

REVISED  
Schedule 1  
page 1 of 1

**PECO Energy Company**  
**Summary of Generation Assets**  
as of 12/31/98  
(\$1000)

		<b>Source</b>
<b>Net Generating Plant &amp; CWIP (a)</b>	\$ 6,787,296	Schedule 2, page 1
<b>Regulatory Assets</b>	\$ 2,589,057	Schedule 6, page 1
<b>Regulatory Liabilities</b>	\$ (5,319)	Schedule 8
<b>NUG Contracts</b>	\$ -	
<b>Nuclear Decommissioning (a)</b>	\$ 233,827	Schedule 4, page 1
<b>Fossil Decommissioning</b>	\$ 126,605	Schedule 5
<b>Other Transition Costs</b>	<u>\$ 32,661</u>	Schedule 7
<b>Total</b>	<b>\$9,764,127</b>	

(a) Adjusted Amounts

**DOCUMENT  
FOLDER**

**DOCKETED**  
OCT 22 1997

REVISED  
 Schedule 2  
 page 1 of 2

**PECO Energy Company**  
**Summary of Generation Plant Assets**  
**as of 12/31/98**  
**(\$1000)**

	Plant	Reserve	Net Plant
<b>Intangible Plant</b>	\$ 98,700	\$ 26,744	\$ 71,592
<b>Steam Generating</b>	\$ 1,445,455	\$ 911,255	\$ 528,693
<b>Nuclear Generating</b>	\$ 8,503,230	\$ 2,859,685	\$ 5,627,852
<b>Hydraulic</b>	\$ 126,155	\$ 50,813	\$ 73,921
<b>Other</b>	\$ 145,335	\$ 140,086	\$ 4,407
<b>Common &amp; General</b>	\$ 134,265	\$ 35,353	\$ 98,912
<b>SPCO (a)</b>	\$ 117,926	\$ 34,364	\$ 83,563
<b>TOTAL</b>	\$ 10,571,065	\$ 4,058,300	\$ 6,488,941
<b>Adjusted Net Plant For Stranded Investment</b>			\$ 6,488,941
<b>Estimated CWIP @ 12/31/98</b>			<u>\$ 298,355</u>
<b>Net Plant + CWIP For Stranded Cost Estimate</b>			\$ 6,787,296

(a) Susquehanna Power Company - Owner of Conowingo Dam

**SHORTER LIFE - PECO METH**

NET PLT BOOK = \$ 10,000  
 TAX BASIS = \$ 5,000  
 BASIS DIFF = \$ 5,000  
 SFAS 109 = \$ 3,333

DISC RATE = 8.81%  
 REV REQ = 14.68%  
 REM TAX LIFE = 7 YRS  
 REM BOOK LIFE = 7 YRS  
 Flow Through For Taxes

**REVENUE REQUIREMENT SUMMARY**

RETURN \$4,605.85  
 DEPRECIATION \$7,236.49  
 TOTAL PLANT \$11,842.34  
 SFAS 109 \$2,411.60  
 TOTAL \$14,253.94

YEAR	NET PLANT (1)	SFAS 109 (2)	DEPN (3) = \$10,000/7	SFAS 109 AMORT (4) = (6a)	RETURN (5) = (1) * 14.68%	REV REQMT (6) = (5) + (5a)
1 \$	10,000	\$ 3,333	\$ 1,429	\$ 476	\$ 1,468	\$ 3,372
2 \$	8,571	\$ 2,857	\$ 1,429	\$ 476	\$ 1,258	\$ 3,163
3 \$	7,143	\$ 2,382	\$ 1,429	\$ 476	\$ 1,049	\$ 2,953
4 \$	5,714	\$ 1,906	\$ 1,429	\$ 476	\$ 839	\$ 2,743
5 \$	4,286	\$ 1,430	\$ 1,429	\$ 476	\$ 629	\$ 2,533
6 \$	2,857	\$ 954	\$ 1,429	\$ 476	\$ 419	\$ 2,324
7 \$	1,429	\$ 479	\$ 1,429	\$ 479	\$ 210	\$ 2,117
		NPV =	\$7,236.49	\$2,411.60	\$4,605.85	\$14,253.94

