

PROPRIETARY INFORMATION

Docket Number R-00973953

Name of Document EXHIBIT

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PROPRIETARY INFORMATION

COMPARISON OF
MITNICK AND COHN

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Mitnick Base Case (Per SAM-SR1A)	\$6,317
Cohn (Per ABC-13)	<u>(5,892)</u>
	425
Adjustment for period (8/1/98-12/31/98)	<u>(175)</u>
Difference	\$ 250

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MARY ELLEN WOLF, REPORTER	

Ph: Philadelphia
R-0097395, etc. NEV CROSS EX 2

**PECO ENERGY AND OTHERS ASK
PUC TO APPROVE A PARTIAL
SETTLEMENT OF ITS COMPETITION
RESTRUCTURING PLAN**

A state law enacted in December 1996 directs that the electricity generation segment of the electric utility industry will change from what we have now - a regulated utility - to a competitive market. This change is underway now and in the very near future, customers will be shopping for electricity much as they shop for long-distance phone service.

On April 1, 1997 PECO Energy submitted a Restructuring Plan to the Pennsylvania Public Utility Commission ("PUC") to explain how it proposed to provide consumers with access to competitive electricity suppliers (Docket No. R-00973953) under a Pennsylvania law passed last year. On August 27, 1997 PECO Energy and ten other parties - including residential, small business, industrial and low-income customer representatives - filed with the PUC a Joint Petition for Partial Settlement of the Restructuring Plan.

The Partial Settlement is a settlement of all stranded investment, asset securitization (refinancing), customer education, universal service and rate design issues in PECO Energy's Restructuring Plan proceeding, and the question now being asked in a Pennsylvania Public Utility Commission proceeding is whether the Partial Settlement is in the public interest and complies with "the Competition Act". Some parties to this proceeding, including companies that will be alternative suppliers of electric generation when competition begins, have opposed the Partial Settlement. The Partial Settlement, which must be approved by the PUC, will among other things:

- Reduce rates to all customers by 10 percent on September 1, 1998 and guarantee at least such reduction to December 31, 2000;
- Cap generation rates through December 31, 2008, and cap transmission and distribution rates through January 1, 2004; this provides protection for three years longer than the Pennsylvania law provides;

- Allows customers to choose an electric provider one year sooner than the law provides: one-third of customers on January 1, 1999; one-third on January 2, 1999, and the remaining customers on January 2, 2000;
- Require PECO Energy to write-off \$2 billion of stranded costs;
- Permit PECO Energy to recover \$5.46 billion in stranded assets and costs through a Competitive Transition Charge (CTC) and/or an Intangible Transition Charge (ITC) through December 31, 2008;
- Grant PECO Energy an irrevocable order that permits asset securitization of up to \$4 billion of the \$5.46 billion of stranded costs;
- Require PECO Energy to transfer ownership of generation facilities to a separate corporate entity, subject to regulatory approval;
- Significantly expand PECO Energy's low-income assistance program; and
- Educate consumers about electric competition.

You have the opportunity to express your comments on the settlement at **Public Input Hearings** to be held by the PUC. The dates, times and locations of the hearings will be published in newspapers of general circulation.

For more information or a copy of the Joint Petition for Partial Settlement, contact PECO Energy at 1-800-494-4000. You may also contact the Public Utility Commission toll-free at 1-888-PUC-FACT (1-888-782-3228).

PECO Energy Company

Sept/Oct 1997

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