-OIL	1,231,566.00	30.1985
11	84		44,601.85	BARRELS #6-OIL	1,349,179.91	30.2494
12	84		54,141.77	BARRELS #6-OIL	1,630,785.51	30.1207
01	85		44,297.34	BARRELS #6-OIL	1,312,737.16	29.6347
02	85		32,817.20	BARRELS #6-OIL	982,109.33	29.9267
03	85		42,290.42	BARRELS #6-OIL	1,256,048.62	29.7005
04	85		53,942.30	BARRELS #6-OIL	1,560,386.66	28.9270
05	85		54,505.40	BARRELS #6-OIL	1,439,771.60	26.4152
06	85		46,639.99	BARRELS #6-OIL	1,186,801.98	25.4460
07	85		37,920.33	BARRELS #6-OIL	921,148.92	24.2917

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	CROMBY	25,679.04	BARRELS #6-DIL	831,152.15	32.3669
08 84		11,517.04	BARRELS #6-DIL	362,916.21	31.5112
09 84		35,391.04	BARRELS #6-DIL	1,075,426.22	30.3870
10 84		29,456.04	BARRELS #6-DIL	896,211.54	30.4254
11 84		36,348.04	BARRELS #6-DIL	1,117,193.66	30.7360
12 84		38,614.04	BARRELS #6-DIL	1,207,403.18	31.2685
01 85		15,105.04	BARRELS #6-DIL	469,766.08	31.1000
02 85		20,381.04	BARRELS #6-DIL	624,260.50	30.6295
03 85		39,095.04	BARRELS #6-DIL	1,175,240.41	30.0611
04 85		33,468.04	BARRELS #6-DIL	996,882.29	29.7861
05 85		23,025.04	BARRELS #6-DIL	650,216.02	28.2395
06 85		40,286.04	BARRELS #6-DIL	1,102,415.01	27.3647
07 85		38,060.04	BARRELS #6-DIL	1,044,888.06	27.4537

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	DELAWARE	46,555.46	BARRELS	#6-OIL	1,463,087.85	30.5442
08	84		77,596.74	BARRELS	#6-OIL	2,154,642.75	27.7659
09	84		75,864.74	BARRELS	#6-OIL	2,187,766.22	28.8377
10	84		70,380.16	BARRELS	#6-OIL	2,076,376.72	29.5023
11	84		70,644.42	BARRELS	#6-OIL	2,095,801.29	29.6669
12	84		68,622.69	BARRELS	#6-OIL	2,052,548.77	29.9106
01	85		30,605.02	BARRELS	#6-OIL	905,407.46	29.5836
02	85		31,597.91	BARRELS	#6-OIL	940,054.69	29.7505
03	85		55,229.98	BARRELS	#6-OIL	1,666,468.61	29.6367
04	85		64,329.70	BARRELS	#6-OIL	1,850,009.23	28.7582
05	85		78,503.84	BARRELS	#6-OIL	2,072,946.66	26.4057
06	85		50,201.84	BARRELS	#6-OIL	1,325,612.54	26.4057
07	85		62,794.24	BARRELS	#6-OIL	1,555,795.72	24.7753

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	RICHMOND	76,637.88	BARRELS	#6-OIL	2,390,681.98	31.1945
08	84		80,485.88	BARRELS	#6-OIL	2,438,908.45	30.3023
09	84		98,464.22	BARRELS	#6-OIL	2,957,910.59	30.0405
10	84		82,523.22	BARRELS	#6-OIL	2,482,025.61	30.0767
11	84		88,198.54	BARRELS	#6-OIL	2,642,111.76	29.9564
12	84		63,923.54	BARRELS	#6-OIL	1,915,484.15	29.9652
01	85		80,641.13	BARRELS	#6-OIL	2,386,535.62	29.5945
02	85		90,254.92	BARRELS	#6-OIL	2,681,155.20	29.7065
03	85		44,546.92	BARRELS	#6-OIL	1,322,932.76	29.6975
04	85		4,171.92	BARRELS	#6-OIL	123,971.36	29.7157
05	85		4,171.92	BARRELS	#6-OIL	123,161.36	29.5215
06	85		4,171.92	BARRELS	#6-OIL	123,161.36	29.5215
07	85		4,171.92	BARRELS	#6-OIL	123,161.36	29.5215

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	SOUTHWARD	88,305.04	BARRELS #6-OIL	2,675,083.38	30,2937
08	84		76,238.83	BARRELS #6-OIL	2,255,533.55	29,5851
09	84		77,967.13	BARRELS #6-OIL	2,309,991.62	29,6278
10	84		70,997.13	BARRELS #6-OIL	2,113,659.20	29,7711
11	84		79,135.86	BARRELS #6-OIL	2,358,073.99	29,7978
12	84		78,832.86	BARRELS #6-OIL	2,350,708.90	29,8189
01	85		86,549.32	BARRELS #6-OIL	2,575,325.61	29,7556
02	85		77,398.32	BARRELS #6-OIL	2,303,032.11	29,7556
03	85		77,150.32	BARRELS #6-OIL	2,292,249.64	29,7115
04	85		76,877.32	BARRELS #6-OIL	2,284,138.40	29,7115
05	85		82,675.32	BARRELS #6-OIL	2,353,042.74	28,4612
06	85		81,325.32	BARRELS #6-OIL	2,314,624.00	28,4613
07	85		73,934.32	BARRELS #6-OIL	2,104,266.56	28,4613

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	PEACH BOTTOM	3,817.36	BARRELS	#6-OIL	112,990.21	29.5990
08	84		3,678.36	BARRELS	#6-OIL	108,875.95	29.5990
09	84		3,468.36	BARRELS	#6-OIL	102,660.16	29.5990
10	84		4,010.24	BARRELS	#6-OIL	117,290.09	29.2476
11	84		3,125.37	BARRELS	#6-OIL	92,936.40	29.7361
12	84		2,885.17	BARRELS	#6-OIL	85,271.14	29.5550
01	85		3,167.59	BARRELS	#6-OIL	95,012.89	29.9953
02	85		3,650.02	BARRELS	#6-OIL	110,677.96	30.3226
03	85		3,999.16	BARRELS	#6-OIL	98,805.34	24.7065
04	85		3,650.21	BARRELS	#6-OIL	68,868.20	18.8669
05	85		3,650.21	BARRELS	#6-OIL	68,887.56	18.8722
06	85		3,174.85	BARRELS	#6-OIL	64,028.19	20.1673
07	85		2,971.84	BARRELS	#6-OIL	62,767.76	21.1206

FUEL INVENTORY REPORT

MONTH YEAR	STATION	INVENTORY QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07 84	ARCO STORAGE	69,506.64	#6-OIL	1,365,550.04	19.6463
08 84		19,571.00	BARRELS #6-OIL	385,426.52	19.6938
09 84		.00	BARRELS #6-OIL	.00	.0000
10 84		.00	BARRELS #6-OIL	190.33CR	.0000
11 84		.00	BARRELS #6-OIL	190.37CR	.0000
12 84		.00	BARRELS #6-OIL	.00	.0000

FUEL INVENTORY REPORT

MONTH	YEAR	STATION	INVENTORY	QUANTITY	FUEL TYPE	INVENTORY AMOUNT	AVERAGE AMOUNT
07	84	PPCL STORAGE	100,226.45	BARRELS	#6-OIL	3,188,756.16	31.8155
08	84		51,073.45	BARRELS	#6-OIL	1,572,138.43	30.7819
09	84		145,935.04	BARRELS	#6-OIL	4,300,864.60	29.4711
10	84		59,830.04	BARRELS	#6-OIL	1,789,492.38	29.9096
11	84		55,296.07	BARRELS	#6-OIL	1,673,876.99	30.2712
12	84		93,896.60	BARRELS	#6-OIL	2,830,960.85	30.1498
01	85		23,789.60	BARRELS	#6-OIL	732,580.93	30.7942
02	85		45,929.30	BARRELS	#6-OIL	1,367,932.28	29.7834
03	85		66,481.17	BARRELS	#6-OIL	1,956,926.20	29.4358
04	85		126,610.13	BARRELS	#6-OIL	3,653,936.44	28.8597
05	85		149,512.63	BARRELS	#6-OIL	4,040,727.36	27.0260
06	85		161,757.82	BARRELS	#6-OIL	4,212,368.18	26.0412
07	85		101,887.82	BARRELS	#6-OIL	2,697,103.50	26.4713

Q.4. If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in such support data provide a lead-lag study of working capital, completed no more than six months prior to the rate increase filing.

A.4. Page C-12a of Exhibit TPH-1 and TPH-2 provides the support for the Company's claimed working capital requirement based on the lead-lag method for the historic and future test years respectively.

The revenue lag study is provided as an attachment to the testimony of R. W. Wright.

Attachment II-B-4a provides the lead-lag study for payroll, net interchange, coal freight bills, pensions and benefits.

Attachment II-B-4b provides the lead-lag study for the payment of taxes.

Attachment II-B-4c provides the lead-lag study for the payment of interest and dividends.

Attachment II-B-4d provides the lead-lag study for nuclear fuel, coal, oil, other invoices, A&G expenses and rents.

Payroll - 11 days

Payment is made one week after the end of the pay period.

Midpoint of pay period =	3.5 days
One week =	<u>7.0 days</u>
	10.5 days = <u>11 days</u>

Interchange - 35 days

Interchange expenses are paid on the 20th day of the month following the month of purchase.

Midpoint of purchase month =	15 days
Payment on 20th day =	<u>20 days</u>
	35 days

Coal Freight - 5 days

ICC regulations require payment of freight bills within 120 hours.

Pensions

Payments for the pension fund are made at the end of the month for the current month. Assuming the expense occurs uniformly throughout the month, there is a 15 day lag. (15 days from the midpoint of the month).

Benefits

Hospitalization is paid on the 10th of the month for the current month.

Other Benefits are paid the end of the month.

		<u>%</u>	<u>Lag</u>	<u>Wt. Lag</u>
Hospitalization =	\$16,623 *	66.1	(5)	(3.3)
Other =	<u>8,528 *</u>	<u>33.9</u>	15	<u>5.1</u>
	\$25,151	100.0		1.8
				= 2 days

*Per Filing Interrogatory II-D-10a

Philadelphia Electric Company
Development of Lag Days in Payment of Taxes
Based on Calendar Year 1985

	<u>% of Total Tax</u>	<u>Payment Date</u>	<u>Period Covered From To</u>	<u>Lag Days</u>	<u>1,000's Dollars</u>	<u>% of Total Dollars</u>	<u>Weighted Lag Days</u>
Ad Valorem	85 %	4/15/85	4/15/85 7/1/85	(75)	20,919	36.85	(27.64)
Capital Stock	<u>15</u>	4/15/86	7/1/85 4/15/86	285	3,692	6.50	18.53
	<u>100</u>						
Public Utility Realty	22.5	4/15/85	4/15/85 7/1/85	(75)	7,236	12.745	(9.56)
	22.5	6/15/85	6/15/85 7/1/85	(15)	7,236	12.745	(1.91)
	22.5	9/15/85	7/1/85 9/15/85	75	7,236	12.745	9.56
	22.5	12/15/85	7/1/85 12/15/85	165	7,236	12.745	21.03
	<u>10.0</u>	4/15/86	7/1/85 4/15/85	285	<u>3,218</u>	<u>5.67</u>	<u>16.16</u>
	<u>100.0</u>				<u>56,773</u>	<u>100.00%</u>	<u>26.17</u>
State Income Tax	22.5	4/15/85	4/15/85 7/1/85	(75)	8,414	22.50	(16.88)
	22.5	6/15/85	6/15/85 7/1/85	(15)	8,414	22.50	(3.38)
	22.5	9/15/85	7/1/85 9/15/85	75	8,414	22.50	16.88
	22.5	12/15/85	7/1/85 12/15/85	165	8,414	22.50	37.13
	<u>10.0</u>	4/15/86	7/1/85 4/15/86	285	<u>3,742</u>	<u>10.00</u>	<u>28.50</u>
	<u>100.0%</u>				<u>37,398</u>	<u>100.00%</u>	<u>62.25</u>
Federal Income Tax	25	4/15/85	4/15/85 7/1/85	(75)	25,544	25.00	(18.75)
	25	6/15/85	6/15/85 7/1/85	(15)	25,544	25.00	(3.75)
	25	9/15/85	7/1/85 9/15/85	75	25,544	25.00	18.75
	15	12/15/85	7/1/85 12/15/85	165	15,326	15.00	24.75
	<u>10</u>	3/15/86	7/1/85 3/15/86	255	<u>10,216</u>	<u>10.00</u>	<u>25.50</u>
	<u>100 %</u>				<u>102,174</u>	<u>100.00%</u>	<u>46.50</u>

Lag in Payment of Other Taxes (a)

<u>Gross Receipts</u>	<u>6/30/85</u>	<u>6/30/86</u>
Per Books	\$105,213	\$110,055
Adj. D-2 (Per C-12b)	4,033	-
GRT on Rate Incr. (Per C-12b,A-4,D-21)	<u>30,699</u>	<u>31,482</u>
Total	\$139,945	\$141,537
90%	125,951	125,951
Following Yr. Payment		15,586

		<u>%</u>	<u>Lag(b)</u>	<u>Wtd. Lag</u>
90% Payment	\$125,951	77.65	(75)	(58.2)
Remaining GRT	15,586	9.61	285	27.4
Other	<u>20,658</u>	<u>12.74</u>	0	<u>0</u>
Total	\$162,195	100.00		(30.8) = (31) days

(a) Methodology approved by Commission in PECO-Gas R-832410 and also used in PECO - Electric R-842590

(b) Refer to page 1 of 2 ad valorem (capital stock) lag days.

C-12c Back-upCalculation of Interest Payment Lag

	<u>\$</u>	<u>% Tot.</u>	<u>Lag *</u>	<u>Wtd. Lag</u>
Semi-Annual	\$388,564	82.00	90	73.8
Quarterly	75,735	16.42	45	7.2
Monthly	9,561	2.02	15	0.3
	<u>\$473,860 (a)</u>	<u>100.00</u>		<u>81.3 days</u>

Revenue Lag 46.0

35.3 days

Use 35 days

C-12d Back-upPreferred Dividend Payment (Quarterly)

Lag in Payment	45 days*
Lag in Receipt of Revenue	<u>46</u> days
Net Lag	(1) day

(a) Per page B-19a, Exhibit TPH-2

*Lag is midpoint of period covered

C-12a Backup*

	<u>Total \$ Days Invoice Received to Date Invoice Paid</u> (1)	<u>Total \$ Amount of Invoices in Study</u> (2)	<u>Weighted Days Invoice Received to Date Paid</u> (3)=(1)/(2)
"Other" (a)	\$85,640,556.44	\$5,575,557.06	15.36
Coal	\$129,276,036.30	\$4,138,484.72	31.24
Oil	\$617,945,425.28	\$32,036,477.59	19.29
Nuclear	\$690,858,714.28	\$14,843,378.51	46.54

(a) Includes A&G Expenses and Rents

*A random sample of 3,783 invoices was utilized in this study representing payments made during 1984.

- Q.5. If a claim is made for compensating bank balances, provide the following information:
- a. name and address of each bank;
 - b. types of accounts with each bank (checking, savings, escrow, other services, etc.);
 - c. average daily balance in each account;
 - d. amount and percentage requirements for compensating bank balance at each bank;
 - e. average daily compensating bank balance at each bank;
 - f. documents from each bank explaining compensating bank balance requirements;
 - g. interest earned on each type of account; and
 - h. a calculation showing the average daily float for each bank.

A.5. See Attachment II-B-5 for items (a) through (g). Item h is presented below. The Direct Testimony of R. W. Wright contains additional detail and discussion concerning the Company's compensating bank balance claim.

- h. Disbursement float is composed of two components, mail float and processing float.

Mail float is dependent upon the location of the payee and the interaction of the postal system. This float can range between one and four days.

Processing float is caused by the delays in processing checks between different Federal Reserve districts and the banks located within each district. With the Federal Reserve's dedication to reducing this float in recent years, this float has been reduced to one day. However, there are instances where processing float has been two days on certain transactions.

Disbursement float must be measured on an individual vendor basis because of the many variables mentioned above. The Company conducts float studies on a vendor by vendor basis. These studies compare when the check was drawn and when it was debited on our bank statement. However, there is no calculation that can be performed on a bank by bank basis.