YEAR	BOOK DEPN (1a)	BOOK DEPN REV REQ (2a) = (1a)/(1-T)	TAX DEPN (3a)	TAX DEPN REV REQ (4a) = -(3a) * [T/(1-T)]	TOTAL DEPN REV REQ (5a) = (2a) + (4a)	SFAS 109 (6a) = (5a) - (1a)
1 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
2 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
3 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
4 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
5 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
6 \$	1,429	\$ 2,380.95	\$ 715.00	\$ (476.67)	\$ 1,904.29	\$ 476
7 \$	1,429	\$ 2,380.95	\$ 710.00	\$ (473.33)	\$ 1,907.62	\$ 479

LONGER LIFE - PP&L METHOD

NET PLT BOOK = \$ 10,000  
 TAX BASIS = \$ 5,000  
 BASIS DIFF = \$ 5,000  
 SFAS 109 = \$ 3,333

DISC RATE = 8.81%  
 REV REQ = 14.68%  
 REM TAX LIFE = 7 YRS  
 REM BOOK LIFE = 20 YRS  
 Flow Through For Taxes

REVENUE REQUIREMENT SUMMARY

RETURN \$ 8,954.31  
 DEPRECIATION \$ 4,627.41  
 TOTAL PLANT \$ 13,581.72  
 SFAS 109 \$ 672.21  
 TOTAL \$ 14,253.94

YEAR	NET PLANT (1)	SFAS 109 (2)	DEPN (3) = \$10000/20	SFAS 109 AMORT (4) = (6a)	RETURN (5) = (1) * 14.68%	REV REQMT (6) = (5) + (5a)	
1 \$	10,000	\$ 3,333	\$ 500	\$ (143)	\$ 1,468	\$ 1,825	
2 \$	9,500	\$ 3,476	\$ 500	\$ (143)	\$ 1,395	\$ 1,751	
3 \$	9,000	\$ 3,620	\$ 500	\$ (143)	\$ 1,321	\$ 1,678	
4 \$	8,500	\$ 3,763	\$ 500	\$ (143)	\$ 1,248	\$ 1,604	
5 \$	8,000	\$ 3,906	\$ 500	\$ (143)	\$ 1,174	\$ 1,531	
6 \$	7,500	\$ 4,050	\$ 500	\$ (143)	\$ 1,101	\$ 1,458	
7 \$	7,000	\$ 4,193	\$ 500	\$ (140)	\$ 1,028	\$ 1,388	
8 \$	6,500	\$ 4,333	\$ 500	\$ 333	\$ 954	\$ 1,788	
9 \$	6,000	\$ 4,000	\$ 500	\$ 333	\$ 881	\$ 1,714	
10 \$	5,500	\$ 3,666	\$ 500	\$ 333	\$ 807	\$ 1,641	
11 \$	5,000	\$ 3,333	\$ 500	\$ 333	\$ 734	\$ 1,567	
12 \$	4,500	\$ 3,000	\$ 500	\$ 333	\$ 661	\$ 1,494	
13 \$	4,000	\$ 2,666	\$ 500	\$ 333	\$ 587	\$ 1,421	
14 \$	3,500	\$ 2,333	\$ 500	\$ 333	\$ 514	\$ 1,347	
15 \$	3,000	\$ 2,000	\$ 500	\$ 333	\$ 440	\$ 1,274	
16 \$	2,500	\$ 1,666	\$ 500	\$ 333	\$ 367	\$ 1,200	
17 \$	2,000	\$ 1,333	\$ 500	\$ 333	\$ 294	\$ 1,127	
18 \$	1,500	\$ 1,000	\$ 500	\$ 333	\$ 220	\$ 1,054	
19 \$	1,000	\$ 666	\$ 500	\$ 333	\$ 147	\$ 980	
20 \$	500	\$ 333	\$ 500	\$ 333	\$ 73	\$ 907	
NPV =		\$ 4,627.41	\$	672.21	\$	8,954.31	\$ 14,253.94

