

Summary

R-00973953
R-00 173953 (0001-0007)
DFEC Exhibit 1A
Phil.
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GST

SAM-SR1

SUMMARY OF PECO'S OVER RECOVERY OF STRANDED COSTS

	No Growth	0.8% Growth	IRP - Growth
Base Case	6,317,129,387	6,317,129,387	6,317,129,387
Growth	0	342,326,178	447,673,852
Securitization	685,067,445	722,200,490	733,495,997
T&D	677,823,495	712,599,697	723,184,577
Total	7,680,020,327	8,094,255,752	8,221,483,813
Agreed Stranded Costs	(5,461,000,000)	(5,461,000,000)	(5,461,000,000)
Over Recovery	2,219,020,327	2,633,255,752	2,760,483,813

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Note: All Sums Net Present Value, 1999, using 8.71% discount rate.

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SAM-SR1A

Calculation of CTC Overcollection -- NO DEMAND GROWTH

Discount Rate = 8.71%

Year (1)	CTC per PECO (Table A) cents/kWh (2)	Sales per PECO - MWh (3)	CTC Recovery (\$) (4)	Adjusted for GRT (5)	NPV of CTC Recovery (6)
1998		11,189,786			0
1999	3.04	33,569,358	1,020,508,483	975,606,110	935,706,753
2000	3.04	33,569,358	1,020,508,483	975,606,110	860,736,595
2001	3.14	33,569,358	1,054,077,841	1,007,698,416	817,818,323
2002	3.14	33,569,358	1,054,077,841	1,007,698,416	752,293,554
2003	3.14	33,569,358	1,054,077,841	1,007,698,416	692,018,724
2004	2.87	33,569,358	963,440,575	921,049,189	581,836,012
2005	2.77	33,569,358	929,871,217	888,956,883	516,569,755
2006	2.57	33,569,358	862,732,501	824,772,271	440,872,321
2007	2.47	33,569,358	829,163,143	792,679,964	389,768,886
2008	2.27	33,569,358	762,024,427	728,495,352	329,508,465

TOTAL: 9,550,482,351

Base Case NPV: 6,317,129,387

Value of Securitization (7)	Adjusted for GRT (8)	NPV of Securitization (9)	Excess T&D (10)	Adjusted for GRT (11)	NPV of Excess T&D (12)
33,569,358	32,092,306	32,543,026			
100,708,074	96,276,919	92,339,482	120,498,545	115,196,609	110,485,414
100,708,074	96,276,919	84,941,111	120,498,545	115,196,609	101,633,165
100,708,074	96,276,919	78,135,509	120,498,545	115,196,609	93,490,171
100,708,074	96,276,919	71,875,180	120,498,545	115,196,609	85,999,606
100,708,074	96,276,919	66,116,439	120,498,545	115,196,609	79,109,195
100,708,074	96,276,919	60,819,095	106,645,918	101,953,497	64,405,047
100,708,074	96,276,919	55,946,183	92,585,501	88,511,739	51,433,864
100,708,074	96,276,919	51,463,695	78,314,178	74,868,354	40,019,998
100,708,074	96,276,919	47,340,350	63,828,785	61,020,318	30,004,318
100,708,074	96,276,919	43,547,374	49,126,111	46,964,562	21,242,717
1,040,650,098			992,993,217	949,301,515	
Securitization NPV:		685,067,445		Excess T&D NPV:	677,823,495

SAM-SR1B

Calculation of CTC Overcollection -- 0.8% DEMAND GROWTH

Growth Rate = 0.80%

Discount Rate = 8.71%

Year	CTC per PECO (Table A) cents/kWh	Sales per 0.8% Growth - MWh	CTC Recovery (\$)	Adjusted for GRT	NPV of CTC Recovery
(1)	(2)	(3)	(4)	(5)	(6)
1998		11,369,539			0
1999	3.04	34,381,485	1,045,197,147	999,208,472	958,343,850
2000	3.04	34,656,537	1,053,558,724	1,007,202,140	888,612,455
2001	3.14	34,933,789	1,096,920,983	1,048,656,460	851,058,664
2002	3.14	35,213,260	1,105,696,351	1,057,045,712	789,133,597
2003	3.14	35,494,966	1,114,541,922	1,065,502,077	731,714,346
2004	2.87	35,778,925	1,026,855,159	981,673,532	620,133,017
2005	2.77	36,065,157	999,004,843	955,048,630	554,975,439
2006	2.57	36,353,678	934,289,526	893,180,787	477,439,289
2007	2.47	36,644,507	905,119,335	865,294,084	425,473,994
2008	2.27	36,937,664	838,484,962	801,591,624	362,570,914