Q. PROVIDE THE FOLLOWING INFORMATION CONCERNING REGENERATION BANK BALANCE REQUIREMENTS FOR ACTUAL TEST YEAR.

A. SEE TABLE BELOW FOR ANSWERS TO ITEMS (A) THROUGH (B). (\$1,000)

NAME OF BANK	LINE BANKS	Type of account	Average Daily Balance	Average Daily Compensation Bank Balance	Equivalent Balance Required to Compensate Bank for Costs 5-7% of Line	Borrowings	Activity	Total	Documents	Interest Earned
American Bank and Trust Company		(147) c	(147)	(147)	350		185	535		
Central Penn National Bank		3 306 c	3 322	3 322	300		2 424	2 724		
Special EGOP-TRABOP		18								
Chase Manhattan Bank		218 c	218	218	300		8	308		
Chemical Bank		303 c	303	303	300		8	308		
Continental Bank		1 778 c	1 778	1 778	310		378	888		
Fidelity Bank		462 c	420	420	1 004		823	1 927		
Customer Refund Account		(42) o								
First Fidelity Bank of S. J.		(654) c	(654)	(654)	250		5	255		
First Pennsylvania Bank		893 c	893	893	700		4 821	5 521		
Industrial Valley Bank		861 c	861	861	350		822	1 172		
Irving Trust Company		445 c	445	445	1 050		10	1 060		
Mellon Bank (East)		533 c	908	908	1 217		865	2 082		
Special DRIP		485 o								
Mellon Bank (West)		98 o	98	98	33		1	34		
National State Bank		(408) c	(408)	(408)	150		18	168		
Philadelphia National Bank		1 087 c	2 238	2 238	1 250		2 151	3 401		
Payroll Accounts		897 o								
Special Payroll Account		142 o								
Provident National Bank		(201) c	(190)	(190)	800		1 254	1 054		
Paving & Permit Account		11 c			21		17	38		
Southeast National Bank		79 c	79	79	300		15	315		
Wilmington Trust Company		88 c	88	88	300		15	315		
SUB TOTAL		9 309	1 139	10 448	8 485		13 808	22 391		
Other Depository Accounts		803	c	803	-		1 049	1 049		
TOTAL		10 112	1 139	11 251	8 485		24 955	23 440		

(1) c - checking
o - other

(2) The percentage requirements for compensating bank balances at each bank are provided on the attached letters.

LINE BANK ACCOUNTS

American Bank & Trust Co. of Pa.
P. O. Box 1102
Reading, Pa. 19603

Bank Hapoalim, B.M.
3 Penn Center Plaza
Philadelphia, Pa. 19102

Central Penn National Bank
Central Penn National Bank Bldg.
5 Penn Center Plaza
Philadelphia, Pa. 19101

Chase Manhattan Bank
One Chase Manhattan Plaza
New York, NY 10015

Chemical Bank
20 Pine Street
New York, NY 10015

Continental Bank
Centre Square
1500 Market Street
Philadelphia, Pa. 19102

Fidelity Bank
Broad and Walnut Sts.
Philadelphia, Pa. 19109

First Fidelity Bank of SJ/NA
1100 Black Horse Pike
Pleasantville, NJ 08232

First Pennsylvania Bank
One Centre Square
16th & Market Sts.
Philadelphia, Pa. 19101

Industrial Valley Bank & Trust Co.
1700 Market Street
Philadelphia, Pa. 19103

Irving Trust Company
One Wall Street
New York, NY 10015

Mellon Bank (East)
Mellon Bank Center
Philadelphia, Pa. 19102

Mellon National Bank (West)
Mellon Square
Pittsburgh, Pa. 15230

National State Bank
68 Broad Street
Elizabeth, NJ 07207

Philadelphia National Bank
Broad and Chestnut Sts.
Philadelphia, Pa. 19101

Provident National Bank
Broad and Chestnut Sts.
Philadelphia, Pa. 19101

Wilmington Trust Company
10th & Market Sts.
Wilmington, DE 19899

OTHER DEPOSITORY ACCOUNTS

Bank of Delaware
300 Delaware Avenue
Wilmington, Delaware 19899

Bank and Trust Company of Old York Road
York and Easton Roads
Willow Grove, Pa. 19090

Bryn Mawr Trust Company
801 Lancaster Avenue
Bryn Mawr, Pa. 19010

Bucks County Bank & Trust Company
Perkasie,
Pennsylvania 18944

Cheltenham National Bank
500 Central Avenue
Cheltenham, Pa. 19012

Citibank of New York
55 Wall Street
New York, NY 10043

Dauphin Deposit Bank & Trust Co.
P. O. Box 2961
Harrisburg, Pa. 17105

Delaware Trust Company
900 Market Street
Wilmington, DE 19899

Downingtown National Bank
4 Brandywine Avenue
P. O. Box A
Downingtown, Pa. 19335

First National Bank & Trust Co. of Newtown
State and Centre Avenues
Newtown, Pa. 18940

First National Bank of West Chester
9 North High Street
P. O. Box 523
West Chester, Pa. 19380

Frankford Trust Company
4400 Frankford Avenue
Philadelphia, Pa. 19101

Hamilton Bank
100 North Queen St.
Lancaster, Pa. 17604

Harleysville National Bank
483 Main Street
Harleysville, Pa. 19438

Heritage Bank, N.A.
Route 70 & Cuthbert Blvd.
Cherry Hill, NJ 08034

Mellon Bank (DE) N.A.
P. O. Box 8888
Wilmington, DE 19899

Morgan Guaranty Trust Company
23 Wall Street
New York, NY 10015

National Bank of Boyertown
Philadelphia & Reading Aves.
Boyertown, Pa. 19512

Royal Bank
U. S. Route 202 at Warner Road
King of Prussia, Pa. 19406

Union National Bank
10 West Broad Street
Souderton, Pa. 18964

Central Penn National Bank
P.O. Box 7588
Philadelphia, PA 19101

Direct Dial _____



FEB 1 1985

January 30, 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

I am pleased to confirm to you as de facto agent for the co-owned entity, American Bank & Trust Co. of Pa., American's expectation with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, we are apprised that Philadelphia Electric Company intends to regularly maintain bank balances sufficient to reimburse the bank for all account activity and ancillary services. In addition, we understand collected bank balances equal to 5% of your current \$7,000,000. line of credit commitment are sought to be provided by you for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Cordially,

A handwritten signature in cursive script, appearing to read 'Walt', written over a horizontal line.

Walter H. Geer, Vice President
CENTRAL PENN NATIONAL BANK, Agent

WHG/wls



Central Penn National Bank
P.O. Box 7588
Philadelphia, PA 19101

Direct Dial _____



FEB 1 1985

January 30, 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

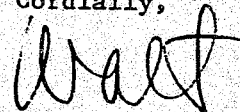
Dear Mort:

You have asked that I confirm to you Central Penn National Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, we are apprised that Philadelphia Electric Company intends to regularly maintain bank balances sufficient to reimburse the bank for all account activity and ancillary services. In addition, we understand collected bank balances equal to 5% of your current \$6,000,000. line of credit commitment are sought to be provided by you for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Cordially,


Walter H. Geer
Vice President

WHG/wls



The Chase Manhattan Bank, N.A.
Chase Manhattan Plaza
New York, New York 10081



CHASE

February 21, 1985

Mr. M.W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, Pennsylvania 19101

Dear Mort:

This is to confirm that The Chase Manhattan Bank, N.A. holds available to Philadelphia Electric Company a \$6,000,000 line of credit and a \$25,000,000 line of credit.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would maintain bank balances sufficient to reimburse the Bank for all account activity. In addition, we expect that collected bank balances equal to 5% of your current \$6,000,000 line will be kept in support of this line.

In support of the \$25,000,000 line, Philadelphia Electric Company will pay an annual fee of 1/2 of 1% payable quarterly in arrears.

The above commitments are contingent upon receipt and satisfactory review of Philadelphia Electric Company's 1984 financial statements and are granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,


Yvette T. Rose
Assistant Treasurer

CHEMICAL

Energy & Minerals Group
277 Park Avenue, New York, NY 10172, Tel: (212) 310-6319

Joudon M. Ford
Assistant Vice President

November 23, 1982

M. W. RIMERMAN
NOV 24 1982

Mr. M. W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

You have asked that I confirm to you Chemical Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain balances sufficient to reimburse the bank for all account activity. In addition, bank balances equal to 5% of your current \$6,000,000 line of credit are expected for support of credit facilities available to Philadelphia Electric Company.

The continued availability of the line of credit is, of course, contingent upon your maintenance of a satisfactory financial condition and has been granted with the understanding that you will promptly advise us of any change which would materially or adversely affect your financial responsibility.

Very truly yours,


CHEMICAL BANK

JMF:mb



CONTINENTAL BANK

NORRISTOWN, PENNSYLVANIA
CENTRE SQUARE OFFICE
1500 Market Street
Philadelphia, Pennsylvania 19102

COMMERCIAL LOAN DEPARTMENT

January 18, 1985

Mr. M.W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, Pa. 19101

Dear Mort:

You have asked that I confirm to you Continental Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$6,200,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Arthur F. Radman III
Arthur F. Radman, III
Administrative Vice President

AFR, III/mmcg

Mr. M. W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, Pa. 19101

Dear Mort:

You have asked that I confirm to you Fidelity Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$20,500,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Ann Blowers
Senior Loan Officer



First Fidelity Bank N.A. South Jersey
Route 541 & Sunset Road
Burlington, New Jersey 08016
1-609-386-0091
1-609-387-4400

January 23, 1985

Mr. M. W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, Pa. 19101

Dear Mort:

You have asked that I confirm to you First Fidelity Bank, N.A., South Jersey's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$5,000,000. line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely yours,



Alexander Hertz
Vice President

AH:lmw

 **First Pennsylvania Bank** N.A.

"America's Oldest Commercial Bank (Established 1782)"

W. RIMMERMAN
FEB 13 1985

February 8, 1985

Mr. M.W. Rimerman
Treasurer
2301 Market Street
S 21-1 Floor
Philadelphia, Pennsylvania 19101

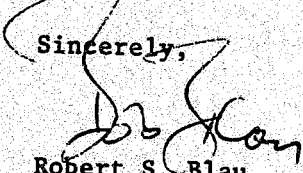
Dear Mort:

You have asked that I confirm to you First Pennsylvania Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 10% of your current \$28,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,


Robert S. Blau
Vice President

RSB: jmp



Industrial Valley Bank and Trust Company

IVB Building Philadelphia, Pennsylvania 19103 496-4279

Frank Spewock
Vice President

February 26, 1985

Mr. M. W. Rimerman, Treasurer
PHILADELPHIA ELECTRIC COMPANY
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

You have asked that I confirm to you Industrial Valley Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$7,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Frank Spewock

FS/jma



Irving Trust

Carolyn E. Winter
Vice President

Irving Trust Company
One Wall Street
New York, NY 10015

January 22, 1985

JAN 20 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

You have asked that I confirm to you Irving Trust Company's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 7% of your current \$15,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Carolyn E. Winter
Vice President



Irving Trust

Carolyn E Winter
Vice President

Irving Trust Company
One Wall Street
New York, NY 10015

January 22, 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

You have asked that I confirm to you Irving Trust Company's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Compensation for the \$25,000,000 unsecured correspondent line of credit is a fee of $\frac{3}{8}$ of 1%, payable quarterly in arrears.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Carolyn E. Winter
Vice President

Mellon Bank

January 11, 1985

JAN 15 1985
Corporate Banking Department
Mellon Bank (East)
National Association
Mellon Bank Center
Philadelphia, PA 19102
215 585 2000

Mr. M. W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

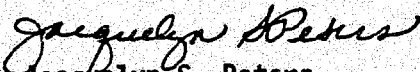
Dear Mort:

You have asked that I confirm to you Mellon Bank - East's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

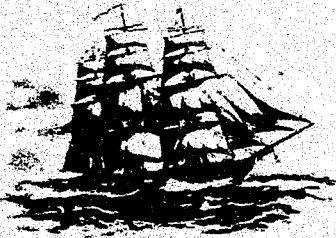
Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$25,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,


Jacquelyn S. Peters
Assistant Vice President

JSP/dc



The
NATIONAL STATE BANK

ELIZABETH, NEW JERSEY 07207

January 16, 1985

ROBERT M. APPLGATE, JR.
Vice President

401 Park Avenue South
Linden, N.J. 07036

Area Code 201/925-0400

Mr. M.W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, Pa. 19101

Dear Mort:

You have asked that I confirm to you National State Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$3,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Robert M. Applegate, Jr.
Vice President

/pm



The Philadelphia National Bank

P.O. BOX 7618, PHILADELPHIA, PA 19101 PHONE 215 629-3100

January 17, 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

Dear Mort:

You have asked that I confirm to you The Philadelphia National Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$25,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,

Andrew J. Armstrong, Jr.
Assistant Vice President.

AJAjr./bar

PROVIDENT NATIONAL BANK

BROAD AND CHESTNUT STREETS, PHILADELPHIA, PA/REPLY TO: P.O. BOX 7648, PHILADELPHIA, PA 19101

J. EDWARD SERRILL
VICE PRESIDENT

NO. 100
FEB 4 1985

January 31, 1985

Mr. M. W. Rimerman, Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

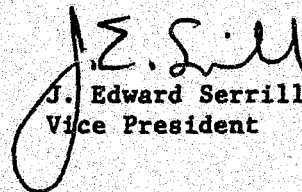
Dear Mort:

You have asked that I confirm to you Provident Bank's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$12,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,


J. Edward Serrill
Vice President

JES/dd



WILMINGTON
TRUST

JAN 15 1985

National Division

Personal Direct Dial

(302) 651-1217

January 14, 1985

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S 21-1 Floor
Philadelphia, PA 19101

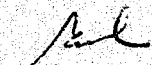
Dear Mort:

You have asked that I confirm to you Wilmington Trust Company's expectations with regard to the maintenance of minimum balances by Philadelphia Electric Company.

Although we have no formal agreement, verbal or written, it is understood that Philadelphia Electric Company would regularly maintain bank balances sufficient to reimburse the bank for all account activity. In addition, collected bank balances equal to 5% of your current \$6,000,000 line of credit commitment are expected for support of credit facilities available to Philadelphia Electric Company.

The above commitment is contingent upon the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibility.

Sincerely,


Paul E. Shipley
Vice President

PES/kpm

BANK HAPOALIM B.M.

PHILADELPHIA BRANCH

March 13, 1984
05/84/0186

Mr. M. W. Rimerman
Treasurer
Philadelphia Electric Company
2301 Market Street
S21-1 Floor
Philadelphia, Pennsylvania 19101

Dear Mort:

Bank Hapoalim B.M. holds available to Philadelphia Electric Company a \$10,000,000 line of credit. Borrowings under the line may be made at the Bank's prime commercial lending rate as announced and in effect at its principal office from time to time. The Company, under this arrangement, has the option of paying the loan in full or in part without premium at any time.

As an alternative to your borrowings the Bank will, if you request, advance funds to you up to the maximum amount of the unused portion of the line of credit on a money market basis. The interest rate shall be mutually acceptable to you and to us, but shall depend on the availability of the funds and the requested maturity date for the advance.

A commitment fee equal to one quarter of one percent per annum of the total commitment shall be payable quarterly, within 15 days of the end of each 90 day period.

The availability of the above mentioned line of credit is subject to the maintenance of a satisfactory financial condition and is granted with the understanding that you will promptly advise us of any changes that would materially or adversely affect your financial responsibilities. In addition, this line of credit is subject to annual review and renewal.

Sincerely yours,

John L. Godfrey
Vice President

JLG:lk

Q.6. Explain in detail by statement or exhibit the appropriateness of any additional claims or the use of any method not previously mentioned, in the claimed rate base.

A.6. The Company's statements and exhibits explain in detail the appropriateness of each item of its measures of value claim. Company response I-A-2 provides a listing of all Company testimonies and exhibits together with appropriate areas of expertise.

- Q.1. Prepare a Statement of Income including:
- a. the book (or budgeted) statement for the test year;
 - b. adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge;
 - c. the income statement under present rates after adjustment;
 - d. the adjustment for the revenue requested; and
 - e. the income statement under requested rates after adjustment.

Each adjustment (including those related to adjustment clauses) shall contain an explanation in sufficient clarifying detail to allow a reasonable informed person to understand the method and rationale of the adjustment.

A.1.a,b,c,d,e.

Page A-1 of Exhibit TPH-2 provides the requested test year data.