YEAR	BOOK DEPN (1a)	BOOK DEPN REV REQ (2a) = (1a)/(1-T)	TAX DEPN (3a)	TAX DEPN REV REQ (4a) = -(3a) * [T/(1-T)]	TOTAL DEPN REV REQ (5a) = (2a) + (4a)	SFAS 109 (6a) = (5a) - (1a)
1 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
2 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
3 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
4 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
5 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
6 \$	500	\$ 833.33	\$ 715.00	\$ (476.67)	\$ 356.67	\$ (143)
7 \$	500	\$ 833.33	\$ 710.00	\$ (473.33)	\$ 360.00	\$ (140)
8 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
9 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
10 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
11 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
12 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
13 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
14 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
15 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
16 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
17 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
18 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
19 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333
20 \$	500	\$ 833.33	\$ -	\$ -	\$ 833.33	\$ 333

A&G Expense (Generation Component)

Total per Exhibit RAC - 1, p. 56	\$63,251	
Less: SFAS 106 Reg. Asset Amort. In a/c 926	(7,183)	
Exclude Wage Annualization added to a/c 926	(10,389)	19.788 X <u>58,295</u> 111,028
Total (for use in Exhibit TPH - 3 to 5)		<u>\$45,679</u>

Nonincome Taxes (Generation Component)

Total per Exhibit RAC - 1, p. 58	\$188,639	
Less: Gross Receipts Tax	<u>101,066</u>	
Net Total (for use in Exhibit TPH - 3 to 5)		\$ <u>87,573</u>

**Operating Assumptions**  
(Exhibit TPN-5)

**Data Inputs**

Plant Name	Total	Conemaugh	Conowingo	Cromby 1	Cromby 2	Delaware	Eddystone 1	Eddystone 2	Eddystone3&4	Keystone	
Capacity (MW)	9,186	352	512	144	201	250	279	302	760	357	
Case Description	Putnam, Hayes & Bartlett - Restructuring Filing - Utilizing W. Hieronymus' Market Revenue Estimates										
Plant Type		Coal	Water	Coal	Gas	Oil	Coal	Coal	Gas	Coal	
<b>Decommissioning:</b>											
Decommissioning Year - Adjusted		2021	2029	2004	1999	1999	2010	2025	2025	2018	
Decommissioning Year - Nameplate		2006	2014	2004	1999	1999	2010	2010	2010	2003	
Life Extension Years		15	15	0	0	0	0	15	15	15	
Required Life Extension Costs	1997 \$	307,000 \$	75,000 \$	10,000 \$	- \$	- \$	- \$	51,000 \$	56,000 \$	75,000	
Decommissioning Exp.	Flat \$	39,504 \$	618 \$	- \$	192 \$	- \$	319 \$	319 \$	710 \$	639	
<b>O&amp;M Buildup:</b>											
Fixed Charge - \$000	1997 \$	444,432 \$	7,677 \$	8,950 \$	6,762 \$	3,842 \$	4,789 \$	11,582 \$	9,528 \$	9,093 \$	6,811
Incremental Charge - \$/MWhr	1997		- \$	0.69 \$	3.38 \$	0.51 \$	1.68 \$	4.07 \$	3.24 \$	0.48 \$	-
NOX 1999-2002 \$/MWhr	1997		- \$	- \$	1.09 \$	1.43 \$	0.20 \$	0.64 \$	1.69 \$	0.79 \$	-
NOX 2003&Thereafter \$/MWhr	1997		- \$	- \$	2.52 \$	3.10 \$	0.76 \$	1.06 \$	2.34 \$	1.81 \$	-
Merrill Creek	Flat \$	16,400 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
1987 Operating & Maintenance - Base	\$	479,402 \$	7,677 \$	10,118 \$	9,857 \$	3,842 \$	4,789 \$	18,743 \$	15,741 \$	9,846 \$	6,811
1996 Operating & Maintenance - Actual	\$	532,216 \$	12,139 \$	8,474 \$	10,002 \$	4,211 \$	6,463 \$	18,298 \$	15,090 \$	9,223 \$	10,486
1995 Operating & Maintenance - Actual	\$	508,878 \$	12,520 \$	10,596 \$	12,655 \$	5,280 \$	7,373 \$	19,734 \$	19,787 \$	11,645 \$	12,338
1994 Operating & Maintenance - Actual	\$	529,628 \$	12,720 \$	10,912 \$	14,303 \$	6,835 \$	9,721 \$	29,492 \$	25,750 \$	14,980 \$	13,135
<b>Capital Expenditures:</b>											
1997 Capital Expenditures Base		90,736 \$	1,960 \$	1,400 \$	1,500 \$	900 \$	1,600 \$	1,800 \$	1,800 \$	1,800 \$	2,760
1996 Capital Expenditures Actual		205,286 \$	5,196 \$	13,723 \$	70 \$	88 \$	- \$	650 \$	420 \$	855 \$	3,760
1995 Capital Expenditures Actual		169,437 \$	8,752 \$	6,100 \$	429 \$	3,334 \$	136 \$	8,415 \$	5,141 \$	3,573 \$	7,274
1994 Capital Expenditures Actual		198,806 \$	27,638 \$	943 \$	10,217 \$	827 \$	1,617 \$	5,895 \$	4,393 \$	13,223 \$	11,156
<b>Other Costs:</b>											
Admin & General Exp.	1996 \$	45,679 \$	- \$	1,365 \$	1,330 \$	518 \$	646 \$	2,529 \$	2,124 \$	1,329 \$	-
Other Taxes	1996 \$	87,573 \$	- \$	2,617 \$	2,550 \$	994 \$	1,239 \$	4,848 \$	4,072 \$	2,547 \$	-
<b>Allocation Factors:</b>											
1987 O&M ex Salem,Keystone&Conemaugh		338,526 \$	- \$	10,118 \$	9,857 \$	3,842 \$	4,789 \$	18,743 \$	15,741 \$	9,846 \$	-
			0.0%	3.0%	2.9%	1.1%	1.4%	5.5%	4.6%	2.9%	0.0%