TOTAL: 10,119,668,951

NPV:	6,659,455,565
Base Case:	6,317,129,387
Growth:	342,326,178

Value of Securitization (7)	Adjusted for GRT (8)	NPV of Securitization (9)	Excess T&D (10)	Adjusted for GRT (11)	NPV of Excess T&D (12)
34,108,616	32,607,837	33,065,797			
103,144,455	98,606,099	94,573,406	123,413,707	117,983,504	113,158,334
103,969,611	99,394,948	87,692,019	124,401,017	118,927,372	104,924,662
104,801,368	100,190,108	81,311,337	125,396,225	119,878,791	97,290,092
105,639,779	100,991,628	75,394,930	126,399,395	120,837,822	90,211,032
106,484,897	101,799,562	69,909,014	127,410,590	121,804,524	83,647,061
107,336,776	102,613,958	64,822,267	113,665,454	108,664,174	68,644,249
108,195,470	103,434,870	60,105,643	99,469,004	95,092,368	55,257,844
109,061,034	104,262,349	55,732,213	84,809,737	81,078,108	43,339,349
109,933,522	105,096,447	51,677,003	69,675,875	66,610,136	32,752,889
110,812,991	105,937,219	47,916,861	54,055,361	51,676,925	23,374,184
1,103,488,520			1,048,696,365	1,002,553,725	
	Securitization NPV:	722,200,490		Excess T&D NPV:	712,599,697

SAM-SRIC

Calculation of CTC Overcollection -- DEMAND GROWTH PER IRP

Discount Rate 8.71%

Year (1)	CTC per PECO (Table A) cents/kWh (2)	Sales per IRP Growth - MWh (3)	CTC Recovery (\$) (4)	Adjusted for GRT (5)	NPV of CTC Recovery (6)
1998		11,359,000			
1999	3.04	34,522,000	1,049,468,800	1,003,292,173	962,260,539
2000	3.04	34,886,000	1,060,534,400	1,013,870,886	894,496,012
2001	3.14	35,379,000	1,110,900,600	1,062,020,974	861,904,909
2002	3.14	35,750,000	1,122,550,000	1,073,157,800	801,162,017
2003	3.14	36,125,000	1,134,325,000	1,084,414,700	744,702,249
2004	2.87	36,499,000	1,047,521,300	1,001,430,363	632,613,606
2005	2.77	36,882,000	1,021,631,400	976,679,618	567,545,131
2006	2.57	37,266,000	957,736,200	915,595,807	489,420,974
2007	2.47	37,656,000	930,103,200	889,178,659	437,218,286
2008	2.27	38,049,000	863,712,300	825,708,959	373,479,516

TOTAL: 10,298,483,200

NPV:	6,764,803,239
Base Case:	6,317,129,387
Growth:	447,673,852

Value of Securitization (7)	Adjusted for GRT (8)	NPV of Securitization (9)	Excess T&D (10)	Adjusted for GRT (11)	NPV of Excess T&D (12)
34,077,000	32,577,612	33,035,148			
103,566,000	99,009,096	94,959,922	123,918,091	118,465,695	113,620,804
104,658,000	100,053,048	88,272,633	125,224,684	119,714,798	105,619,375
106,137,000	101,466,972	82,347,603	126,994,327	121,406,576	98,529,998
107,250,000	102,531,000	76,544,142	128,326,046	122,679,700	91,586,080
108,375,000	103,606,500	71,149,896	129,672,123	123,966,550	85,131,794
109,497,000	104,679,132	66,126,858	115,953,047	110,851,113	70,025,760
110,646,000	105,777,576	61,466,982	101,721,887	97,246,124	56,509,385
111,798,000	106,878,888	57,130,853	86,938,098	83,112,822	44,426,982
112,968,000	107,997,408	53,103,436	71,599,127	68,448,765	33,656,961
114,147,000	109,124,532	49,358,526	55,681,714	53,231,719	24,077,438
1,123,119,000			1,066,029,145		
	Securitization NPV:	733,495,997		Excess T&D NPV:	723,184,577

**Alternative to PECO's Proposal:
 Summary of Alternatives to PECO's Proposal:
 PECC Rate Reductions**

Year	PECO'S Current Rates	PECO's Proposed Rates	% Reduction	Growth IRP Rate		0.8% Growth		No Growth	
				Cap	% Reduction	Rate Cap	% Reduction	Rate Cap	% Reduction
1998	9.95	8.95	10%	8.95	10%	8.95	10%	8.95	10%
1999	9.95	8.95	10%	8.57	14%	8.57	14%	8.57	14%
2000	9.95	8.95	10%	8.95	10%	8.95	10%	8.95	10%
2001	9.95	9.45	5%	9.45	5%	9.45	5%	9.45	5%
2002	9.95	9.75	2%	9.63	3%	9.63	3%	9.64	3%
2003	9.95	9.95	0%	9.74	2%	9.74	2%	9.75	2%
2004	9.95	9.95	0%	9.95	0%	9.95	0%	9.95	0%
2005	9.95	9.95	0%	10.15	-2%	10.15	-2%	10.15	-2%
2006	9.95	10.45	-5%	10.35	-4%	10.35	-4%	10.35	-4%
2007	9.95	10.95	-10%	10.55	-6%	10.55	-6%	10.55	-6%
2008	9.95	10.95	-10%	10.85	-9%	10.85	-9%	10.85	-9%