The "D" section of this exhibit provides an explanation for the annualizing and normalizing adjustments claimed by the Company together with reference to the appropriate Company support testimony. Page A-3 of this exhibit summarizes the impact on revenue, expense and taxes, of each of these claimed adjustments. Page A-4 of this exhibit shows the effects of the revenue requested.

Q.2. If the schedule provided in item 1, above, is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the twelve-month period immediately prior to such test year.

A.2.a,b,c,d,e.

With regard to the requested actual income statement data, the indicated references of response II-C-1 should be applied to the Company's Exhibit TPH-1 which represents actual data for the 12 months ended June 30, 1985.

- Q.1. Provide a schedule showing all revenues and expenses for the test year and for the twelve month period immediately prior to the test year, together with an explanation for major variances between test year revenues and expenses and those for the previous twelve month period. Revenues and expenses shall be summarized by the major account categories listed below. If budgeted data for a future test year is not readily available by such categories, an analysis of the data for the twelve month period immediately prior to the future test year or for the most recent available calendar year may serve as the basis for ratably allocating the budgeted data into the account categories as set forth below.

Operating Revenues

400 Electric Revenues:
 Residential Sales
 Commercial Sales
 Industrial Sales
 Public Street & Highway Lighting Sales
 Sales for Resale

 Total Electric Revenues

 Other Electric Revenues:
 Late Payment Charges
 Miscellaneous Service Revenues
 Rent from Electric Property
 Other Electric Revenues

 Total Other Electric Revenues
 Total Operating Revenues

Operating Expenses

401-2 Operation and Maintenance Expenses
 Power Production Expenses:
 Fuel
 Net Interchange
 Deferred Energy Costs
 Other

 Transmission Expenses
 Distribution Expenses
 Customer Service & Informational Expense
 Sales Expenses
 Administrative and General Expenses

 Total Operation & Maintenance Expenses

403 Depreciation Expenses
Amortization of Net Salvage
Nuclear Decommissioning Expense
407 Amortization of Property Losses
408 Taxes Other Than Income Taxes
Total Operating Expenses Prior to Federal and
State Income Taxes
Operating Income Prior to Federal and State
Income Taxes
Federal and State Income Taxes
409 Federal Income Taxes
State Income Taxes
409 Deferred Federal Income Taxes
Deferred State Income Taxes
411 Investment Tax Credit Adjustments
Deferrals
Amortization - Credit
Other Income Tax Credits & Charges
Total Federal and State Income Taxes
Operating Income After Federal and State Income
Taxes
Other Income and Deductions
Other Income
415-18 Non-Utility Operating Income
419 Interest and Dividend Income
419 Allowance for Other Funds Used During
Construction
421 Gain on Disposition of Property
421 Other Miscellaneous Non-Operating Income
Total Other Income
Other Income Deductions
421 Loss on Disposition of Property
425 Miscellaneous Amortization
426 Miscellaneous
Total Other Income Deductions

Taxes Applicable to Other Income and Deductions

408 Taxes Other Than Income Taxes
409 Federal Income Tax
409 State Income Tax

Total Taxes Applicable to Other Income and
Deductions
Income Before Interest Charges

Interest Charges

427 Interest on Long Term Debt
428 Amortization of Debt Discount and Expense
429 Amortization of Premium on Debt
431 Other Interest Expense
432 Allowance for Borrowed Funds Used During
Construction - Credit
Net Interest Charges
Income Before Extraordinary Items

Extraordinary Items After Taxes

Net Income

- A.1. Attachments II-D-1a and II-D-1b provide the comparative operating statements for the 12 month periods ending 6/30/85 and 6/30/86 respectively. Major variance explanations by account follow. The criteria for determination of a major variance was a ten percent change from beginning to end of period, but not less than \$1,000,000 for each account contained within a functional category. All fuel accounts have not been explained since the Company removes all fuel cost in excess of the base cost of fuel (reference Exhibits TPH-1 and TPH-2, page D-4). Items appearing below the operating income line are generally maintained and reported on a total Company basis only and not separated between electric, gas and steam heat operations, consequently, no basis for a ratable allocation exists. With regard to interest charges, page D-9 of Exhibit TPH-2 provides the development of the charges allocated to electric operations together with the associated impact on income taxes. A comparison of page B-19 of Exhibits TPH-1 and TPH-2 demonstrates that the Company's embedded cost of debt is expected to increase during the future test year as a result of debt financings at higher cost rates.

Philadelphia Electric Company - Electric Operations
STATEMENT OF OPERATIONS
(Thousand \$)

	12 Months Ending		
	June 30, 1984	June 30, 1985	Difference
400			
Electric Revenues:			
Residential Sales	788,995	861,032	72,037
Commercial Sales	325,729	367,405	41,676
Industrial Sales	964,295	1,081,032	116,737
Public Street & Highway Lighting Sales	31,572	36,289	4,717
Sales for Resale	90,324	63,821	(26,503)
Interdepartmental Sales	4,163	4,266	103
Total Electric Revenues	2,205,078	2,413,845	208,767
Other Electric Revenues:			
Late Payment Charges	8,037	9,176	1,139
Miscellaneous Service Revenues	2,088	2,232	144
Rent from Electric Property	10,876	10,574	(302)
Other Electric Revenues	41,324	20,137	(21,489)
Total Other Electric Revenues	62,325	42,119	(20,206)
Total Operating Revenues	2,267,403	2,455,964	188,561
<u>Operating Expenses</u>			
401-2			
Operation and Maintenance Expenses			
Power Production Expenses:			
Fuel	515,496	461,839	(53,657)
Net Interchange	468,904	451,553	(17,351)
Deferred Energy Costs	(216,284)	(50,283)	166,001
Other	237,328	293,539	56,211
Transmission Expenses	21,936	24,082	2,146
Distribution Expenses	96,274	101,239	4,965
Customer Service & Informational Expense	76,103	83,846	7,743
Sales Expenses	776	611	(165)
Administrative and General Expenses	128,077	149,222	21,145
Total Operation & Maintenance Expenses	1,328,610	1,515,648	187,038
403			
Depreciation Expenses	155,610	157,911	2,301
Amortization of Net Salvage	-	-	-
Nuclear Decommissioning Expense	3,444	3,832	388
405			
Amortization of Other Electric Plant	(641)	(644)	(3)
407			
Amortization of Property Losses	3,191	(295)	(3,486)
408			
Taxes Other Than Income Taxes	167,694	190,263	22,569
Total Operating Expenses Prior To Federal & State Income Taxes	1,657,908	1,866,715	208,807
Operating Income Prior to Federal and State Income Taxes	609,495	589,249	(20,246)
<u>Federal and State Income Taxes</u>			
409			
Federal Income Taxes	46,292	75,401	29,109
State Income Taxes	10,514	30,734	20,220
410-411			
Deferred Income Taxes	162,535	35,956	(126,579)
411			
Investment Tax Credit Adjustments			
Deferrals	(205)	59,210	59,415
Amortization - Credit	(5,240)	(8,407)	(3,167)
Total Federal and State Income Taxes	213,896	192,894	(21,002)
Gain or Loss from disposition of Utility Plant	(226)	(153)	73
Operating Income-Electric Operations	395,825	396,508	683

Philadelphia Electric Company - Electric Operations
Explanation of Variances in Operating Statement
Twelve Months Ended June 30, 1985

Operating Revenues

Accounts 400-447 - Total Electric Revenues (Variation \$208,767,000)

This increase is attributable to increased sales and the full year effect of a November 1983 rate increase (\$235,270,000) offset by a reduction of (-\$26,503,000) in the revenues received from the sale of the output of Salem Unit #2 due to outages.

Account 450 - Late Payment Charges (Variation \$1,139,000)

This increase is attributable to a greater amount of late payment charges incurred by customers.

Account 456 - Other Electric Revenues (Variation \$21,187,000)

The decrease is primarily attributable to a reduction of customer credits for interest due on overcollections of the Electric Energy Cost Rate.

Operating Expenses

Account 401-2

(Reference Exhibit TPH-1, pages B-10 through B-14 for detail of operating expenses by account number).

Fuel and non-fuel operation and maintenance expenses for the year ended June 30, 1985 increased \$95.0 million and \$92.0 million respectively for a total increase of \$187.0 million over the prior 12 months.

Major Variances Follow:

Account 500 - Operation Supervision and Engineering (Variation \$1,773,000)

This increase is attributed to inflation (\$703,000) and the management fees for the operation of the Allied and Essex Regeneration plants (\$1,284,000), offset by decreased expenses for supervision and technical assistance (-\$220,000), primarily due to the scheduled retirement of Southwark Generating Station.

Account 502 - Steam Expense (Variation \$5,569,000)

This increase is attributed to inflation (\$1,663,000) and the operation of the scrubber plants at Eddystone and Cromby (\$3,674,000), primarily due to increased MgO purchases and labor expenses.

Account 506 - Miscellaneous Steam Power (Variation \$1,722,000)

This increase is attributed to inflation (\$681,000), oil spill clean-up at Schuylkill (\$325,000), increased labor expenses at Eddystone (\$163,000) due to scrubber plant operations, the reevaluation of the payroll and Administration and General overheads at Keystone (\$283,000), and the ongoing generation plant clean-up project (\$272,000) implemented in 1985.

Account 507 - Rents (Variation \$7,536,000)

This increase is due to lease payments for the Allied and Essex Regeneration Plants. Rental expenses were deferred in 1983.

Account 511 - Maintenance of Structures (Variation \$1,236,000)

This increase is attributed to inflation (\$366,000) and the restoration of station structures and repairs to roofs, roads and elevators at Keystone and Conemaugh (\$858,000) in accordance with the Housekeeping and Facilities Improvements Program implemented in 1985.

Account 513 - Maintenance of Electric Plant (Variation \$4,191,000)

This increase is attributed to inflation (\$869,000) and expenses associated with the annual inspections of turbines (\$3,285,000) at Eddystone Station, Cromby #1 Unit, and the Minemouth Stations.

Account 517 - Operation Supervision and Engineering (Variation \$2,016,000)

This increase can be attributed to inflation (\$566,000); Peach Bottom expenses associated with an increase of quality control charges to meet NRC requirements and increased Engineering support (\$661,000); and Salem expenses associated with Quality Control support, Quality Assurance and Radiation Protection Department Staff support (\$762,000).

Account 520 - Steam Expense (Variation \$3,728,000)

This increase can be attributed to inflation (\$999,000); Salem expenses primarily associated with decontamination activities and health physics (\$2,311,000); and Peach Bottom refueling expenses (\$896,000). Offsetting the above items was a decrease in Peach Bottom waste disposal expenses (-\$320,000).

Account 529 - Maintenance of Structures (Variation \$1,826,000)

This increase can be attributed to inflation (\$317,000); expenses associated with ventilation and air conditioning systems and miscellaneous building maintenance on account of NRC technical specs at Salem (\$1,555,000); Peach Bottom expenses associated with Atom Road repairs (\$200,000); and Peach Bottom refueling expenses (\$187,000). Offsetting the above items was a decline in charges associated with engineering studies (-\$374,000).

Account 530 - Maintenance of Reactor Equipment (Variation
\$6,931,000)

This increase can be attributed to inflation (\$1,402,000); and Salem expenses primarily associated with the service water system, and nuclear steam supply system repairs due to silt problems (\$8,577,000). Offsetting the above items were decreases for Peach Bottom mini outage expenses which includes weld repairs on the #2 unit (-\$2,659,000); and miscellaneous maintenance expenses (-\$242,000).

Account 531 - Maintenance of Electric Plant (Variation
\$1,232,000)

This increase can be attributed to inflation (\$597,000); Peach Bottom refueling expenses (\$790,000); Peach Bottom expenses associated with the decontamination and refurbishing of buckets from the (2) L.P. turbine rotors on the #2 unit (\$187,000); and miscellaneous maintenance expenses (\$106,000). Offsetting the above items were decreased Salem outage expenses (-\$544,000).

Account 532 - Maintenance of Misc. Nuclear Plant (Variation
\$2,815,000)

This increase can be attributed to inflation (\$344,000); end of cycle Peach Bottom refueling expenses (\$1,872,000); and end of cycle additional miscellaneous maintenance and health physics expenses (\$435,000).

Account 553 - Maintenance of Generation and Electric Equipment
(Variation (-\$1,272,000))

This decrease is attributed primarily to a reduction in generator repairs and miscellaneous maintenance of the combustion turbine units at Richmond and Croydon (-\$1,503,000) offset by inflation (\$325,000).

Account 588 - Miscellaneous Distribution Expense (Variation
\$1,111,000)

This increase is attributable to the Suburban Division work dispatchers being transferred from the responsible area of the suburban clerical sections to the suburban operating sections. When this change was enacted, work dispatcher salary expenses were assigned to the 588 account. While under the clerical section, work dispatcher salaries were distributed to various T&D accounts.

Account 904 - Uncollectible Accounts (Variation (\$2,182,000))

This variance can be attributed to increases in the average dollar amount of bills (higher rates) charged off as uncollectible. In addition, significant PaPUC mandates under Chapter 56 regarding collection policy (which have replaced bill extension arrangements with special agreements) has resulted in an increase in accounts receivable, an increase in the average dollar amount of bills shutoff for non-payment and ultimately an increase in the amount charged off as uncollectible.

Account 920 - Administrative and General Salaries (Variation \$3,003,000)

This increase is primarily attributable to inflation (\$1,704,000) and additional technical personnel, primarily in Information Systems (\$607,000).

Account 921 - Office Supplies and Expenses (Variation \$2,875,000)

This increase is attributable to increased computer-related expenses (\$365,000), improvements in vendor accounting controls (\$888,000), increased Corporate Communications word processing services (\$243,000), and increased Commercial Operations Technical Services (\$237,000).

Account 925 - Injuries and Damages (Variation \$2,240,000)

The increase is primarily attributable to increased personal injury claims paid (\$1,510,000) and increased medical, legal and other expenses associated with personal injury claims (\$503,000).

Account 928 - Regulatory Commission Expenses (Variation \$7,834,000)

The increase is attributable to increased regulatory activities i.e. Limerick #2 Show Cause Order (\$4,362,000), Energy Cost Rate Investigation (\$641,000), current rate case expense to date (\$1,775,000) and increased PUC and Consumer Advocate assessments (\$420,000). (Reference page D-12, Exhibit TPH-2 for rate case expenses).

Account 935 - Maintenance of General Plant (Variation \$2,239,000)

This variation is attributable to an accounting change mandated by FERC which requires that these expenses be reflected in 935 account rather than 932 account.

Account 944 - Amortization of Property Losses (Variation -\$3,486,000)

The decrease is primarily attributable to the completion of the Barbadoes and Richmond amortizations (-\$2,032,000), and a removal of Schuylkill Generating Station property losses as ordered in the Commission Order at R-842590 (-\$1,454,000).

Account 950 - Taxes Other Than Income (Variation \$22,569,000)

This variance is attributable to a decrease in capital stock tax (-\$5,662,000) due to reestimate of year end liability and settlement of prior years taxes, increased gross receipt taxes (\$10,619,000) due to increased revenues, increased real estate taxes (\$16,767,000) due to accelerated payments required by changes in PURTA law, and increased federal old age benefits tax (\$1,404,000) due to a higher tax rate and higher tax base. It should be noted that increased real estate taxes associated with PURTA are included in the state tax adjustment and are not included in the ratemaking claim.

Account 951 - Income Taxes (Variation \$52,592,000)

The increase is attributable to a tax loss in the year 1983 which is included partially in the year ending June 1984. The increase represents the change in taxes between June 30, 1984 and June 30, 1985.

Account 952 - Provision for Deferred Income Taxes (Variation -\$91,916,000)

The decrease is attributable to a reduction in deferred taxes associated with deferred fuel (-\$85,924,000) and a reduction of spent fuel related tax deferrals (-\$22,431,000). These decreases were offset by an increase in tax deferred on the combustion turbine lease cancellation (\$7,485,000), increases in the PURTA tax deferrals (\$11,084,000) and increases in tax deferrals on MgO equipment (\$6,404,000).

Account 953 - Income Taxes Deferred in Prior Years - Credit (Variation -\$34,663,000)

The decrease is attributable to a decrease in deferral of nuclear fuel storage (-\$10,753,000), a decrease in deferral of combustion turbine lease cancellation (-\$7,542,000) and a decrease in deferral on Schuylkill Boiler #23 (-\$13,924,000).