**Development of the Amortization  
of the Pension Fund Surplus  
Included in the Market Value Analysis**

Conceptually, Total FAS 87 Cost =

**Service Cost = 27,128,807**

- Value of benefits earned during the current year

plus

**Amortization of Surplus = (26,823,537)**

- Interest Cost \*
- Expected Return on Assets \*\*
- Amortization of Transition Asset
- Amortization of Prior Service Cost
- Amortization of Losses (gains)

In essence, the amortization of the surplus brought the FAS 87 cost down to \$305,270 from \$27,128,807.

\* The interest cost is developed by multiplying the discount rate (essentially the return on fixed-income investments) by the Projected Benefit Obligation (PBO, shown on page SI-2).

\*\* The Expected Return on Assets is developed by multiplying the Return on Assets Rate by the Market-Related Value (MRV, shown on page SI-2). The Market-Related Value is the smoothed asset value.

**Estimated Electric Generation Portion of Surplus Amortization**

Amortization of Surplus	\$26,823,537
Electric Allocation %	94%
	-----
Electric Portion	\$25,214,124
Generation Labor Allocator	52.50% (Exhibit ABC-1, Sch 6, p.2)
Generation Portion of Surplus Amort.	\$13,237,415

**Basic Results for Pension Cost**

	January 1, 1996	January 1, 1995
<b>Obligations</b>		
Vested accumulated benefit obligation (VBO):		
▸ Participants in pay status	\$ 1,475,582,948	\$ 1,409,413,595
▸ Deferred inactive participants	33,519,293	23,509,458
▸ Active participants	<u>193,845,604</u>	<u>131,007,507</u>
Total	\$ 1,702,947,845	\$ 1,563,930,560
Nonvested accumulated benefit obligation		
	<u>83,644,181</u>	<u>61,266,603</u>
Accumulated benefit obligation (ABO)	\$ 1,786,592,026	\$ 1,625,197,163
Additional obligation for future salary increases		
	<u>245,529,549</u>	<u>192,790,760</u>
Projected benefit obligation (PBO)	\$ 2,032,121,575	\$ 1,817,987,923
<b>Assets</b>		
Fair value (FV)	\$ 2,087,427,720	\$ 1,739,636,710
Unrecognized investment losses (gains)	(234,740,302)	(4,375,051)
Market-related value (MRV)	1,852,687,418	1,735,261,659
<b>Funded Status</b>		
Unfunded ABO (ABO - FV)	\$ (300,835,694)	\$ (114,439,547)
ABO funded percentage (FV ÷ ABO)	116.8%	107.0%
<b>Key Economic Assumptions</b>		
Discount rate	7.25%	8.25%
Rate of return on assets	9.50%	9.50%
Average salary increase rate	5.00%	5.25%