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**Alternative to PECO Proposed "Table A"
System-Wide Average Rates
Using PECO IRP Sales**

Effective Date	Transmission (1)	Distribution (2)	CTC (3)	Consumer Credit (4)	PECO	Total Bill Rate Cap (6)
					Securitization Savings (5)	
	cents/kWh	cents/kWh	cents/kWh	cents/kWh	cents/kWh	cents/kWh
January 1, 1999	0.40	2.35	2.30	3.80	(0.29)	8.57
January 1, 2000	0.40	2.35	2.47	4.02	(0.29)	8.95
January 1, 2001	0.40	2.35	2.58	4.41	(0.29)	9.45
January 1, 2002	0.40	2.35	2.56	4.61	(0.29)	9.63
January 1, 2003	0.40	2.35	2.57	4.71	(0.29)	9.74
January 1, 2004	0.40	2.39	2.52	4.93	(0.29)	9.95
January 1, 2005	0.41	2.42	2.51	5.10	(0.29)	10.15
January 1, 2006	0.42	2.46	2.47	5.29	(0.29)	10.35
January 1, 2007	0.42	2.50	2.44	5.48	(0.29)	10.55
January 1, 2008	0.43	2.54	2.49	5.68	(0.29)	10.85

**Alternative to PECO Proposed "Table A"
System-Wide Average Rates
Using PECO 0.8% Growth Sales**

Effective Date	Transmission	Distribution	CTC	Consumer	PECO	Total Bill Rate
	(1)	(2)	(3)	Credit	Securitization	Cap
	cents/kWh	cents/kWh	cents/kWh	cents/kWh	Savings	(6)
					(5)	cents/kWh
January 1, 1999	0.40	2.35	2.30	3.80	(0.29)	8.57
January 1, 2000	0.40	2.35	2.47	4.02	(0.29)	8.95
January 1, 2001	0.40	2.35	2.58	4.41	(0.29)	9.45
January 1, 2002	0.40	2.35	2.56	4.61	(0.29)	9.63
January 1, 2003	0.40	2.35	2.57	4.71	(0.29)	9.74
January 1, 2004	0.40	2.39	2.52	4.93	(0.29)	9.95
January 1, 2005	0.41	2.42	2.51	5.10	(0.29)	10.15
January 1, 2006	0.42	2.46	2.47	5.29	(0.29)	10.35
January 1, 2007	0.42	2.50	2.44	5.48	(0.29)	10.55
January 1, 2008	0.43	2.54	2.49	5.68	(0.29)	10.85

**Alternative to PECO Proposed "Table A"
System-Wide Average Rates
Using No Growth Sales**

Effective Date	Transmission (1)	Distribution (2)	CTC (3)	Consumer Credit (4)	PECO	Total Bill Rate Cap (6)
					Securitization Savings (5)	
	cents/kWh	cents/kWh	cents/kWh	cents/kWh	cents/kWh	cents/kWh
January 1, 1999	0.40	2.35	2.30	3.80	(0.29)	8.57
January 1, 2000	0.40	2.35	2.47	4.02	(0.29)	8.95
January 1, 2001	0.40	2.35	2.58	4.41	(0.29)	9.45
January 1, 2002	0.40	2.35	2.62	4.56	(0.29)	9.64
January 1, 2003	0.40	2.35	2.67	4.61	(0.29)	9.75
January 1, 2004	0.40	2.39	2.67	4.78	(0.29)	9.95
January 1, 2005	0.41	2.42	2.66	4.95	(0.29)	10.15
January 1, 2006	0.42	2.46	2.62	5.14	(0.29)	10.35
January 1, 2007	0.42	2.50	2.59	5.33	(0.29)	10.55
January 1, 2008	0.43	2.54	2.64	5.53	(0.29)	10.85

PECC'S PROPOSED REALLOCATION OF OVER RECOVERY

	No Growth	0.8% Growth	IRP - Growth
Over Recovery	2,219,020,327	2,633,255,752	2,760,483,813
Adjusted Gen Credit	(1,802,153,139)	(2,060,620,120)	(2,089,192,192)
Additional Rate Decreases	<u>(258,273,533)</u>	<u>(275,050,019)</u>	<u>(278,982,818)</u>
Net	158,593,654	297,585,613	392,308,802

Note: All Sums Net Present Value, 1999, using 8.71% discount rate.