Account 954 - Investment Tax Credits Adjustment Including Paysop (Variation \$52,985,000)

The increase is attributable to a tax loss in the year 1983 which is included partially in the year ending June 1984. This caused a reversal of investment tax credit utilized in past years due to the carryback provisions of the Internal Revenue Code. In addition, no investment tax credit could be utilized on a current year basis in 1983. The Paysop Credit is due to a tax law change in 1985 which provided that the total credits could not exceed 85% of the tax liability and that the investment tax credit is to be utilized first.

Philadelphia Electric Company - Electric Operations
STATEMENT OF OPERATIONS
(Thousand \$)

		12 Months Ending		
		June 30, 1985	June 30, 1986	Difference
400	Electric Revenues:			
	Residential Sales	861,032	928,292	67,260
	Commercial Sales	367,405	359,462	(7,943)
	Industrial Sales	1,081,032	1,136,069	55,037
	Public Street & Highway Lighting Sales	36,289	38,281	1,992
	Sales for Resale	63,821	23,085	(40,736)
	Interdepartmental Sales	4,266	4,126	(140)
	Total Electric Revenues	2,413,845	2,489,315	75,470
	Other Electric Revenues:			
	Late Payment Charges	9,176	9,420	244
	Miscellaneous Service Revenues	2,232	2,150	(82)
	Rent from Electric Property	10,574	10,449	(125)
	Other Electric Revenues	20,137	16,959	(3,178)
	Total Other Electric Revenues	42,119	38,978	(3,141)
	Total Operating Revenues	2,455,964	2,528,293	72,329
	<u>Operating Expenses</u>			
401-2	Operation and Maintenance Expenses			
	Power Production Expenses:			
	Fuel	461,839	416,295	(45,544)
	Net Interchange	451,553	116,213	(335,340)
	Deferred Energy Costs	(50,283)	218,208	268,491
	Other	293,539	388,108	94,569
	Transmission Expenses	24,082	23,224	(858)
	Distribution Expenses	101,239	101,778	539
	Customer Service & Informational Expense	83,846	91,201	7,355
	Sales Expenses	611	906	295
	Administrative and General Expenses	149,222	146,770	(2,452)
	Total Operation & Maintenance Expenses	1,515,648	1,502,703	(12,945)
403	Depreciation Expenses	157,911	159,201	1,290
	Amortization of Net Salvage	-	-	-
	Nuclear Decommissioning Expense	3,832	4,190	358
405	Amortization of Other Electric Plant	(644)	(641)	3
407	Amortization of Property Losses	(295)	1,679	1,974
408	Taxes Other Than Income Taxes	190,263	199,837	9,574
	Total Operating Expenses Prior To Federal & State Income Taxes	1,866,715	1,866,969	254
	Operating Income Prior to Federal and State Income Taxes	589,249	661,324	72,075
	<u>Federal and State Income Taxes</u>			
409	Federal Income Taxes	75,401	105,773	30,372
	State Income Taxes	30,734	26,900	(3,834)
410-411	Deferred Income Taxes	35,956	93,782	57,826
411	Investment Tax Credit Adjustments			
	Deferrals	59,210	17,618	(41,592)
	Amortization - Credit	(8,407)	(10,706)	(2,299)
	Total Federal and State Income Taxes	192,894	233,367	40,473
411	Gain or loss from disposition of Utility Plant	(153)	-	153
	Operating Income - Electric Operations	396,508	427,957	31,449

Operating Revenues

Account 400 - Total Electric Revenue - (Variation \$72,329,000)

Accounts 440-446 - (Variation \$116,346,000)

The increase is attributable to the full year effect of a January 1985 rate increase on 1985 revenues, the higher Energy Cost Rate included in 1985 revenues, and increased sales levels.

Account 447 - Sales for Resale - (Variation -\$40,736,000)

The \$40,736,000 decrease is attributable to the loss of revenues received from the sale of power from Salem #2 to Jersey Central Power & Light, due to the expiration of the contract on 12/31/84.

Account 456 - Other Electric Revenues (Variation -\$3,098,000)

The \$3,098,000 decrease is due to a reduction of customer credits for interest due on overcollections of the Electric Energy Cost Rate.

Operating Expenses

(Reference Exhibit TPH-2 pages B-10 through B-14 for detail of operating expenses by account number).

Fuel expenses decreased \$112.4 million and non-fuel operation and maintenance expenses increased \$99.5 million during the year ended June 30, 1986 for a total net decrease of \$12.9 million over the prior 12 months.

Major Variances follow:

Account 500 - Operation Supervision and Engineering (Variation \$1,495,000)

This increase is attributed to inflation (\$834,000), Technical Support primarily due to engineering studies at Keystone Station formerly charged against maintenance accounts (\$401,000), Planning Studies (\$158,000), and Environmental Supervisory Support (\$102,000).

Account 502 - Steam Expense (Variation \$5,668,000)

This increase is attributed to inflation (\$2,090,000), and MgO purchases for the scrubber plants at Eddystone and Cromby (\$3,578,000).

Account 507 - Rents (Variation \$4,690,000)

This increase is primarily due to reflection of a full year lease payment for the Allied Regeneration plant.

Account 510 - Maintenance Supervision & Engineering (Variation \$1,072,000)

This increase is attributed to inflation (\$526,000), and supervision/engineering expenses due to fossil unit outages (\$526,000).

Account 511 - Maintenance of Structures (Variation \$1,901,000)

This increase is attributed to inflation (\$496,000), Swede Street Dam repairs (removed from 1985 expenses per TPH-2, D-10c) (\$662,000), dredging expenses increased over prior period (see TPH-2, D-10 for adjustment) (\$1,813,000), reduced weatherization and protective coating work at various stations (-\$1,039,000).

Account 512 - Maintenance of Boiler Plant (Variation \$8,674,000)

This increase is attributed to inflation (\$3,548,000), annual inspections primarily at Eddystone (\$4,131,000), resin beds replacement, boiler feed pump overhaul/repairs and asbestos removal at various stations (\$898,000). Refer to TPH-D-10c for Eddystone annual inspections adjustment.

Account 517 - Operation Supervision and Engineering (Variation \$1,679,000)

This increase can be attributed to inflation (\$698,000); Peach Bottom expenses associated with NRC required bulletins, inspections, and licensing (\$979,000); increase of Quality Control charges to meet NRC requirements and increased engineering support (\$1,111,000). Offsetting the above items were decreases at Salem associated with Quality Assurance and Staff Support during outages (-\$1,092,000).

Account 524 - Miscellaneous Nuclear Power Expenses (Variation -\$4,768,000)

The decrease can be attributed to reduced Salem expenses that occurred in previous period associated with development, training improvements and initial implementation costs (-\$5,655,000) (Reference page D-10d, TPH-2); Peach Bottom refueling expenses (-\$229,000); Pennsylvania Radiation Protection Assessment expenses (-\$382,000); emergency preparedness expenses (-\$238,000); research development and various other nuclear power expenses (-\$725,000). This decrease was offset by inflation (\$2,190,000) and Peach Bottom expenses associated with training and licensing (\$331,000).

Account 529 - Maintenance of Structures (Variation -\$2,478,000)

The decrease can be attributed to expenses that occurred in the previous year associated with ventilation and air conditioning systems and Building Maintenance (-\$3,282,000); and Peach Bottom expenses associated with Atom Road repairs (-\$211,000). This decrease was offset by inflation (\$203,000); Peach Bottom refueling expenses (\$144,000); drywell and torus coating repair expenses (\$292,000); painting of structures and other miscellaneous maintenance expenses (\$378,000).

Account 530 - Reactor Plant Equipment (Variation -\$10,483,000)

The decrease can be attributed to reduced Salem expenses associated with the outages for the #1 main generator rewind and the #2 generator stator repair (-\$10,911,000) and Peach Bottom refueling expenses (-\$895,000). This decrease was offset by inflation (\$926,000); and Peach Bottom miscellaneous maintenance expenses (\$291,000).

Account 531 - Maintenance of Electric Plant (Variation -\$1,589,000)

The decrease can be attributed to Lower Salem expenses associated with #1 main generator rewind (-\$2,048,000); and Peach Bottom refueling expenses (-\$995,000). This decrease was offset by inflation (\$550,000); Peach Bottom expenses associated with the #3 low pressure rotor repair (\$546,000); and miscellaneous maintenance (\$428,000).

Account 532 - Maintenance of Electric Plant (Variation -\$1,266,000)

The decrease can be attributed to Peach Bottom refueling expenses (-\$1,901,000). This decrease was offset by inflation (\$298,000); and Peach Bottom miscellaneous maintenance and mini outage expenses (\$265,000).

Account 550 - Rents (Variation -\$3,421,000)

This decrease is due to reduction in rents for the leased Combustion Turbines.

Account 553 - Maintenance of Generating/Electric Plant (Variation \$1,634,000)

This increase is attributed to inflation (\$341,000), retirement expenses for Combustion Turbines (\$851,000) (Reference D-11, TPH-2), and miscellaneous maintenance for primemovers/generators at Richmond, Moser & Chester (\$358,000).

Account 556 - System Control and Load Dispatching (Variation \$1,100,000)

This increase is attributed to inflation (\$332,000), PJM Interconnection expenses (\$134,000), dispatch/accounting support systems, personnel training (\$373,000), and emergency dispatch centers expenses (\$191,000).

Account 902 - Meter Reading Expenses (Variation \$2,386,000)

This increase is attributable to inflation (\$719,000), additional overtime, stationery, and postage for 6 months "meter no-reads" and progression wage increases (\$813,000) and annual lease payments associated with hand-held microprocessors (\$766,000).

Account 903 - Customer Records and Collection (Variation
\$5,034,000)

This increase is attributable to inflation (\$1,910,000) postage, stationery, and telephone increases (\$418,000), increased charges for Customer Information System terminal use, additional CRT's and printers associated with the Customer Information System (\$1,001,000), increased computer charges (\$312,000), credit and collection field expenses that had previously been cleared to Account 587 and 905 (\$131,000), electronic machine rental (\$368,000) and increased customer contact and assistance programs (\$330,000).

Account 908 - Customer Assistance Expenses (Variation
\$1,453,000)

This increase is attributable to the implementation of the following conservation programs: tighten-up low cost (\$688,000); residential electric conservation program (\$266,000); commercial and industrial energy conservation (\$84,000); heat pump program (\$63,000); commercial weather program (\$50,000); and thermal storage program (\$50,000). The increase also reflects a change in departmental expense clearances from accounts 910 and 920 to account 908 (\$252,000).

Account 920 - Administrative & General Salaries (Variation
\$6,050,000)

This increase is attributable to inflation (\$1,598,000) increased central programming and support personnel (\$1,636,000), increased Finance and Accounting Department activities including 20 additional employees (\$1,445,000) and increased deferred compensation charged to expense (\$657,000).

Account 925 - Injuries and Damages (Variation -\$1,846,000)

This reduction is attributed to an anticipated reduction in payments for personal injury claims and increased efforts to reduce the number of claims proceeding into litigation (-\$1,517,000) and reduced medical, legal and other expenses associated with personal injury claims (-\$478,000).

Account 928 - Regulatory Commission Expenses (Variation
-\$7,248,000)

The decrease is attributable to a reduction of regulatory activities. Reference response to explanation for this account contained in the historic test year.

Account 944 - Amortization of Property Losses (Variation
\$1,974,000)

The increase is attributable to the inclusion of the Schuylkill Generating Station property loss in the Company budget prior to the rate order at Docket R-842590 which specified that these expenses be removed from this account. These budget expenses are removed from the Company's claims on page D-6 of Exhibit TPH-2.

Account 950 - Taxes Other Than Income Taxes (Variation \$9,574,000)

This increase is attributed to higher capital stock taxes (\$13,053,000) due to a settlement of prior years liabilities and a change in the law regarding the formula to compute the tax, higher gross receipts tax (\$4,842,000) due to increased revenues, and increased federal old age benefits due to an increase in both the base and rate (\$1,914,000). These increases are offset by decreases in local and state real estate taxes (-\$9,511,000) due to a double payment in 1984.

Account 951 - Income Taxes (Variation \$25,699,000)

This increase is attributed to an increase in taxable income between the two periods. The detailed components are shown on page B-15 of Exhibits TPH-1 and TPH-2.

Account 952 - Provision for Deferred Income Taxes (Variation \$33,103,000)

This increase is attributed to deferred taxes on excess depreciation (\$167,418,000), deferred taxes on the combustion turbine lease cancellation (\$12,892,000), and the deferred taxes on other Limerick costs (\$47,601,000). Offsetting the increase are decreases in deferred taxes on fuel (-\$136,548,000), deferred taxes on the value of Limerick generation (-\$44,307,000) and deferred taxes on PURTA recoverable escrow (-\$8,118,000).

Account 953 - Income Taxes Deferred in Prior Years - Credit (Variation \$24,723,000)

This increase is attributed to increases in the tax deferral of nuclear fuel storage expense (\$11,345,000), the tax deferral of the combustion turbine lease cancellation (\$7,542,000) and the tax deferral of PURTA escrow (\$3,636,000).

Account 954 - Investment Tax Credit (Variation -\$43,891,000)

The decrease is attributed to the unavailability of taxable income in 1986 on Company operations which precludes the use of investment tax credit in the income tax calculation.

- Q.2. Provide a summary of test year adjustments which sets forth each adjustment's effect upon the following: operating revenues, operating expenses, taxes other than income taxes, operating income before income taxes, state income tax, federal income tax and income available for return. In addition, test year adjustments shall be presented on the basis of the major account categories set out at II-D-1.
- A.2. Page A-3 of Exhibits TPH-1 and TPH-2 summarize the effect of ratemaking adjustments on revenues, operating expenses, taxes and income available for return which are detailed in the "D" Section of these same exhibits.

Attachment II-D-2 provides a summary of all ratemaking adjustments classified by major account categories for the test year ended 6/30/86.

	<u>D-1</u>	<u>D-2</u>	<u>D-3</u>	<u>D-4</u>	<u>D-5</u>
<u>Operating Revenues</u>					
400 Electric Revenues:					
Residential Sales	(47,376)		12,304	15,416	
Commercial Sales	(76,682)		26,467	37,922	
Industrial Sales (2)					
Public Street & Highway					
Lighting Sales	(1,933)			373	
Sales for Resale	0				
Interdepartmental					
Total Electric Revenues	(125,991)	-	38,771	53,711	-
Other Electric Revenues:					
Late Payment Charges					
Miscellaneous Service Revenues					
Rent from Electric Property					
Other Electric Revenues	(16)				
Total Other Electric Revenues	(16)	-	-	-	-
Total Operating Revenues	(126,007)	-	38,771	53,711	-
<u>Operating Expenses</u>					
401-2 Operation and Maintenance Expenses					
Power Production Expenses:					
Fuel					
Net Interchange			13,805	51,291	
Deferred Energy Costs					
Other					5,270 (1)
Transmission Expenses					
Distribution Expenses					
Customer Service & Informational Expense					
Sales Expense					
Administration and General Expenses					425
Total Operation & Maintenance Expenses	-	-	13,805	51,291	5,695
403 Depreciation Expenses					
Amortization of Net Salvage					
Nuclear Decommissioning Expense					
407 Amortization of Property Losses					
408 Taxes Other Than Income Taxes	(117,721)		775	2,420	
Total Operating Expenses Prior To Federal & State Income Taxes	(117,721)	-	14,580	53,711	5,695
Operating Income Prior To Federal and State Income Taxes	(8,286)	-	24,191	0	(5,695)
<u>Federal and State Income Taxes</u>					
409 Federal Income Taxes					
State Income Taxes (3)	(6,933)		12,039		(2,834)
409 Deferred Federal Income Taxes					
Deferred State Income Taxes (3)	(1,353)				
411 Investment Tax Credit Adjustments					
Deferrals					
Amortization - Credit					
Other Income Tax Credits & Charges					
Total Federal and State Income Taxes	(8,286)	-	12,039	-	(2,834)
Operating Income After Federal and State Income Taxes	0	-	12,152	0	(2,861)

- (1) Spread across all labor-related accounts
(2) Combined with Commercial Sales
(3) Federal and State Income Taxes are combined.