**Pension Cost**

	January 1, 1996	January 1, 1995
<b>Pension Cost</b>		
Service cost	\$ 27,128,807	\$ 19,355,791
Interest cost	144,235,652	145,808,265
Expected return on assets	(171,206,558)	(159,952,419)
Amortization of:		
▸ Transition obligation (asset)	(4,679,638)	(4,679,639)
▸ Prior service cost (credit)	4,827,007	4,827,007
▸ Losses (gains)	<u>0</u>	<u>(1,332,253)</u>
Pension cost	\$ 305,270	\$ 4,026,752
Percent of covered pay	0.1%	1.2%
Per active participant	\$ 44	\$ 603

**Change in Pension Cost**

Pension cost for fiscal 1995	\$ 4,026,752
Change from fiscal 1995 to fiscal 1996:	
▸ Based on 1995 assumptions	(1,968,772)
▸ Actuarial loss (gain) from liabilities	(2,366,438)
▸ Actuarial loss (gain) from assets	(8,299,311)
▸ Change in assumptions	8,913,039
▸ Change in plan provisions	<u>0</u>
Pension cost for fiscal 1996	\$ 305,270

PECO ENERGY -- ELECTRIC OPERATIONS  
ENERGY COST ADJUSTMENT - STATEMENT NO. 8  
ENERGY COST ADJUSTMENT RECONCILIATION  
RECONCILIATION PERIOD : FEB. 1, 1997 THRU JAN. 31, 1998  
SCHEDULE 9 (1 OF 2)

	TOTAL ENERGY COSTS	LESS: L.I.L.R ENERGY	NET ENERGY COSTS	TOTAL SYSTEM SALES EXCL L.I.L.R	BULK SALES	ALLOC FACT.	ENERGY COSTS ALLOC. TO BULK SALES	ENERGY COSTS EXCL SUPP & BULK SALES	TOTAL SYSTEM SALES EXCL. SUPP & BULK	RETAIL SALES	ALLOC. FACTOR	ENERGY COSTS TO RETAIL SALES
	\$\$	\$\$	\$\$	KWH	KWH		\$\$	\$\$	KWH	KWH		\$\$
	(1)	(2)	(3)=(1)-(2)	(4)	(5)	(6)=(5)/(4)	(7)=(3)*(6)	(8)=(3)-(7)	(9)=(4)-(5)	(10)	(11)=(10)/(9)	(12)=(11)*(8)
JAN97	\$55,345,805	\$1,555,833	\$53,789,972	\$4,009,764,983	\$858,816,000	0.2142	\$11,521,812	\$42,268,160	3,150,948,983	\$3,016,936,277	0.9575	\$40,471,763
FEB97	\$56,293,520	\$1,594,335	\$54,699,185	3,547,059,236	734,048,000	0.2069	\$11,317,261	\$43,381,924	2,813,011,236	2,690,047,935	0.9563	\$41,486,134
MAR97	\$49,858,718	(\$1,972,202)	\$51,830,920	3,526,156,100	860,438,000	0.244	\$12,646,744	\$39,184,176	2,665,718,100	2,536,765,483	0.9516	\$37,287,661
APR97	\$45,403,245	\$344,096	\$45,059,149	3,500,042,818	815,623,000	0.233	\$10,498,782	\$34,560,367	2,684,419,818	2,563,133,406	0.9548	\$32,998,238
MAY97	\$40,944,406	\$338,059	\$40,606,347	3,250,955,014	787,939,000	0.2424	\$9,842,979	\$30,763,368	2,463,016,014	2,339,443,300	0.9498	\$29,219,047
JUN97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
JUL97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
AUG97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
SEP97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
OCT97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
NOV97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
DEC97	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
JAN98	\$0	\$0	\$0	0	0	#DIV/0!	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
TOTAL	\$192,499,889	\$304,288	\$192,195,601	13,824,213,168	3,198,048,000		#DIV/0!	#DIV/0!	10,626,165,168	10,129,390,124		#DIV/0!

