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WILLIAM E. ZEITER
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RECEIVED

December 10, 1985

DEC 11 1985

SECRETARY'S OFFICE
Public Utility Commission

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

Re: United States General Services Administration v.
Philadelphia Electric Company
Docket No. R-850152C004

Dear Secretary Rich:

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

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

Sincerely,



William E. Zeiter
Counsel for Philadelphia
Electric Company

ddq
Enclosure

cc: Mildred E. V. Pitts, Esq.

**DOCUMENT
FOLDER**

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY
Public Utility Commission

UNITED STATES GENERAL
SERVICES ADMINISTRATION

DOCUMENT
FOLDER
Docket No. R-850152C004

v.

PHILADELPHIA ELECTRIC COMPANY :

DOCKETED
DEC 12 1985

ANSWER

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

1. -3. Admitted.

4. Respondent admits that it has filed with this Commission Supplement No. 15 to Tariff Electric No. 26 on September 27, 1985, requesting an increase in annual base rate revenues of approximately \$670.7 million which is designed to produce an overall increase of 28.2% to be phased-in over a three year period.

The Company lacks knowledge as to the specific future effect of Supplement No. 15 upon Federal customers, and to the extent relevant demands proof thereof at any hearing held thereon.

The Company denies that the rates requested in Supplement No. 15 are based upon a cost of service which includes items of questionable validity. In further answer, the Company avers that the rates proposed in Supplement No. 15 are based on valid and proper capital and operating costs and are just,

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

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

WHEREFORE, for the foregoing reasons, the Complaint of United States General Services Administration should be dismissed.

Respectfully submitted,



William E. Zeiter
Counsel for
Philadelphia Electric Company

OF COUNSEL:

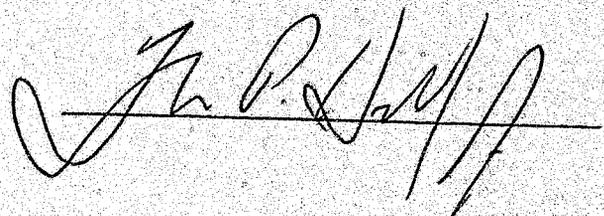
Edward G. Bauer, Jr., Esquire
Vice President & General Counsel
Philadelphia Electric Company
2301 Market Street
Philadelphia, PA 19101

Robert H. Young
J. H. Calvert, Jr.
Walter R. Hall
Frederick H. Knight
David B. MacGregor
MORGAN, LEWIS & BOCKIUS
2000 One Logan Square
Philadelphia, PA 19103

DATE: December 10, 1985

VERIFICATION

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

A handwritten signature in cursive script, appearing to read "T. P. Hill, Jr.", is written over a horizontal line.

DATE: December 10, 1985

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the Philadelphia Electric Company's Answer to the Complaint of The City of Philadelphia filed on December 10, 1985 to be served by first class mail, postage prepaid on all active parties in the Limerick No. I Rate Proceeding at Docket No. R-850152C004.

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

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

David M. Kleppinger, Esquire
100 Pine Street
Harrisburg, PA 17108-1166

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Zori G. Ferkin, Esquire
Governor's Energy Council
P.O. Box 8010
300 N. 2nd Street
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Mildred E. V. Pitts, Esquire
Information Resources & Utilities Division
General Services Administration
Room 4002
18th and F Streets, N.W.
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Philadelphia, PA 19107

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& Adler
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Philadelphia, PA 19107

Alan R. Squires, Esquire
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900 Two Penn Center Plaza
Philadelphia, PA 19102



William E. Zeiter
Counsel for Philadelphia
Electric Company

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

Re: City of Philadelphia v.
Philadelphia Electric Company
Docket No. R-850152C005

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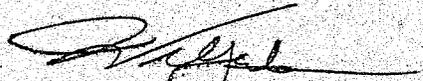
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Counsel for Philadelphia
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cc: Charles E. Rainey, Jr., Esq.



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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY
Public Utility Commission

CITY OF PHILADELPHIA

v.

PHILADELPHIA ELECTRIC COMPANY

:
:
: Docket No. R-850152C005
:
:

A N S W E R

DOCUMENT
FOLDER

DOCKETED
DEC 12 1985

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

- 1. - 2. Admitted
- 3. Admitted in part and denied in part as follows:

(A) The Company admits that on September 27, 1985, it filed Supplement No. 15 to its Tariff Electric No. 26 to become effective November 27, 1985 and that Supplement No. 15 requests rate increases except for customer classes OP, SLP and SLS. The Company also admits that its proposed rate increase of approximately \$670.7 million represents 28.2% of test year revenue based on budgeted sales for a future test year ending June 30, 1986. The Company further admits that it proposes to phase-in the requested increase over a three-year period (June 1986-June 1988) each step of which will be 9.4% or approximately \$224 million so that the

total increase will not be billed until the beginning of the third year (June 1988). The Company also admits that it proposes that the amount of revenue unrecovered during the first two years will be collected over the three-year period June 1989-June 1991.

The Company admits that the City of Philadelphia (the "City") is one of its customers but denies that the proposed increase may or will have a substantial negative impact upon the City, and to the extent relevant demands proof thereof at any hearing held thereon. The Company further denies that any of the proposals contained in Supplement No. 15 are or may be in any way unjust or unreasonable. In further answer, the Company avers that the rates proposed in Supplement No. 15 are just, reasonable, nondiscriminatory and lawful under the Public Utility Code, and that said rates will produce total revenues no greater than are needed for the Company to earn a fair return on the value of its plant employed in serving the public as is its entitlement under the Public Utility Code.

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

WHEREFORE, for the foregoing reasons, the
Complaint of the City of Philadelphia should be dismissed.

Respectfully submitted,



William E. Zeiter
Counsel for
Philadelphia Electric Company

OF COUNSEL:

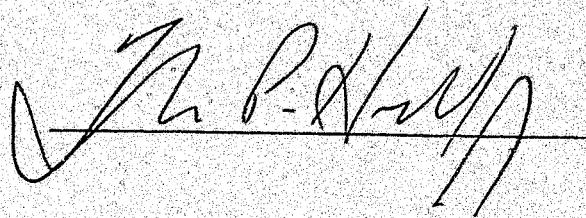
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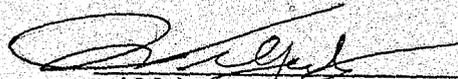
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