	<u>D-6</u>	<u>D-7</u>	<u>D-8</u>	<u>D-9</u>	<u>D-10</u>
<u>Operating Revenues</u>					
400	<u>Electric Revenues:</u>				
	Residential Sales				
	Commercial Sales				
	Industrial Sales (2)				
	Public Street & Highway				
	Lighting Sales				
	Sales for Resale				
	Interdepartmental				
	Total Electric Revenues				
	-	-	-	-	-
	<u>Other Electric Revenues:</u>				
	Late Payment Charges				
	Miscellaneous Service Revenues				
	Rent from Electric Property				
	Other Electric Revenues				
	Total Other Electric Revenues				
	-	-	-	-	-
	Total Operating Revenues				
	-	-	-	-	-
<u>Operating Expenses</u>					
401-2	<u>Operation and Maintenance Expenses</u>				
	<u>Power Production Expenses:</u>				
	Fuel				
	Net Interchange				
	Deferred Energy Costs				
	Other				
					12,526
	Transmission Expenses				
	Distribution Expenses				
	Customer Service & Informational Expense				
	Sales Expense				
	Administration and General Expenses				
	Total Operation & Maintenance				
	Expenses				
	-	-	-	-	12,526
403	Depreciation Expenses	88,195			
	Amortization of Net Salvage	3,552			
	Nuclear Decommissioning Expense				
407	Amortization of Property Losses				
408	Taxes Other Than Income Taxes				
	Total Operating Expenses Prior To				
	Federal & State Income Taxes				
	91,747	-	-	-	12,526
	Operating Income Prior To Federal				
	and State Income Taxes				
	(91,747)	-	-	-	(12,526)
<u>Federal and State Income Taxes</u>					
409	<u>Federal Income Taxes</u>				
	State Income Taxes (3)				
		38,644		(97,103)	(6,234)
409	Deferred Federal Income Taxes				
	Deferred State Income Taxes (3)				
			(70,025)		
411	Investment Tax Credit Adjustments				
	Deferrals				
	Amortization - Credit				
	Other Income Tax Credits & Charges				
	Total Federal and State				
	Income Taxes				
	-	38,644	(70,025)	(97,103)	(6,234)
	Operating Income After Federal and				
	State Income Taxes				
	(91,747)	(38,644)	70,025	97,103	(6,292)
(2)	Combined with Commercial Sales				
(3)	Federal and State Income Taxes are combined				

	<u>D-11</u>	<u>D-12</u>	<u>D-13</u>	<u>D-14</u>	<u>D-15</u>
<u>Operating Revenues</u>					
400 Electric Revenues:					
Residential Sales					
Commercial Sales					
Industrial Sales (2)					
Public Street & Highway					
Lighting Sales					
Sales for Resale					
Interdepartmental					
Total Electric Revenues	-	-	-	-	-
Other Electric Revenues:					
Late Payment Charges					
Miscellaneous Service Revenues					
Rent from Electric Property					
Other Electric Revenues					
Total Other Electric Revenues	-	-	-	-	-
Total Operating Revenues	-	-	-	-	-
<u>Operating Expenses</u>					
401-2 Operation and Maintenance Expenses					
Power Production Expenses:					
Fuel					
Net Interchange		459			
Deferred Energy Costs					
Other	(10,556)	1,917			
Transmission Expenses					
Distribution Expenses		89			
Customer Service & Informational Expense		261			
Sales Expense					
Administration and General Expenses		(7,578)			
Total Operation & Maintenance Expenses	(10,556)	(4,852)			
403 Depreciation Expenses					
Amortization of Net Salvage					8,701
Nuclear Decommissioning Expense					
407 Amortization of Property Losses					
408 Taxes Other Than Income Taxes				741	
Total Operating Expenses Prior To Federal & State Income Taxes	(10,556)	(4,852)	-	741	8,701
Operating Income Prior To Federal and State Income Taxes	10,556	4,852	-	(741)	(8,701)
<u>Federal and State Income Taxes</u>					
409 Federal Income Taxes					
State Income Taxes (3)	5,254	(1,887)		(369)	(4,330)
409 Deferred Federal Income Taxes					
Deferred State Income Taxes (3)		5,155			
411 Investment Tax Credit Adjustments					
Deferrals					
Amortization - Credit					
Other Income Tax Credits & Charges					
Total Federal and State Income Taxes	5,254	3,268	-	(369)	(4,330)
Operating Income After Federal and State Income Taxes	5,302	1,584	-	(372)	(4,371)
(2) Combined with Commercial Sales					
(3) Federal and State Income Taxes are combined					

	<u>D-16</u>	<u>D-17</u>	<u>D-18</u>	<u>D-19</u>	<u>D-20</u>	<u>D-21</u>
<u>Operating Revenues</u>						
400 Electric Revenues:						
Residential Sales						(64,054)
Commercial Sales						(145,674)
Industrial Sales (2)						
Public Street & Highway Lighting Sales						
Sales for Resale				6,548		(1,486)
Interdepartmental				677		
Total Electric Revenues	-	-	-	7,225	-	(211,214)
Other Electric Revenues:						
Late Payment Charges						
Miscellaneous Service Revenues						
Rent from Electric Property						
Other Electric Revenues						
Total Other Electric Revenues	-	-	-	-	-	-
Total Operating Revenues	-	-	-	7,225	-	(211,214)
<u>Operating Expenses</u>						
401-2 Operation and Maintenance Expenses						
Power Production Expenses:						
Fuel	5,360	310				(106,990)
Net Interchange				(3,775)		(100,000)
Deferred Energy Costs						
Other			63,448			
Transmission Expenses						
Distribution Expenses						
Customer Service & Informational Expense						
Sales Expense						
Administration and General Expenses			11,942			
Total Operation & Maintenance Expenses	5,360	310	75,390	(3,775)	-	(206,990)
403 Depreciation Expenses						
Amortization of Net Salvage						
Nuclear Decommissioning Expense						
407 Amortization of Property Losses						
408 Taxes Other Than Income Taxes			350			(4,224)
Total Operating Expenses Prior To Federal & State Income Taxes	5,360	310	75,740	(3,775)	-	(211,214)
Operating Income Prior To Federal and State Income Taxes	(5,360)	(310)	(75,740)	11,000	-	0
<u>Federal and State Income Taxes</u>						
409 Federal Income Taxes						
State Income Taxes (3)	(2,668)		(37,694)	5,474		
409 Deferred Federal Income Taxes						
Deferred State Income Taxes (3)		(154)				
411 Investment Tax Credit Adjustments						
Deferrals						
Amortization - Credit					(10,313)	
Other Income Tax Credits & Charges						
Total Federal and State Income Taxes	(2,668)	(154)	(37,694)	5,474	(10,313)	-
Operating Income After Federal and State Income Taxes	(2,692)	(156)	(38,046)	5,526	10,313	0
(2) Combined with Commercial Sales						
(3) Federal and State Income Taxes are combined						

- Q.3. List and explain all non-recurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years (e.g. -- Non-yearly maintenance programs, etc.).
- A.3. Page A-3 of Company Exhibits TPH-1 and TPH-2 provides a listing of Company adjustments to test year expense items. Detail for these adjustments including explanations are provided in the "D" Sections of these same exhibits.

There are no non-recurring or extraordinary expenses which have not been otherwise identified in the "D" Section of Exhibits TPH-1 and TPH-2.

- Q.4. As a separate item, list extraordinary property losses related to property previously included in cost of service when the gain or loss on this property has occurred or is likely to occur in the future test year. The proposed ratemaking treatment of any extraordinary gains and losses must also be disclosed. Sufficient supporting data must be provided.
- A.4. In accordance with Pa.PUC Order adopted at Docket No. R-842590, the Company on page D-12 of Company Exhibit TPH-2 is claiming amortizations of \$261,000 associated with storm damage expenses and \$459,000 associated with the Pioneer Uranium Project cancellation. Additionally, the Company is claiming an amortization of property loss associated with Salem #1 damaged nuclear fuel assemblies as described on page D-17 of Exhibit TPH-2.

- Q.5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written off in each of the last three calendar years.
- A.5. The Company does not maintain a reserve for uncollectible accounts. Amounts are charged to expense (Account 904) when they become uncollectible. Page B-13 of Company Exhibit TPH-1 provides the Company's actual electric operations uncollectible accounts expense for the fiscal years ended June 30, 1983, 1984 and 1985. Page B-13 of Company Exhibit TPH-2 provides the estimated electric operations uncollectible accounts expense for the fiscal year ended June 30, 1986. The table below provides the uncollectible accounts expense for electric operations for the calendar years 1982 to 1984.

<u>Twelve Months Ending December</u>	<u>Electric Operations Uncollectible Accounts</u>
1982	\$16,848,344
1983	16,011,699
1984	16,808,145

- Q.6. Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.
- A.6. The Company is claiming rate case expense associated with the present case, ECR #8 Investigation, ECR #9 Investigation, and Limerick II Show Cause Investigation as well as expenses associated with certain previous cases as allowed in Commission Orders.

Attachment II-D-6 provides detail of rate case expense as reflected on page D-12 of Exhibits TPH-1 and TPH-2.

Philadelphia Electric Company
Rate Case Expense

	RID 129 (1)	RID 295 (2)	RID 438 (3)	RID 865 (4)	Total Prior Cases to be Amortized	R-850152	ECR #8	ECR #9	Limerick II Show Cause
Cost of Money Consultants	\$15,310	\$45,464	\$16,246	\$58,573	\$135,593	\$100,000	-	-	-
Legal Consultants	290,434	265,535	428,075	315,571	1,299,615	2,200,000	\$875,000	\$360,000	\$1,500,000
Plant Consultants	9,314	105,315	51,136	70,576	236,541	190,000	-	-	-
Technical Consultants	-	-	-	-	-	-	185,000	200,000	3,525,000
Rate Consultants	-	14,797	3,042	-	17,839	-	-	-	-
Pa. PUC Consultants	-	-	-	-	-	-	585,000	-	-
Consumer Notification	83,896	87,507	112,295	52,311	336,009	60,000	-	-	-
Data Processing	50,424	127,819	225,015	159,434	562,692	100,000	-	20,000	400,000
Travel, Hotel & Misc. Expense	20,605	8,205	14,639	18,522	61,971	30,000	5,000	20,000	75,000
Total Actual Cost	\$469,993	\$654,642	\$850,448	\$674,987	\$2,650,060	\$2,680,000	\$1,650,000	\$600,000	\$5,500,000
Total Claimed Cost	363,000	447,000	850,000	536,000	2,196,000				
Total Allowed Cost	\$313,000	\$447,000	850,000	536,000	2,146,000				
Unamortized Allowed Prior Rate Case Expense	609,000	-	-	-	609,000				
Total Amortizable Rate Case Expense	\$922,000	\$447,000	\$850,000	\$536,000	\$2,755,000				

Q.7. Submit schedules for the test year and for the 12 month period immediately prior to the test year showing by major components, if included in claimed test year expenses, the expenses incurred in each of the following expense categories:

- a. miscellaneous general expenses (including Account 930),
- b. outside service expenses,
- c. regulatory commission expenses,
- d. advertising expenses, including such advertising engaged in by trade associations whenever the utility has claimed any contribution to such trade association as a ratemaking claim (provide explanation of types and purposes of such advertising),
- e. research and development expenses (provide a listing of major projects), and
- f. charitable and civic contributions (by recipient and amount).

Explain any major variances between the test year expenses and those expenses for the prior 12 month period.

A.7. a,b,c.

- Attachment II-D-7a provides the requested data.
- d. Attachment II-D-7a provides the requested data. The indicated EEI monies (\$192,000) reflect expenses relating to value of service, reliability, corporate responsibility and environmental concerns.
 - e. Attachment II-D-7b provides the requested data.
 - f. The Company does not make any charitable or civic contributions which are included in test year expenses. All contributions of this type are paid from return on stockholder equity.

Major account variations are as follows:

Account 928-0 Regulatory Expense (Variation \$-7,248,000)

This variation is discussed in interrogatory II-D-1.

Account 930-2-1100 Annual Report to Shareholders (Variation \$438,000)

This variation is attributable to the timing of payments for services actually rendered and the predicted budgeted payments of these expenditures.

Account 930-2-3100 Assoc. Dues for Company Membership (Variation \$886,000)

This variation consists primarily of payments made for PECO's share of the TMI cleanup expenses (\$755,800) that are budgeted to this account in the year ending June 30, 1986. Actual payments for the year ending June 30, 1985 were included in Account 930-2-9100.

Account 930-2-9100 Subscriptions (Variance -\$477,000)

Reference variance explanation for account 930-2-3100. In addition, INPO charges (\$220,700) are budgeted to this account in the year ending June 30, 1986. Actual charges for the year ending June 30, 1985 were included in account 930-2-3100.

Philadelphia Electric Company - Electric Operations

EXPENDITURES ASSOCIATED WITH OUTSIDE
SERVICES EMPLOYED, REGULATORY COMMISSION
EXPENSES, GENERAL ADVERTISING AND MISCELLANEOUS GENERAL EXPENSES
(\$1,000)

<u>Account</u>	<u>12 Months Ended</u>		
	<u>6/30/85</u>	<u>6/30/86</u>	
909-0	Informational and Instructional Advertising Expense	\$1,955	\$2,029
-2000	Residential Conservation Service Program	5	12
-2100	General	133	699
-2101	Cost and Use of Services	2	3
-2102	Energy Conservation (Efficient Use)	436	-
-2103	Education, Training and Other Information	3	-
-2200	New Conservation Programs	-	25
	Total	\$2,534	\$2,768
913-0-2100	Advertising Expenses - General	\$101	\$340
-2103	Education, Training and Other Information	54	-
	Total	\$155	\$340
923-0	Outside Services Employed		
-1	Special Services	\$2,425	\$2,398
-2	Legal Services	2,269	2,461
	Total	\$4,694	\$4,859
928-0	Regulatory Commission Expense	\$11,601	\$4,353
930-1	General Advertising		
	EEI	170	192
	Other	1,198	1,341
930-2	Miscellaneous General Expenses		
-1100	Annual Report to Stockholders	586	1,024
-1200	Information Letter to Stockholders	37	11
-1300	TRASOP Distribution	39	-
-2100	Stockholders Meeting Expense	411	53
-2200	Dividend Advertising	45	30
-3100	Assoc. Dues for Co. Membership	709	1,595
-4100	Transfer Agent Fees	184	217
-4300	Trustees Fees	227	340
-5100	Directors Fees	181	-
-6100	Research & Development Expenditures	2,540	2,536
-7400	Nuclear Manpower Recruiting	58	-
-7500	Employee Relocation Expense	80	-
-8200	Amort. Combustion Turbine Lease Can.	10,027	9,191
-9100	Subscriptions	1,499	1,022
-9400	Systems Development Expense	121	-
-9403	Education, Training, & Other Info.	27	12
	Awareness Week	-	-
-9900	Miscellaneous	214	229
	Total - 930 Account	\$18,353	\$17,793

Attachment II-D-7b
4 Sheets

ELECTRIC R&D PROJECTS

TEST PERIOD: JULY 1, 1984 through JUNE 30, 1985
=====

TOTAL PERIOD

ELECTRIC R&D PROJECTS

R&D Projects within the company

ENERGY CONVERSION SECTION RESEARCH PROJECTS

Fossil Fuel Power Research	\$70,599
Hydroelectric Power Research	\$25,730
Nuclear Power Research	\$216,041
Advanced Energy Conversion, Internal Combustion Engines & Other Power Research	\$225,914
System Control, Planning & General Research	\$584,352
Consulting Services	\$1,988

ENERGY DISTRIBUTION SECTION RESEARCH PROJECTS

Electric Transmission Research	\$88,613
Electric Distribution Research	\$190,713
Power Utilitization & Other Research including Automatic Remote Meter Reading Project	\$548,576

E. E. DIVISION PROJECTS \$12,229

M. E. DIVISION RESEARCH PROJECTS

Peach Bottom #2 & #3 Aquatic Biology & Thermal Plume Studies	\$170,508
Operation of Fish Collection Facility	\$255,478
Environmental Assessment - Conowingo and Other	\$445,810

APPLICATIONS DEPARTMENT RESEARCH PROJECTS \$97,676

REAL ESTATE DEPARTMENT RESEARCH PROJECTS \$276,710

ELECTRIC R&D PROJECTS

TEST PERIOD: JULY 1, 1984 through JUNE 30, 1985

TOTAL PERIOD

R&D Projects outside the Company

EEI/EPRI Research Program		\$6,338,292
GCRA HTGR		\$360,000
Other R&D Projects outside the Company		\$105,426
ELECTRIC RESEARCH TOTAL	*****	\$10,014,656

ELECTRIC R&D PROJECTS

TEST PERIOD: JULY 1, 1985 through JUNE 30, 1986

TOTAL PERIOD

ELECTRIC R&D PROJECTS

R&D Projects within the company

ENERGY CONVERSION SECTION RESEARCH PROJECTS

Fossil Fuel Power Research	\$62,670
Hydroelectric Power Research	\$11,796
Nuclear Power Research	\$260,965
Advanced Energy Conversion, Internal Combustion Engines & Other Power Research	\$113,340
System Control, Planning & General Research	\$584,976
Consulting Services	\$2,976

ENERGY DISTRIBUTION SECTION RESEARCH PROJECTS

Electric Transmission Research	\$186,498
Electric Distribution Research	\$224,382
Power Utilization & Other Research including Automatic Remote Meter Reading Project	\$534,496

E.E. DIVISION PROJECTS \$19,854

M.E. DIVISION RESEARCH PROJECTS

Peach Bottom #2 & #3 Aquatic Biology & Thermal Plume Studies	\$109,624
Operation of Fish Collection Facility	\$249,126
Environmental Assessment - Conowingo and Other	\$804,168

APPLICATIONS DEPARTMENT RESEARCH PROJECTS \$54,000

REAL ESTATE DEPARTMENT RESEARCH PROJECTS \$180,000

ELECTRIC R&D PROJECTS

TEST PERIOD: JULY 1, 1985 through JUNE 30, 1986

TOTAL PERIOD

R&D Projects outside the Company

EEI/EPRI Research Program		\$6,536,100
GCRA HTGR		\$470,800
Other R&D Projects outside the Company		\$33,076
ELECTRIC RESEARCH TOTAL	*****	\$10,438,847

- Q.8. Provide an analysis by function of charges by affiliates, for the test year and the 12 months period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of such service and the basis on which charges or allocations are made; including a copy of any applicable contract. Also, explain any major variances between the charges for the test year and the corresponding charges for the prior 12 month period.
- A.8. Philadelphia Electric Company had no charges by affiliates for services rendered included in its operating expenses for the test year or for the 12 months period ended prior to the test year.