PECO ENERGY -- ELECTRIC OPERATIONS

ENERGY COST ADJUSTMENT

ENERGY COST ADJUSTMENT RECONCILIATION

RECONCILIATION PERIOD : FEB. 1, 1997 THRU JAN. 31, 1998

SCHEDULE 9 (2 OF 2)

	ENERGY COSTS TO RETAIL SALES \$\$	ENERGY COSTS RECVRD. IN BASE \$\$	ENERGY COSTS OVER BASE \$\$	ENERGY RATE MILLS /KWH	COST OF ENERGY REVENUES \$\$	HT TIME OF USE REVENUES \$\$	TOTAL REVENUES \$\$	CURRENT PERIOD O / (U) \$\$
	(13)=(12)	(14)=(10)*.016439	(15)=(13)-(14)	(16)	(17)=(10)*(16)	(18)	(19)=(17)+(18)	(20)=(19)-(15)
JAN97	\$40,471,763	\$49,595,415	(\$9,123,652)	(5.655)	(\$17,060,775)	(\$517,730)	(\$17,578,505)	(\$8,454,853)
FEB97	\$41,486,134	\$44,221,698	(\$2,735,564)	-5.655	(\$15,212,221)	(\$504,942)	(\$15,717,163)	(\$12,981,599)
MAR97	\$37,287,661	\$41,701,888	(\$4,414,227)	-5.655	(\$14,345,409)	(\$504,942)	(\$14,850,351)	(\$10,436,124)
APR97	\$32,998,238	\$42,135,350	(\$9,137,112)	-5.655	(\$14,494,519)	(\$504,942)	(\$14,999,461)	(\$5,862,349)
MAY97	\$29,219,047	\$38,458,108	(\$9,239,061)	-5.655	(\$13,229,552)	(\$554,862)	(\$13,784,414)	(\$4,545,353)
JUN97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	\$192,233	\$192,233	#DIV/0!
JUL97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	\$147,437	\$147,437	#DIV/0!
AUG97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	\$176,341	\$176,341	#DIV/0!
SEP97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	\$54,896	\$54,896	#DIV/0!
OCT97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	(\$554,178)	(\$554,178)	#DIV/0!
NOV97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	(\$537,887)	(\$537,887)	#DIV/0!
DEC97	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	(\$517,730)	(\$517,730)	#DIV/0!
JAN98	#DIV/0!	\$0	#DIV/0!	-5.655	\$0	(\$592,843)	(\$592,843)	#DIV/0!
TOTAL	#DIV/0!	\$166,517,044	#DIV/0!		(\$57,281,701)	(\$3,701,419)	(\$60,983,120)	#DIV/0!

PECO ENERGY -- ELECTRIC OPERATIONS								
ENERGY COST ADJUSTMENT RECONCILIATION								
PAGE 4								
	INTEREST	PRIOR	INTEREST	TOTAL	CURRENT	MONTHLY DEFERRL		
PERIOD	REFUND	PERIOD	REFUND	E FACTOR	PERIOD	TOTAL	DEFERRAL	
O / (U)	RATE	O / (U)	REVENUES	REVENUES	O / (U)	O / (U)	BALANCE	
RATE		REVENUES						
M/KWH	M/KWH	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	
(24)	(25)	(27)=(10)*(24)	(28)=(10)*(25)	(29)=(27)+(28)	(30)=(20)	(31)=(30)+(27)	(32)	
JAN97								
FEB97	0	0	0	0	\$0	(\$12,981,599)	(\$8,454,853)	(\$8,454,853)
MAR97	0	0	0	0	\$0	(\$10,436,124)	(\$12,981,599)	(\$21,436,452)
APR97	0	0	0	0	\$0	(\$5,862,349)	(\$10,436,124)	(\$31,872,576)
MAY97	0	0	0	0	\$0	(\$4,545,353)	(\$5,862,349)	(\$37,734,925)
JUN97	0	0	0	0	\$0	#DIV/0!	(\$4,545,353)	(\$42,280,278)
JUL97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
AUG97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
SEP97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
OCT97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
NOV97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
DEC97	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
JAN98	0	0	0	0	\$0	#DIV/0!	#DIV/0!	#DIV/0!
12 Months			0	0	\$0	#DIV/0!	#DIV/0!	
Balance			0	0		#DIV/0!		
ECA COMPUTATION								
NEXT APPLICATION PERIOD:			APR98	THRU THE NEXT MAR				
1.	ENERGY COST RATE = (F/S(T) - B - E/S(A) + LSA/S(A)) / (1 - T)					TOTAL	MILLS / KWH	
2.	F = COST OF ENERGY					\$567,808,752		
	LESS: REPLACEMENT POWER COSTS					\$0	12.6200	
	LESS: B = BASE COST						16.4390	
	EQUALS GROSS ECA RATE EXCL. GRT						(3.8190)	
3.	LESS: RECONCILIATION OF O/(U) :			CURRENT PER.	PRIOR PER.			
	: OVER / (UNDER) COLLECTION			#DIV/0!	\$0	#DIV/0!		
	: NUCL. PERF. BONUS & OTHER ADJS.					\$7,310,000		
	: NET					#DIV/0!	#DIV/0!	
	: APPLICABLE INTEREST DUE			#DIV/0!	\$0	#DIV/0!	#DIV/0!	
4.	PLUS: LIMERICK SETTLEMENT ADJUSTMENT					\$45,900,000	1.4740	
5.	S(T) = PROJECTED SALES FOR COMP. PERIOD (KWH)					44,991,723,377		
6.	S(A) = PROJ. RETAIL SALES FOR COMP. PERIOD (KWH)					31,149,936,291		
7.	ENERGY COST RATE EXCL. GRT						#DIV/0!	
8.	ENERGY COST RATE INCL. GRT						#DIV/0!	

