

File



McQUAIDE BLASKO

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Reply to: State College Office

January 17, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265

**In Re: Pennsylvania Public Utility Commission
v. PECO Energy Company
Docket Number R-00973953**

Dear Ladies and Gentlemen:

I am returning the enclosed material addressed to Robert Young regarding the above-referenced matter. Mr. Young is no longer employed by this office and we have no knowledge of his forwarding address.

Thank you for your attention to this matter.

Very truly yours,

McQUAIDE BLASKO

By: *Carolyn E. Konkoly*
Carolyn E. Konkoly
Legal Assistant

cek
Enclosure

January 17, 2001 ::ODMA\PCDOCS\DOCSLIB2\197158\1

McQUAIDE, BLASKO, SCHWARTZ, FLEMING & FAULKNER, INC.

John W. Blasko Thomas E. Schwartz Grant H. Fleming R. Mark Faulkner David M. Weixel Steven S. Hurvitz James M. Horne Wendell V. Courtney Darryl R. Slimak Mark Righter Daniel E. Bright
Paul J. Tomczuk Janine C. Gismondi Maureen A. Gallagher John A. Snyder April C. Simpson Allen P. Neely Charles Eppolito, III Katherine V. Oliver Katherine M. Allen
Wayne L. Mowery, Jr. Pamela A. Ruest Michelle S. Katz Ashley Himes Kranich Chena L. Glenn-Hart John H. Taylor Michael J. Mohr Livinia N. Jones

John G. Love (1893-1966) Roy Wilkinson, Jr. (1915-1995) Delbert J. McQuaide (1936-1997)

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held January 11, 2001

Commissioners Present:

John M. Quain, Chairman
Robert K. Bloom, Vice Chairman
Nora Mead Brownell
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

Pennsylvania Public Utility Commission
v.
PECO Energy Company

Docket Number:
R-00973953

ORDER

BY THE COMMISSION:

Before the Commission for disposition is a Letter Petition for Approval of a CTC/ITC buyout contract with Philadelphia Suburban Water ("PSW"), filed by PECO Energy Company ("PECO"), on December 1, 2000. PECO submits this Letter Petition pursuant to paragraph 25 of the Joint Petition for Full Settlement of PECO Energy Company's Restructuring Plan ("Settlement") at Docket No. R-000973953, Order entered May 14, 1998. Paragraph 25 of the Settlement states that "PECO shall submit for Commission approval a proposal for determining how the lump-sum payment of CTC/ITC will affect reconciliation."

In paragraph 25 of the Settlement, Rate HT ("High-Tension Power") customers were given the right to seek a lump-sum buyout of their CTC/ITC obligations. PSW has made such a request of PECO for seven PSW Rate HT

accounts. The agreed upon amount for the lump-sum payment on these accounts is \$11,779,846, to be adjusted to reflect payments made and interest prior to receipt of the lump-sum payment.

PECO states that the buyout amount was determined by using the most recently available demand and energy usage as billing determinants, with appropriate growth assumptions, to project CTC/ITC obligations through 2010. Further, PECO states that the amounts were then discounted using PECO's after-tax cost of capital as provided in paragraph 25 of the Settlement.

In describing the methodology to be utilized in amortizing the lump-sum payment until the end of the transaction cost recovery period, PECO states that for each month that remains in the transition cost recovery period, through 2010, PECO calculated the percentage of its total CTC/ITC "principle" amortization occurring in each month. That percentage is then applied to amortize the PSW CTC/ITC buyout amount. PECO has provided an amortization table that demonstrates, on a month-by-month basis, how the PSW lump-sum buyout will be applied until the end of the transition cost recovery period.

PECO states that approval of this Letter Petition will benefit both it and PSW, by providing PECO with assurance of CTC/ITC recovery and by providing PSW with stable, known CTC/ITC amounts for its budgetary purposes.

Paragraph 25 of the Settlement also states that "[e]xercise of the rights in this paragraph and paragraph 26 below shall impose no additional burdens on any other customer classes." PECO has provided sufficient additional information necessary to this Commission to determine that it has satisfied this requirement of the Settlement.

As of December 21, 2000, no protests had been filed.

Upon our review of the proposed Letter Petition, it does not appear to be unlawful, unjust, unreasonable, or contrary to the public interest; **THEREFORE,**

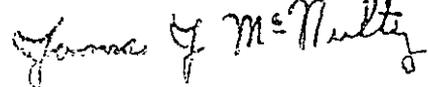
IT IS ORDERED:

1. That the Letter Petition of PECO Energy Company for approval of a CTC/ITC buyout contract with Philadelphia Suburban Water is hereby granted as described herein.

2. That approval does not preclude the Commission from investigating, during any formal proceeding, the reasonableness of any charges pursuant to the Letter Petition.

3. That this proceeding at Docket No. R-00973953 be closed.

BY THE COMMISSION



James J. McNulty

Secretary

(SEAL)

ORDER ADOPTED: January 11, 2001

ORDER ENTERED: **JAN 11 2001**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility :
Commission v. PECO Energy : Docket No.
Company : R-00973953

DOCKETED

JAN 24 2001

DOCUMENT CHANGE OF ADDRESS
FOLDER

015184

ARIPPA's address has changed to:

ARIPPA
1802 Market Street, First Floor
Camp Hill, PA 17011

The telephone and fax numbers have not changed. Please make the necessary change to the service list in the above captioned proceeding, as well as any related proceedings before the Commission.

Respectfully submitted,

Billie E. Ramsey
Billie E. Ramsey
Executive Director and General Counsel
ARIPPA
1802 Market Street, First Floor
Camp Hill, PA 17011
(717) 763-7635

RECEIVED
SECRETARY'S OFFICE
01 JAN 19 AM 9:04

Dated: January 17, 2001

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