- Q.9. Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for, the cost thereof, the accounting treatment and whether included in claimed test year expenses.
- A.9. The table below provides the service organization memberships paid for by Philadelphia Electric Company on behalf of its employees for the years ending June 1985 and June 1986.

	12 Months Ended June	
	<u>1985</u>	<u>1986</u>
Kiwanis Club	\$709	\$826
Lions Club	1,518	1,554
Optimist Club	535	618
Rotary Club	2,400	2,930
Soroptimist Club of Philadelphia	75	108
Variety Club	85	93

The Company made no payments for social organization memberships during the historic year and budgets no such payments for the future year.

Service organization membership fees are included in the operating expenses of the Company and are reflected in the Company's claimed test year expenses.

- Q.10. Provide the following payroll and employee benefit data (regular and overtime) separately for the test year and for the 12 month period immediately prior to the test year:
- a. the average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel,
 - b. the average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with non-union personnel,
 - c. the average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expenses associated with management employees (if different than b.),
 - d. a summary of the wage rate, salary and employee benefit changes granted or to be granted during the year,
 - e. the claimed test year payroll expense and employee benefit expense, and
 - f. the percentage of payroll expenses and employee benefit expenses applicable to operation and maintenance expenses and the basis thereof.

A.10.a,b,c,e

The Company's number of employees and unadjusted annual payroll expense by the categories requested is maintained on a total basis only for budget purposes and is not segregated between union, non-union and management personnel. Page D-5a of Exhibit TPH-2 provides the numbers of employees and annual payroll on this total basis only for the period ending June 30, 1986. Page D-5a of Exhibit TPH-1 provides the numbers of employees and annual payroll on a total basis only for the historic period ending June 30, 1985. Included in these figures are \$2,300,000 of payroll expense for the officers of the Company. The Company has a total of twelve employees whose wages and working conditions are covered by union contract. These employees are located at the Company's Chester facility. Their salary and benefits are identical to non-union personnel.

Attachment II-D-10a provides a summary of total benefit expense for the 12 months ending June 30, 1985 and June 30, 1986. A breakdown of employee benefits and costs for union, non-union and management personnel is not available. Management and non-management personnel are entitled to the same benefits.

Page D-5 of Exhibit TPH-2 annualizes the Company's wage rates and pensions and benefits expenses to year-end conditions as of June 30, 1986. Page D-5 of Exhibit TPH-1 provides similar data for the historic test year. Additional discussion of adjustment D-5 is provided in the Direct Testimony of T. P. Hill, Jr.

- d. Effective August 1, 1985, the Company granted a 5.4% percent increase to the base pay rates of Philadelphia Electric Company regular employees. The annual effect of this increase for the test year ending June 30, 1986 is \$23,769,563 of which approximately \$14,024,000 would represent the expense applicable to the Company's electric operation.

Included in the August 1, 1985 general wage increase was the Company's assumption of the increased cost of hospitalization, major medical and dental premiums and implementation of an early retirement benefit in the pension plan.

In addition to the August 1, 1985 general wage increase, the Company grants progression wage increases throughout the test year. Attachment II-D-10b provides a listing, by month, together with the annual effect of the merit increases granted by the Company during the test year ended 6/30/85. Merit increases on a monthly basis are unavailable for the test year ending 6/30/86.

The total annual effect of the wage increase granted and budgeted by the Company for the test years ended 6/30/85 and 6/30/86 are as follows:

	<u>Year End</u> <u>6/30/85</u>	<u>Budget Year End</u> <u>6/30/86</u>
General Wage Increases	\$24,011,242	\$23,769,563
Merit Increases	<u>12,515,664</u>	<u>4,555,903</u>
Total Annual Effect (Total Company)	\$36,526,906	\$28,325,466

- f. The percentage of payroll expenses and employee benefit expense applicable to Electric Operations is provided on Page D-5a of Exhibit TPH-1. The Company's allocation of these costs is done in accordance with the General Instructions of the FERC Uniform System of Accounts and has been reviewed by FERC in compliance audits. Specifically the following three methods of cost allocation are utilized:

1. Work in Progress - Costs are collected in balance sheet accounts. Charges for time worked on specific projects are credited to the balance sheet accounts and the specific project is debited.
2. Fixed Clearances - Costs are allocated on a fixed basis for one year. The allocation percentages are determined based on operating and maintenance expenses, excluding fuel.
3. Functional Analysis - Costs are allocated for one year based upon an analysis of how time is spent during a specific time period.

Philadelphia Electric Company
EMPLOYEE PENSIONS AND BENEFITS

12 Months Ended June 30, 1985

	\$1,000			Total
	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>	
Pensions	\$26,908	\$4,016	\$625	\$31,549
Employee Benefits				
Contributions to Athletic Assoc.	48	7	1	56
Contributions to Employees Assoc.	44	6	1	51
Employee Educational Refunds	370	56	8	434
Group Insurance	1,115	166	25	1,306
Hospitalization Premium	15,145	2,260	352	17,757
Dental Health Plan	1,169	175	28	1,372
Other	4,210	629	98	4,937
Total Pensions & Benefits	<u>\$49,009</u>	<u>\$7,315</u>	<u>\$1,138</u>	<u>\$57,462</u>

12 Months Ended June 30, 1986

	\$1,000			Total
	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>	
Pensions	\$29,009	\$4,437	\$683	\$34,129
Employee Benefits				
Contributions to Athletic Assoc.	56	9	1	66
Contributions to Employees Assoc.	65	10	2	77
Employee Educational Refunds	452	69	11	532
Group Insurance	1,506	230	35	1,771
Hospitalization Premium	16,623	2,542	391	19,556
Dental Health Plan	1,629	249	38	1,916
Other	4,820	737	113	5,670
Def. Lim. Pensions & Benefits	(5,875)	-	-	(5,875)
Total Pensions & Benefits	<u>\$48,285</u>	<u>\$8,283</u>	<u>\$1,274</u>	<u>\$57,842</u>

Merit Increases
12 Months Ended June 30, 1985

July 1985	\$57,751
August	71,658
September	45,054
October	264,139
November	46,147
December	111,850
January 1985	46,437
February	60,088
March	66,486
April	69,225
May	110,130
June	<u>94,007</u>
	\$1,042,972
	<u> x 12</u>
Annual Effect	\$12,515,664

- Q.11. Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.
- A.11. Attachment II-D-11 (2 sheets) provides the requested leasing and rental data.

Leased Equipment (Third Party)

<u>Category</u>	<u>Leased From</u>	<u>Term</u>	<u>Start of Lease</u>	<u>End of Lease</u>	<u>Monthly Amount</u>
IBM 2914 (Channel Switch)	Finalco	24 Mo	4/84	3/86	\$830
IBM 3505/3525 (Reader/Punch)	Finalco	12 Mo.	8/85	7/86	1,075
IBM 3033 (C.P.U.)	G.E.C.C.	24 Mo.	1/84	12/85	30,390
IBM 3420 (Tape Storage)	B.L.C.	36 Mo.	4/84	3/87	747
IBM 3380/3880 (Disk Storage)	B.L.C.	36 Mo.	4/83	3/86	135,454
IBM 3081 (C.P.U.)	C.I.S.	48 Mo.	12/83	11/87	112,535
IBM 3081 (C.P.U.)	C.I.S.	48 Mo.	3/84	2/88	95,587
IBM 3081 (C.P.U.) - Upgrades	B.L.C.	36 Mo.	12/84	11/87	12,445
IBM Personal Computers	B.L.C.	36 Mo.	11/83	10/86	18,216
CRT/Printers/Controllers	B.L.C.	36 Mo.	11/83	10/86	116,860
Data Entry - Key to Disk	B.L.C.	36 Mo.	12/84	11/87	13,926
17 Gas Turbines	PNB	25 Yrs.	4/72	10/96	(a)
Mgo Regeneration Facility (Essex)	Fidelity Union	12 Yrs.	12/83	12/95	2,775,982
(Semi-Annually)					
Mgo Regeneration Facility (Allied)	Comm. Bank & Trust	11 Yrs.	12/84	12/95	4,710,979
(Semi-Annually)					
<u>Computer Leases (Vendor)</u>					
Unit Record (Incl.Laser Printers)	I.B.M.	12 Mo.	10/84	9/85	\$43,471
Line Printers	S.T.C	Month to Month			3,201
CRT/Printers/Controllers	I.B.M.	24 Mo.	7/84	6/86	23,851
CRT/Printers	Telex	24 Mo.	12/84	11/86	22,189
Printer	Zerex	24 Mo.	2/84	1/86	1,565
Equipment & Lines	AT&T	Month to Month			50,209
Back-up Facilities	Sun Info	60 Mo.	1/85	12/89	13,220
<u>Maintenance on Leased/Owned Equipment</u>					
Unit Record	I.B.M./S.T.C.				\$8,246
C.P.U.	I.B.M.				16,756
Disk Storage	I.B.M.				19,135
Tape Storage	I.B.M.				6,979
CRT/Printers/Controllers	I.B.M.				33,195
CRT/Printers	I.B.M.				12,060
Back-up Printer	C.C.I.				451
Back-up Micrographics	C.V. Micro				542
Graphics	Nicolet/Matrix				593
<u>Rentals (Vendor) (Includes Maintenance)</u>					
Software	Various				\$52,569
CRT/Printer/Controllers	I.B.M.				13,986
Unit Record (Incl.Laser Printer)	I.B.M.				21,168
Data Entry - Key Punches	I.B.M./				
	Tab Products				356
- Optical Scanners	World Wide				16,063
EAM - Tab Equipment	I.B.M.				1,933
Dispatch & Micrographics - Microfiche Equipment	Datagraphics				3,265

(a) The lease agreement states that lease payments are to be made over 25 years in 50 consecutive semi-annual payments. Payments are due April 1 and October 1 and the first payment was made on April 1, 1982. The first 20 installment payments are \$1,330,000 and the next 30 installments are payable in the amount of \$2,279,703. It should be noted that these turbines are scheduled for retirement in 1985 and have been excluded from test year claims (see page D-11 of Exhibit TPH-2).

<u>Office Space Rentals</u>	<u>Original Term</u>	<u>Expiration Date</u>	<u>Annual Rental</u>
Delta Office	5 Yrs. Year to year	6/30/88	\$4,700.00
Pottstown Office	5 Years Yr-to-Yr Annual Adj.	2/28/88	4,800.00
Ingleside Center District Office	5 years	10/31/90	\$25,345.00
Upper Darby Office	5 years with three 5 year options each with cpi Ajustments	10/31/87	\$45,000.00
Central Meter Shop	20 yr. term, 5 yr cpi adjs.	5/31/2001	\$148,200.00
West Philadelphia Office	5 years	11/30/89	\$43,480.00
North Philadelphia Office	5 years renewed for 7 yrs with cpi adj	2/28/92	55,000.00
4032-4040 Chestnut Street	5 years with one 5 year option	7/31/87	\$71,000.00
Germantown Office	20 years then Year to year	9/4/2000	\$44,700.00
Rising Sun Plaza Office	5 years with one 5 year option to renew	1/31/90	\$56,275.00
Plymouth Meeting Mall Office	5 years with one 5 year option to renew	11/30/87	\$38,000.00
2300 Market Street Office	5 years, 90 day notice	3/2/87	\$347,932.00
Harrisburg Office	Month to Month	-	\$4,525.00
Willow Grove Shopping Center Office	5 yrs with option: 5 yrs or yr to yr Began: Dec. 4, 1983	12/3/88	\$37,840.00
Eastern Division District Office	5 yrs then month to month Began: June 14, 1983	6/14/88	\$9,129.00
828 Lancaster Avenue Bryn Mawr, PA Merchandise Sales	effective 5/1/85 Term: 6 yr + one month	5/31/91	\$36,000.00

Q.12. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent two year period.

A.12. Effective January 1, 1984, the Company adopted the Statement of Financial Accounting Standards No. 71 (SFAS 71) "Accounting for the Effects of Certain Types of Regulation." SFAS 71 results in the recognition of certain assets and liabilities which had not previously been recognized in financial statements in conformity with the ratemaking treatment. The Consolidated Balance Sheets and Statements of Changes in Financial Position for periods prior to January 1, 1984 have been restated to reflect retroactive adoption of SFAS 71. Retroactive adoption had no effect on consolidated operating revenues, operating income, net income, or retained earnings. The principal effect of the retroactive adoption of SFAS 71 is the recognition of capital leases. As a result of such adoption, assets and liabilities at December 31, 1983 have increased approximately \$400 million from the amounts previously reported.

Page 22 of Attachment III-F-1b provides the independent audit report of the Company's operations for the years 1983 and 1984 conducted by the auditing firm of Coopers and Lybrand.

Attachment II-D-12 provides a listing of the audits conducted by the Company's Internal Auditing Department for the period 7/83 through 6/85.

In addition, the Audit Bureau of the Pennsylvania Public Utility Commission completed in June 1984 an audit of fuel expense for all 1982 operations and is currently completing an audit of the company's continuing property records.