## CAPACITY FACTOR =78%

OUTPUT DATA (MWH)	JAN 97	FEB 97	MAR 97	APR 97	MAY 97
GN	2,148,041	1,378,599	2,198,214	1,921,834	2,136,828
GM	499,144	443,926	363,949	435,011	385,981
GC	451,805	300,761	391,599	273,221	144,576
GO	17,897	12,793	(3,376)	(2,412)	(2,426)
GIC	19,785	13,002	3,833	5,478	4,633
GI ***	934,375	1,329,397	659,480	780,435	799,852
QF	56,443	54,841	43,240	50,534	43,160
NET GI	877,932	1,274,556	616,240	729,901	756,692
COST DATA					
CN	\$10,731,806	\$7,203,493	\$11,050,406	\$9,972,396	\$10,865,575
CM	\$6,310,404	\$6,183,171	\$3,768,223	\$5,388,634	\$4,807,293
CC	\$5,768,441	\$4,820,582	\$6,304,071	\$4,305,090	\$2,341,656
CO	\$4,657,084	\$2,203,506	\$602,733	\$269,445	\$256,912
CIC	\$1,583,901	\$872,049	\$88,866	\$94,368	\$76,761
CI ***	\$26,294,169	\$35,060,717	\$28,044,419	\$25,373,312	\$22,596,210
QF	\$1,581,785	\$1,627,365	\$1,158,192	\$1,386,881	\$1,303,250
NET CI	\$24,712,384	\$33,433,353	\$26,886,227	\$23,986,430	\$21,292,960
PMM	5.34%	5.34%	5.34%	5.34%	5.34%
UREC	26.583	25.609	33.163	28.116	26.215
UNEC	4.996	5.225	5.027	5.189	5.085
URPC	21.587	20.384	28.136	22.927	21.13
SALEM DATA					
<u>Unit 1</u>					
CAPACITY	477	477	477	477	471
HOURS	24	24	24	24	24
CAPACITY FACTOR	78.0%	78.0%	78.0%	78.0%	78.0%
# OF DAYS	0	0	13	30	31
# OF MWH	0	0	116,083	267,883	273,331
<u>Unit 2</u>					
CAPACITY	477	477	477	477	471
HOURS	24	24	24	24	24
CAPACITY FACTOR	78.0%	78.0%	78.0%	78.0%	78.0%
# OF DAYS	0	0	0	30	31
# OF MWH	0	0	0	267,883	273,331
Station MWH	0	0	116,083	535,766	546,662
TOTAL REP. COST =	\$0	\$0	\$3,266,111	\$12,283,507	\$11,550,968
TOTAL SALES(excl LILR)	4,009,764,983	3,547,059,236	3,526,156,100	3,500,042,818	3,250,955,014
PA ECA SALES	3,016,936,277	2,690,047,935	2,536,765,483	2,563,133,406	2,339,443,300
% =	0.7524	0.7584	0.7194	0.7323	0.7196
ALLOC. REP. COST	\$0	\$0	\$2,349,640	\$8,995,212	\$8,312,077
CUM. ALLOC. REP. COST	\$0	\$0	\$2,349,640	\$11,344,852	\$19,656,929