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CALCULATION OF THE VALUE OF ENHANCED GENERATION CREDITS

Year	No Growth Sales	0.8% Growth Sales	Sales per IRP	Consumer Credit			PECO Generation Cap
				No Growth	0.8% Growth	IRP Growth	
1999	33,569,358	34,381,485	34,522,000	3.805	3.805	3.805	2.800
2000	33,569,358	34,656,537	34,886,000	4.018	4.018	4.018	2.800
2001	33,569,358	34,933,789	35,379,000	4.406	4.406	4.406	3.200
2002	33,569,358	35,213,260	35,750,000	4.558	4.608	4.608	3.500
2003	33,569,358	35,494,966	36,125,000	4.613	4.713	4.713	3.700
2004	33,569,358	35,778,925	36,499,000	4.778	4.928	4.928	3.970
2005	33,569,358	36,065,157	36,882,000	4.946	5.096	5.096	4.070
2006	33,569,358	36,353,678	37,266,000	5.140	5.290	5.290	4.770
2007	33,569,358	36,644,507	37,656,000	5.331	5.481	5.481	5.370
2008	33,569,358	36,937,664	38,049,000	5.534	5.684	5.684	5.570

Revenue Effect

Revenue Effect - NPV

Revenue Effect			Revenue Effect - NPV		
No Growth	0.8% Growth	IRP Growth	No Growth	0.8% Growth	IRP Growth
322,422,868	330,223,087	331,572,687	309,236,742	316,717,955	318,012,361
390,904,370	403,564,219	406,236,242	344,878,628	356,047,885	358,405,299
387,032,654	402,763,651	407,896,638	314,104,291	326,871,104	331,036,885
339,644,068	373,108,478	378,795,609	253,560,032	278,542,765	282,788,472
292,847,694	343,579,229	349,677,748	201,107,875	235,946,843	240,134,891
259,450,243	327,834,486	334,432,372	163,897,321	207,096,333	211,264,284
281,219,908	353,845,348	361,859,626	163,415,911	205,618,302	210,275,371
118,638,388	180,609,704	185,142,236	63,416,755	96,542,794	98,965,605
-12,563,395	38,833,949	39,905,876	-6,177,550	19,095,052	19,622,129
-11,688,492	40,107,310	41,314,011	-5,286,866	18,141,088	18,686,895
			1,802,153,139	2,060,620,120	2,089,192,192

CALCULATION OF THE VALUE OF ADDITIONAL RATE DECREASES

Year	No Growth Sales	0.8% Growth Sales	Sales per IRP	No Growth	ECC Rates 0.8% Growth	IRP Growth	PECO Proposed Rates
1998	11,189,786	11,369,539	11,359,000	8.950	8.950	8.950	8.950
1999	33,569,358	34,381,485	34,522,000	8.566	8.566	8.566	8.950
2000	33,569,358	34,656,537	34,886,000	8.949	8.949	8.949	8.950
2001	33,569,358	34,933,789	35,379,000	9.449	9.449	9.449	9.450
2002	33,569,358	35,213,260	35,750,000	9.643	9.635	9.635	9.750
2003	33,569,358	35,494,966	36,125,000	9.748	9.742	9.742	9.950
2004	33,569,358	35,778,925	36,499,000	9.949	9.949	9.949	9.950
2005	33,569,358	36,065,157	36,882,000	10.153	10.153	10.153	9.950
2006	33,569,358	36,353,678	37,266,000	10.348	10.348	10.348	10.450
2007	33,569,358	36,644,507	37,656,000	10.551	10.551	10.551	10.950
2008	33,569,358	36,937,664	38,049,000	10.846	10.846	10.846	10.950

Revenue Effect

No Growth	0.8% Growth	IRP Growth
0	0	0
128,933,380	132,052,602	132,592,293
232,101	239,617	241,204
253,689	264,000	267,365
36,059,904	40,642,829	41,262,330
67,889,713	73,913,705	75,225,670
348,553	371,495	378,972
-68,038,677	-73,097,185	-74,752,770
34,379,073	37,230,552	38,164,880
133,971,181	146,243,725	150,280,467
34,765,636	38,253,974	39,404,914

Revenue Effect - NPV

No Growth	0.8% Growth	IRP Growth
0	0	0
123,660,392	126,652,048	127,169,666
204,773	211,404	212,804
205,887	214,255	216,986
26,920,389	30,341,755	30,804,241
46,622,037	50,758,905	51,659,873
220,184	234,677	239,400
-39,537,039	-42,476,520	-43,438,575
18,376,929	19,901,154	20,400,588
65,875,007	71,909,542	73,894,450
15,724,975	17,302,798	17,823,384
258,273,533	275,050,019	278,982,818