INTERNAL AUDITING DIVISION

AUDIT REPORTS

July 1, 1983 to June 30, 1985

<u>Date</u>	<u>Title</u>	<u>No. of Pages</u>
7/8/83	Audit of Limerick Gen. Station, Bechtel Power Corp., Interim #59, (LIM 83-3)	5
7/18/83	Inventories of Fossil Fuel in Stock, PECO	10
7/20/83	Audit of Employment Div., Personnel & Industrial Relations	6
7/26/83	Commercial Operations, Cust. Service & Accts. Dept., Cust. Operations - South District, Audit of Timekeeping & Employees' Expenses	3
7/26/83	Inventory of Materials & Supplies, Coatesville Service Bldg. Storeroom #362	3
7/28/83	Inventory of Materials & Supplies, North Wales Service Bldg. Storeroom #351	5
8/11/83	Inventory of Materials & Supplies, Doylestown Service Bldg. Storeroom #353	3
8/12/83	Audit of the Administration of the Gas Heating Service Contract Plan	8
9/27/83	Audit of GE/Hake, Inc., Contractual Terms & Manpower Utilization, Peach Bottom Generating Station	3
8/23/83	Inventory of Materials & Supplies, Chester Service Bldg., Storeroom #370	4
8/23/83	Inventory of Materials & Supplies, Newtown Service Bldg., Storeroom #377	4
8/30/83	Follow-up Audit of Cust. Mediation Services, Commercial Operations Dept.	3
9/7/83	Review of Dividend Check Reconciliation - Common & Preferred Stock	2
9/8/83	Audit of Limerick Gen. Station, Bechtel Power Corp., Interim #60, LIM 83-4	5
9/12/83	Inventory of Materials & Supplies, Cromby Gen. Station, Storeroom #384	3
9/12/83	Inventory of Materials & Supplies, Delaware Gen. Station, Storeroom #322	3
9/27/83	Audit of Treasury Division	5
9/28/83	Audit of Increased Mailing Expenditures	2
9/29/83	Audit of Moneys Escheated to the States of PA & MD	2
10/3/83	Business Review of Invoices Paid	2
10/18/83	Joint Audit-Public Service Elec. & Gas Co./Cavalla Energy Exploration & Drilling Costs	9
10/20/83	Audit of Eastern PA Development Co., Adwin Companies	4
10/19/83	Audit of Muddy Run Recreation Park	6
11/16/83	Audit of Limerick Gen. Station, Bechtel Power Corp., Interim #61, Selected Records & Activities	3
11/22/83	Inventory of Materials & Supplies, Peach Bottom - Storeroom #387	4
11/22/83	Audit of GE Nuclear Steam Supply Sys. Contract Project Cost Collection & Mgmt. Control Sys., Limerick Gen. Station	10

INTERNAL AUDITING DIVISION

AUDIT REPORTS

July 1, 1983 to June 30, 1985

<u>Date</u>	<u>Title</u>	<u>No. of Pages</u>
12/7/83	Inventory Audit Merchandise Dept., Commercial Operations	9
12/7/83	Re-Inventory of Coal Stored on the Ground at Cromby & Eddystone Gen. Stations	3
12/12/83	Limerick Gen. Station, Bechtel Power Corp., Interim #63 Cost Acctg. System	5
12/20/83	Inventory of Materials & Supplies, Phoenixville Ser. Bldg. Storeroom #345, Pottstown Ser. Bldg. Storeroom #346	5
12/28/83	Bechtel Power Corp., Limerick Gen. Station, Interim #62 San Francisco Home Office Billing	4
12/29/83	Inventory of Materials & Supplies, Overhead Transmission Center, Storeroom #305	7
1/20/84	Audit of Building Security, Bldg. Mgmt. Div., Purchasing and General Services	4
1/31/84	Inventory of Materials & Supplies, Plymouth Service Bldg. Storeroom #347	3
2/2/84	Audit of Master Lease Billings	4
2/2/84	Audit of Merchandise Sales Ticket System, Non Energy Billing System, Merchandise Dept., Commercial Oper.	4
2/2/84	Inventory of Stores Division Equipment, Plant Acct. #4393.0, Common Plant	3
2/7/84	Audit of Commercial Operations, Customer Operations, Eastern Division	10
2/9/84	Audit of Selected Records & Activities, Gas Distribution & Utilization Dept., Gas Operations	10
2/28/84	Inventory of Materials & Supplies, Shunk Service Bldg., Storeroom #302	3
2/29/84	Auditor's Confirmation Requests - 1983	3
3/2/84	Audit of Limerick Gen. Station, Bechtel Power Corp., Interim #64, Field Reproduction	4
3/13/84	Inventory of Materials & Supplies, Warminster Service Bldg., Storeroom #352	4
3/13/84	Inventory of Materials & Supplies, Southwark Gen. Station Storeroom #312	3
3/29/84	Limerick Gen. Station, Bechtel Power Corp., Interim #65 Owens Corning Fiberglass	4
4/3/84	Audit of Billing (Revenue), Customer Information System	3
4/11/84	Limerick Gen. Station, Audit of G.E., Nuclear Steam Supply System Contract, Project Cost Collection and Mgmt. Control Systems	2
4/30/84	Audit of Selected Records & Activities, Banking Section, Treasury Div., Finance & Acctg. Dept.	6
5/9/84	Acctg. for General Service Bill Books & Limited Follow-up of Audit of Gas Distribution & Utilization Dept.	3
5/9/84	Audit of University City Science Center Project, University Substation & Science Center Condominium Bldg.	6

INTERNAL AUDITING DIVISION

AUDIT REPORTS

July 1, 1983 to June 30, 1985

<u>Date</u>	<u>Title</u>	<u>No. of Pages</u>
5/29/84	Inventory of Materials & Supplies, Oregon Maintenance Shops, Storeroom #331	2
5/29/84	Inventory of Materials & Supplies, Central Warehouse Berwyn, Storeroom #303	7
6/1/84	Limerick Gen. Station, Bechtel Power Corp., Interim #66, Schneider Incorporated	10
6/11/84	Audit of Field Requisitioning & Timekeeping, T&D Operations, Phila. Division	14
6/13/84	Inventory of Materials & Supplies, Muddy Run Pumped Storage Plant, Storeroom #335	2
6/13/84	Review of Materials & Supplies, Storeroom #354, Bradero Price, Inc., Storage Yard	1
6/14/84	Audit of Commercial Operations, Customer Operations - Phila. Div., North District	7
6/19/84	Inventory of Materials & Supplies, Conowingo Power Co., Service Bldg. Storeroom #901	2
6/20/84	Audit of Miscellaneous Sales Ticket & Miscellaneous Credit Ticket Books	1
6/21/84	Inventory of Materials & Supplies, West Chester & West Grove Service Bldgs., Storerooms #359 & #396	5
6/22/84	Inventory of Materials & Supplies, Concord & Planebrook Service Bldgs., Storerooms #392 & #374	4
7/19/84	Limerick Gen. Station, Bechtel Construction, Inc., Interim #68, Field Timekeeping	6
7/30/84	Audit Review of PECO 401(K) Savings Plan, Employee Services Div., Personnel & Industrial Relations Dept.	7
8/1/84	Periodic Review of Business Air Travel	3
8/6/84	Audit of Cash Receipts & Selected Customers Acctg. Records, Customers Acctg.	5
8/7/84	Phila. Electric Co., Audit of Nuclear Fuel, Inventories and Expenses	7
8/28/84	Avis Automobile Rental	3
8/29/84	Audit of Treasury Div., Stock Transfer Operations	7
9/5/84	Review of Field Requisition and Contract Labor, Suburban Divisions	4
9/27/84	Inventory of Materials & Supplies, Oreland Service Bldg., Storeroom #356	3
10/2/84	Inventory of Materials & Supplies, Ardmore Service Bldg., Storeroom #357	3
10/2/84	Inventory of Materials & Supplies, Morton Service Bldg., Storeroom #380	3
10/9/84	Limerick Gen. Station, Bechtel Construction, Inc., Interim #69, Data Processing Costs & Operations	5
10/24/84	Audit of MgO Regeneration Operation, Allied Chemical Corp., Essex Chemical Corp.	6

INTERNAL AUDITING DIVISION

AUDIT REPORTS

July 1, 1983 to June 30, 1985

<u>Date</u>	<u>Title</u>	<u>No. of Pages</u>
11/5/84	Audit of Plant Acctg. Div., Finance & Acctg. Dept.	5
11/16/84	Limerick Gen. Station, Bechtel Construction, Inc., Interim #70, Job-Owned Construction Equipment	6
11/16/84	Audit of Commercial Operations, Customer Operations, Credit Services	8
11/16/84	Inventory Audit, Materials & Supplies, Conowingo Dam, Storeroom #910 & Delta Service Bldg., Storeroom #394	4
11/29/84	Audit of Transmac Venture, Exploration & Development, Drilling Costs	2
12/27/84	Inventory of Coal in Storage, Cromby Generating Station, & Eddystone Generating Station	3
1/10/85	Inventory of Emergency & Excess, Materials & Supplies, Plymouth Service Bldg., Storeroom #347	3
1/17/85	Electric Meter Inventory & Gas Meter Inventory, Phila. Electric Co., Conowingo Power Co.	8
1/24/85	Audit of Health Care Costs, Employee Services Div., Personnel & Industrial Relations	10
1/23/85	Audit of Payroll Division Operations, Finance & Acctg. Dept.	4
1/28/85	Inventory of Materials & Supplies, Christian Street Service Bldg., Storeroom #333	3
1/29/85	Inventory of Materials & Supplies, Limerick Gen. Station, Storeroom #348	6
1/31/85	Auditor's Confirmation Requests 1984	1
2/5/85	Analysis of Invoices Submitted by Towers, Perrin, Forster, & Crosby (TPF&C) for Services provided during the period from Nov. 1983 through Oct. 31, 1984	3
2/6/85	Inventory of Materials & Supplies, Reusable Equip., Bushings & Tilghman Street Gas Plant, (Storeroom #369)	5
2/20/85	Audit of Treasury Div., Finance & Acctg. Dept., Selected Records & Activities	8
2/20/85	Limerick Gen. Station, Bechtel Construction, Inc., Interim #71, San Francisco Home Office Audit	7
3/8/85	Audit of Commercial Operations, Customer Operations, Conowingo Power Co.	12
3/11/85	Limerick Gen. Station, Bechtel Construction, Inc., Interim #72, Selected Records & Activities	3
3/19/85	Phila. Electric Co., Audit of Peach Bottom Billings	6
3/26/85	Limerick Gen. Station, Bechtel Construction, Inc., Interim #73, Field Procurement	7
3/27/85	Audit of Fossil Fuel Procurement, Phila. Electric Co.	8
3/28/85	Inventory Audit Materials & Supplies, & Direct Delivery System, Central Warehouse	7
4/9/85	Inventory of Materials & Supplies, Eddystone Gen. Station, Storeroom #321	3
4/19/85	Special Agreement Study	2

INTERNAL AUDITING DIVISION

AUDIT REPORTS

July 1, 1983 to June 30, 1985

<u>Date</u>	<u>Title</u>	<u>No. of Pages</u>
4/22/85	Commercial Operations, Customers Acctg., Customer Payment Section	5
5/1/85	Equipment Parts Information Center, Gas D&U Dept., Gas Operations	3
5/1/85	Limerick Gen. Station, Audit of G.E. Nuclear Steam Supply System Contract, Project Cost Collection & Mgmt. Control System	3
5/31/85	Peach Bottom Atomic Power Station, Bartlett Nuclear, Inc.	5
6/12/85	Gas Operations, Gas Distribution & Utilization Dept., Utilization Section, Delaware & Eastern Divisions	4
6/20/85	LGS, Bechtel Construction, Inc., Interim Rpt. #74, Material Control - Surplus, Scrap Metal, & Hazardous/Controlled Waste	6
6/24/85	Follow-up Audit of Timekeeping & Hired Equipment, Phila. Div., Electric T&D	5

- Q.13. Regardless of whether a claim for negative or positive net salvage is made, attach an exhibit showing gross salvage, cost of removal, third party reimbursements, if any, and net salvage for the test year and four previous years.
- A.13. The Company's actual net negative salvage claims for the test years ended 6/30/85 and 6/30/86 are presented on page D-6 of Exhibits TPH-1 and TPH-2 respectively.

Attachment II-D-13a provides the requested gross salvage, cost or removal and net salvage associated with the Company's electric plant for the fiscal years ended June 30, 1981-1985. Third party reimbursements are included in these figures.

Attachment II-D-13b provides similar data for the Company's common plant.

Philadelphia Electric Company
Electric Plant
Gross Salvage, Cost of Removal and Net Salvage
For 12 Months Ending June 30, 1981 through 1985

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Gross Salvage	\$5,468,738.34	\$3,377,475.87	\$3,564,831.80	\$4,240,175.99	\$2,119,706.62
Cost of Removal	4,968,602.94	6,159,871.43	7,594,121.14	7,586,242.59	10,347,104.46
Net Salvage	\$500,135.40	(\$2,782,395.56)	(\$4,027,289.34)	(\$3,346,066.60)	(\$8,227,397.84)

Note: Figures include third party reimbursements

Philadelphia Electric Company
 Common & Transportation Plant
 Gross Salvage, Cost of Removal and Net Salvage
 For 12 Months Ending June 30, 1981 through 1985

	1981	1982	1983	1984	1985
Gross Salvage					
Common	(\$717,023.37)	(\$214,866.52)	\$1,661,614.76	\$1,050,288.52	(\$1,753,255.29)
Transportation	347,707.88	188,132.19	600,706.36	287,281.82	178,354.20
Total	(\$369,315.49)	(\$26,734.33)	\$2,262,321.12	\$1,337,570.34	(\$1,574,901.09)
Cost of Removal					
Common	(16,126.10)	85,782.84	129,175.18	381,826.38	(248,449.54)
Transportation	21,364.46	22,971.76	26,877.57	34,276.05	23,839.44
Total	\$5,238.36	\$108,754.60	\$156,052.75	\$416,102.43	(\$224,610.10)
Net Salvage					
Common	(700,897.27)	(\$300,649.36)	1,532,439.58	668,462.14	(1,504,805.75)
Transportation	326,343.42	165,160.43	573,828.79	253,005.77	154,514.76
Total	(\$374,553.85)	(\$135,488.93)	\$2,106,268.37	\$921,467.91	(\$1,350,290.99)

Note: Figures include third party reimbursements

- Q.14. State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.
- A.14. Page D-9 of Exhibit TPH-2 provides the proforma interest charges utilized for income tax calculations based on the Company's year end rate base and embedded cost of debt for the test year ended 6/30/86. The debt interest utilized contained no allocations from the debt interest of an affiliate. Page D-9 of Exhibit TPH-1 provides similar data for the historic year ending 6/30/85.

Q.15. Provide a schedule for the test year of federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:

- a. social security
- b. unemployment
- c. capital stock
- d. public utility
- e. P.U.C. assessment
- f. other property taxes
- g. any other appropriate categories

A.15. Provided as Attachment II-D-15, sheet 1 of 2 is the requested schedule for the test year ended 6/30/85. Attachment II-D-15, sheet 2 of 2 provides similar data for the test year ended 6/30/86.

Philadelphia Electric Company - Electric Operations
 SCHEDULE OF TAXES OTHER THAN INCOME
 FOR THE HISTORIC YEAR ENDED 6/30/85
 (Thousand \$)

	Year Ending	Adjustments	Pro Forma	Adjustments	Pro Forma
	6/30/85		At		At
	Historic Year	Adjustments	Present Rates	Adjustments	Proposed Rates
Taxes Other Than Income Taxes					
a. Social Security					
Federal Old Age Benefits	\$15,577	\$1,536	\$17,113	-	\$17,113
b. Unemployment					
Federal Unemployment Comp.	833	-	833	-	833
State Unemployment Comp.	1,032	-	1,032	-	1,032
c. Capital Stock					
Pennsylvania	12,740	(9,206)	3,534	-	3,534
New Jersey	149	-	149	-	149
d. Public Utility Realty	50,917	(50,917)	-	-	-
e. Other Property					
Local Real Estate	1,833	-	1,833	-	1,833
Personal Property - N.J.	-	-	-	-	-
Local Franchise	-	-	-	-	-
Phila. Realty Occupancy	460	-	460	-	460
f. Other Appropriate Categories					
Federal Telephone & Telegraph	51	-	51	-	51
Gross Receipts	105,213	(58,418) (a)	46,795	13,295	60,090
g. Miscellaneous State & Local	1,191	-	1,191	-	1,191
h. Federal Other	267	-	267	-	267
Total Taxes Other Than Income	\$190,263	(\$117,005)	\$73,258	\$13,295	\$86,553

(a) Gross Receipts Adjustment

D-1 = (\$61,908)
D-2 = 1,747
D-3 = 335
D-4 = 1,408
Total (\$58,418)

Philadelphia Electric Company - Electric Operations
SCHEDULE OF TAXES OTHER THAN INCOME
FOR THE FUTURE YEAR ENDED 6/30/86
(Thousand \$)

	Year Ending	Adjustments	Pro Forma	Adjustments	Pro Forma
	6/30/86		At		At
	Future Year		Present Rates		Proposed Rates
Taxes Other Than Income Taxes					
a. Social Security	\$17,491	\$741	\$18,232	-	\$18,232
b. Unemployment	778	-	778	-	778
Federal Unemployment Comp.	1,362	-	1,362	-	1,362
State Unemployment Comp.	25,793	(10,317)	15,476	-	15,476
Capital Stock	92	-	92	-	92
Pennsylvania	42,432	(42,432)	-	-	-
New Jersey	807	-	807	-	807
d. Public Utility Realty	119	-	119	-	119
e. Other Property	269	-	269	-	269
Local Real Estate	451	-	451	-	451
Personal Property - N.J.	25	-	25	-	25
Local Franchise	110,055	(61,777)(a)	48,278	13,635	61,913
Phila. Realty Occupancy	194	-	194	-	194
f. Other Appropriate Categories	(31)	-	(31)	-	(31)
Federal Telephone & Telegraph					
Gross Receipts					
g. Miscellaneous State & Local					
h. Federal Other					
Total Taxes Other Than Income	\$199,837	(\$113,785)	\$86,052	\$13,635	\$99,687

(a) Gross Receipts Adjustment

D-1 = (\$64,972)
D-3 = 775
D-4 = 2,420
Total (\$61,777)

Q.16. Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments. Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

A.16. Page B-15 of Company Exhibits TPH-1 and TPH-2 provides the Federal Income Tax Computation for the Company's electric operations for the historic and future test years respectively, including applicable adjustments. Page A-3 of these same exhibits provides a summary of the adjustments to proforma existing rates and page A-4 of these same exhibits provides a summary of the adjustments to proforma proposed rates.

Attachment II-D-16 (2 sheets) provides the development of the taxable income per books before Federal and State income taxes for the Company's Electric Operations for twelve months ended 6/30/85 and 6/30/86.

Philadelphia Electric Company - Electric Operations
 OPERATING INCOME PER BOOKS BEFORE INCOME TAXES
 12 MONTHS ENDED JUNE 30, 1985
 (Thousand \$)

Operating Revenue		\$2,455,965
Less: Operating Expenses		
Operating and Maintenance Expense	1,515,648	
Depreciation and Amortization	160,804	
Taxes Other Than Income	190,263	
Gain (Loss) on Utility Plant	<u>(153)</u>	
Balance		\$589,402
Adjustments for Additional Items Affecting Taxable Income		
Deductions		
Gross Interest Charges Allocated to Electric Operations	193,578	
Additional Depreciation for Tax Purposes	23,258	
Contribution to Pension Fund Charged to Const.	8,161	
Taxes Charged to Construction	5,506	
Preferred Dividend Credit	787	
Amortization of Various Expenses Capitalized by R.A.	106	
Amortization of Easements & Clearing Rights of Way	523	
Net Leasing Expense - Salem 2	3,848	
Nuclear Fuel: Excess of Tax over Burn-up	1,649	
Deferred Fuel	50,283	
Employee Benefits Capitalized	6,948	
Schuylkill Abandon Losses	727	
Purta Recoverable	3,641	
Amortization of Gain on Reacquired Bonds	1,056	
Loss on ACRS Retirements	1,673	
Cost Removal	2,742	
Additions		
Reimburse Federal Income Taxes of SPCo	2,372	
Amortization of loss on Chester 5&6 and Barbadoes 6&7	432	
Nuclear Plant Decommission Expense	184	
Amortization of Turbine Lease Cancellation	10,027	
Purta Escrow	14,914	
Miscellaneous Additions	741	
R.R. Maint. Def. Rent. Expense	31	
Amortiation Pioneer Urvan Los	189	
Sub-Total Net Deductions	\$266,141	
<u>Preliminary Tax Base - Electric Operations</u>		<u>\$323,261</u>
Less: State Income Tax		
PA	29,253	
NJ	1,331	
MD	<u>150</u>	
Total		<u>30,734</u>
Federal Income Tax Base		\$292,527
Federal Income Tax @ 46%		134,562
Less: Pysop Credit		(839)
Investment Tax Credit		59,209
Plus: Prior Period Adjustment		48
Total Federal Income Tax Liability		<u>\$76,240</u>

Philadelphia Electric Company - Electric Operations
OPERATING INCOME PER BOOKS
BEFORE INCOME TAXES
12 MONTHS ENDED JUNE 30, 1986
(Thousand \$)

Operating Revenue		\$2,528,293
Less: Operating Expenses		
Operating and Maintenance Expense	1,502,703	
Depreciation and Amortization	164,429	
Taxes Other Than Income	<u>199,837</u>	
Balance		\$661,324
Adjustments for Additional Items Affecting Taxable Income		
Deductions		
Gross Interest Charges Allocated to Electric Operations	187,595	
Additional Depreciation for Tax Purposes	371,029	
Contribution to Pension Fund Charged to Const.	8,766	
Taxes Charged to Construction	5,373	
Employee Benefits Capitalized	7,615	
Preferred Dividend Credit	786	
Amortization of Various Expenses Capitalized by R.A.	73	
Amortization of Gain on Reacquired Bonds	1,696	
Amortization of Easements & Clearing Rights of Way	511	
Net Leasing Expense - Salem 2	4,566	
Nuclear Fuel: Excess of Tax over Burn-up	(20,861)	
Deferred Fuel Expense	(218,211)	
Cost of Removal	5,383	
Deferred Limerick Costs	93,491	
Turbine Lease Cancellation	30,917	
Additions		
Reimburse Federal Income Taxes of SPCo	2,285	
Amortization of loss on Chester 5&6 and Barbadoes 6&7	432	
Purta Escrow	11,456	
Amortization of loss on Schuylkill	1,247	
Miscellaneous Additions	1,353	
Purta Recoverable	8,750	
Value of Generation - Limerick 1	87,021	
Sub-Total Net Deductions	<u>\$366,185</u>	
<u>Preliminary Tax Base - Electric Operations</u>		<u>\$295,139</u>
Less: State Income Tax		
PA	25,654	
NJ	1,124	
MD	<u>122</u>	
Total		<u>26,900</u>
Federal Income Tax Base		\$268,239
Federal Income Tax @ 46%		123,390
Less: Investment Tax Credit (a)		<u>17,617</u>
Federal Income Tax Charged to Operations		<u>\$105,773</u>

Q.17. Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.

A.17. The table below shows the only income tax refunds received from the federal government over the last five years.

For accounting purposes, these refunds were credited against the Federal Income Tax liability account.

The \$3,083,271 refund received in 1984 resulted from an estimated tax payment made in 1983 when there was no tax liability in 1983. Similarly, the refund of \$17,426,174 received in 1984 resulted from a net operating loss in 1983 carried back to 1981 and 1980.

Refunds Received

	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>
Overpayment of 1979 Tax	0	0	0	0	0
Refund of 1983 Estimated Tax Payment		\$3,083,271 (A)			
Refund for 1983 Tax Loss Carried back to 1981 and 1980		17,426,174 (A)			

(A) No Interest Received and Subject to Audit by the IRS

Q.18. Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.

A.18. Attachment II-D-18 provides the requested data.

Philadelphia Electric Company - Electric Operations
 MAJOR ITEMS - PREPAID AND DEFERRED INCOME TAXES
 June 30, 1985
 (\$1,000's)

	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>
Assets and Other Debits			
Deferred Debits			
Accumulated Deferred Income Taxes			
Decommissioning Expense	5,667	-	-
Public Utility Realty Tax Refund	2,759	104	248
Termination Expense-Turbine Lease	15,444	-	-
Accrued PURTA Tax	17,269	34	10
Capitalized Taxes on Real Property	114	-	-
Liabilities and Other Credits			
Accumulated Deferred Income Tax			
Accelerated Amortization Property			
Certified Defense Facilities	1,217	-	-
Pollution Control Facilities	2,061	-	-
Other Property			
Liberalized Depreciation	312,323	29,395	2,787
Capitalized Pensions, Taxes, Fringe Benefits	33,148	3,320	7
Other			
Retirement of Chester 5&6 and Barbadoes 6 & 7	132	-	-
West Conshohocken & Tilghman St.	611	-	-
RTS Costs Limerick 1	381	-	-
RTS Costs Limerick 2	261	-	-
Spent Nuclear Fuel - Prior Years	1,625	-	-
PURTA Recovery	4,028	-	-
Damaged Fuel Assemblies	317	-	-

Philadelphia Electric Company - Electric Operations
MAJOR ITEMS - PREPAID AND DEFERRED INCOME TAXES
June 30, 1986
(\$1,000's)

	<u>Electric</u>	<u>Gas</u>	<u>Steam</u>
Assets and Other Debits			
Deferred Debits			
Accumulated Deferred Income Taxes			
Decommissioning Expense	5,667	-	-
Public Utility Realty Tax Refund	2,759	104	248
Termination Expense-Turbine Lease	58	-	-
Accrued PURTA Tax	23,102	42	12
Capitalized Taxes on Real Property	113	-	-
Value of Generation Limerick 1	44,307	-	-
Limerick 1 Other Costs	(47,601)	-	-
Liabilities and Other Credits			
Accumulated Deferred Income Tax			
Accelerated Amortization Property			
Certified Defense Facilities	423	-	-
Pollution Control Facilities	1,900	-	-
Other Property			
Liberalized Depreciation	466,154	35,145	2,887
Capitalized Pensions, Taxes, Fringe Benefits	42,726	4,801	92
Tax Benefit Transfer	17,244	-	-
West Conshohocken & Tilghman St.	43	-	-
Other			
Retirement of Chester 5&6 and Barbadoes 6 & 7	-	-	-
SO ₂ Mgo Regeneration	-	-	-
West Conshohocken & Tilghman St.	433	-	-
RTS Costs Limerick 1	381	-	-
RTS Costs Limerick 2	261	-	-
Spent Nuclear Fuel - Prior Years	1,625	-	-
PURTA Recovery	(427)	-	-
Damaged Fuel Assemblies	317	-	-

- Q.19. Explain how the federal corporate graduated tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.
- A.19. The Company uses a flat 46% federal income tax rate in this rate case. Effective for tax years beginning after December 31, 1983, the graduated tax is phased out for corporations whose taxable income is greater than \$1,000,000. For these corporations, the tax is calculated using the tax rates in effect, but is increased by the lesser of 5% of the excess over \$1,000,000 or \$20,250. Therefore, a corporation having taxable income of \$1,405,000 or greater will pay tax at a flat rate of 46% on its entire income.

For the other members in the consolidated system there is no graduated tax benefit as all members are treated as one corporation for purposes of the additional 5% tax on corporations with income over \$1,000,000.

Additional discussion of the Company's consolidated system tax filing is provided in response II-D-23a.

- Q.20. Explain the treatment given to costs of removal in the income tax calculation and the basis for such treatment.
- A.20. For purpose of income tax calculation, costs of removal are flowed through to the ratepayer as set forth on page B-15 of Exhibits TPH-1 and TPH-2 for the historic and future test years respectively. Section 1.167(a)-11(d)(3) of the ADR regulations states, "the cost of dismantling, demolishing, or removing an asset in the process of a retirement from the vintage account shall be treated as an expense deductible in the year paid or incurred, and such costs shall not be subtracted from the depreciation reserve for the account." Cost of removal on ACRS property is built into the gain or loss computation on disposition of such property.

Q.21. Show any income tax loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.

A.21. There are no federal income tax loss/gain carryovers from previous years at the beginning of the test year.

Q.22. State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.

If response is affirmative:

- a. set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount;
 - b. explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations;
 - c. state the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived; and
 - d. provide details of calculation to determine tax saving reduction, and state whether state taxes are increased to reflect the construction interest elimination.
- A.22. Page D-9 of Company Exhibits TPH-1 and TPH-2 provides the adjustment necessary to reflect the proforma interest charges associated with the Company's rate base claim and embedded cost of debt as of June 30, 1985, and June 30, 1986. The methodology has been accepted by the PaPUC in previous cases.

Q.23. Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government (if this interrogatory is not applicable, so state):

- a. State what option has been chosen by the group.
- b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent three years for which data is available.
- c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
- d. Provide the most recent annual income tax return for the group.
- e. Provide details of the amount of net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the three most recent years for which data is available, together with a summary of the actual tax payments for those years.
- f. Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the three most recent years for which data is available, together with a summary of the actual tax payments for those years.

A.23. a. Philadelphia Electric Company has chosen paragraph 2 under Section 1552(a) of the IRC, which states that the tax liability of the group should be allocated to the several members of the group on the basis of the percentage of the total tax which the tax of such member if computed on a separate return would bear to the total amount of the taxes for all members of the group so computed. However, since inception of the investment tax credit in 1962, Philadelphia Electric Company has applied the provisions of Section 1552(a)(2) to the income tax liability before investment tax credit. The investment tax credit is then allocated to the company which qualified for the credit. The amount of the investment tax credit is then charged to the investment tax credit adjustment account and is amortized over the property life.

- A.23. b. The Company's Federal income tax calculation associated with electric operations for the test year period is provided on page B-15 of Exhibit TPH-2. Attachment II-D-23a provides the requested actual calendar year data.
- A.23. c. Attachment II-D-23b provides the requested actual calendar year data.
- A.23. d. Attachment II-D-23c provides the requested actual calendar year data.
- A.23. e. There are no net operating losses of any members of the Consolidated group allocated to the future test year Federal income tax calculation for electric operations provided on page B-15 of Exhibit TPH-2. Attachment II-D-23d provides the requested actual calendar year data.
- A.23. f. With regard to actual calendar year data, there are no net negative income taxes of any members of the consolidated group allocated to the future test year Federal income tax calculation for electric operations provided on page B-15 of Exhibit TPH-2. There are no members with net negative income taxes because members that generate negative income have such net negative income allocated to the Companies with positive income with the result being that no member in the group has net negative income taxes. This is in accordance with the Company's election explained in II-D-23 a. above. For the summary of actual tax payments see the response to II-D-23c.

Philadelphia Electric Company
 Tax Liability Allocated to Members
 Of The Consolidated Group

	<u>Actual</u> 1982	<u>Actual</u> 1982	<u>Actual</u> 1984	<u>Budgeted</u> 1985
Philadelphia Electric Co.	\$7,455,047	\$245,051	\$5,618,431	\$8,960,129
Conowingo Power Co.	2,520,339	0	1,674,649	2,658,834
Philadelphia Elec. Pwr. Co.	0	0	0	0
The Susquehanna Electric Co.	0	50,365	12,070	0
Susquehanna Power Co.	1,670,906	2,683,053	22,705,310	2,459,421
Adwin Equipment Co.	0	7,237	731	20,000
Adwin Realty Co.	0	370,276	436,596	535,000
Eastern Pa. Devel. Co.	0	0	0	0
Eastern Pa. Exploration Co.	0	0	544,000	937,000

Philadelphia Electric Company System
Deposits and Contributions Through June 11, 1985
For 1985 Federal Return

<u>Date Deposited</u>	<u>Philadelphia Electric Company</u>	<u>The Susquehanna Power Company</u>	<u>Conowingo Power Company</u>	<u>Total Philadelphia Electric Co. System</u>
April 9, 1985	\$1,500,000	-	-	\$1,500,000
June 11, 1985	<u>1,393,915</u>	<u>886,278</u>	<u>819,807</u>	<u>3,100,000</u>
	\$2,893,915	\$886,278	\$819,807	\$4,600,000

Philadelphia Electric Company System
Deposits and Contributions
For 1984 Federal Return

<u>Date Deposited</u>	<u>Philadelphia Electric Company</u>	<u>The Susquehanna Power Company</u>	<u>Conowingo Power Company</u>	<u>Total Philadelphia Electric Co. System</u>
April 15, 1984	\$3,014,000	\$583,000	\$403,000	\$4,000,000
June 15, 1984	3,100,000	600,000	300,000	4,000,000
September 17, 1984	4,000,000	-	-	4,000,000
December 15, 1984	-	-	-	-
	\$10,114,000	\$1,183,000	\$703,000	\$12,000,000

Philadelphia Electric Company System
Deposits and Contributions
For 1983 Federal Return

<u>Date Deposited</u>	<u>Philadelphia Electric Company</u>	<u>The Susquehanna Power Company</u>	<u>Conowingo Power Company</u>	<u>Total Philadelphia Electric Co. System</u>
April 13, 1983	\$1,500,000	500,000	-	\$2,000,000
December 15, 1983	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
	\$2,500,000	\$500,000	-	\$3,000,000

Philadelphia Electric Company System
Deposits and Contributions
For 1982 Federal Return

<u>Date Deposited</u>	<u>Philadelphia Electric Company</u>	<u>The Susquehanna Power Company</u>	<u>Conowingo Power Company</u>	<u>Total Philadelphia Electric Co. System</u>
April 15, 1982	\$2,500,000	-	-	\$2,500,000
June 15, 1982	2,325,000	175,000	-	2,500,000
Sept. 3, 1982	2,325,000	175,000	-	2,500,000
Dec. 13, 1982	-	1,000,000	1,500,000	2,500,000
March 3, 1983	-	350,000	650,000	1,000,000
June 13, 1983	-	-	1,000,000	1,000,000
	\$7,150,000	\$1,700,000	\$3,150,000	\$12,000,000

Attachment II-D-23c
90 pages