Decommissioning					
	Fund Expected 1/1/99 (1)	Decom Cost In 1998 \$ (2)	Current Expense Needed (3)	Year Of CE (4)	Annual Pmt Based on (3) (5)
Peach Bottom 1	\$ 8,712,529	\$ 24,082,979	\$ 40,065,380	2014	\$ 1,377,895
Peach Bottom 2	\$ 58,185,706	\$ 58,393,296	\$ 97,145,353	2014	\$ 3,340,941
Peach Bottom 3	\$ 58,227,750	\$ 78,177,730	\$ 130,059,506	2014	\$ 4,472,897
Limerick 1	\$ 91,459,826	\$ 233,710,328	\$ 559,448,231	2024	\$ 7,552,334
Limerick 2	\$ 53,607,689	\$ 347,414,357	\$ 999,984,146	2029	\$ 8,916,142
Salem 1	\$ 44,259,013	\$ 63,493,807	\$ 113,345,370	2016	\$ 3,176,953
Salem 2	\$ 38,263,465	\$ 82,302,405	\$ 169,998,012	2020	\$ 3,261,730
<b>Totals</b>	<b>\$ 352,715,977</b>	<b>\$ 887,574,902</b>	<b>\$ 2,110,045,998</b>		<b>\$ 32,098,891</b>

**Total Deferred Taxes**

1/1/99 \$ 17,774,970

Discount Rate = 7.5%

(1) = Fund @ 12/31/96 + 7.5%\_earn + Q\_NQ deposits\*24 months until 12/31/98

(2) = Refer to sheet 4\_2 in Ex\_ABC-1.xls

(3) = Refer to sheet 1\_backup\_noFUND

(4) = Input

(5) =  $(.075)/((1+.075)^n-1) * (3)$

**Lee Smith Methodology  
Jurisdictional Responsibility for Capacity**

1997 Peak Load (excluding DPL)	6868 MW (a)
1997 DPL Load	212 MW (a)
TOTAL Peak Load	7080 MW
DPL Load as a % of total	3%

(a) Source: 1997 Annual Resource Planning Report (IRP-ELEC-2A)

**Schoengold Methodology  
 Jurisdictional Responsibility For Capacity - PECO Retail**

YEAR	INSTALLED CAPACITY (MW)	PEAK DEMAND (MW)	INTERR LOAD (MW)	NET PEAK (MW)	NET PEAK PLUS 18% RESERVE (MW)	SCHEDULED EXPORTS (MW)	RETAIL SHARE	DSCT WEIGHTING FACTOR	WEIGHTED RETAIL SHARE
1999	9214	7277	148	7129	8412	185	0.913	1.000	0.913
2000	8597	7354	148	7206	8503	191	0.974	0.923	0.899
2001	8597	7458	148	7310	8626	197	0.974	0.851	0.829
2002	8597	7536	148	7388	8718	203	0.973	0.785	0.764
2003	8597	7615	148	7467	8811	209	0.973	0.724	0.704
2004	8597	7694	148	7546	8904	215	0.972	0.668	0.649
2005	8453	7775	148	7627	9000	221	0.972	0.616	0.599
								5.567	5.357
									0.962
									0.038

Retail  
 Non-Jurisdictional

**PECO Energy Company**  
**Production Plant Allocation**  
**as of 12/31/98**  
**(\$1000)**

	TOTAL PLANT	RESERVE	% ALLOC TO PROD (a)	ADJUSTED TOT PLANT	ADJUSTED RESERVE	NET PLANT
General Plant	\$ 97,074	\$ 32,303	48.40%	\$ 46,984	\$ 15,635	\$ 31,349
Common Plant	\$ 362,162	\$ 81,818	24.10%	\$ 87,281	\$ 19,718	\$ 67,563
<b>TOTAL</b>	<b>\$ 459,236</b>	<b>\$ 114,121</b>		<b>\$ 134,265</b>	<b>\$ 35,353</b>	<b>\$ 98,912</b>

(a) Refer To Exhibit RAC-9

**PECO Energy Company**  
**Pennsylvania Retail Electric Sales**  
**1988-1997**

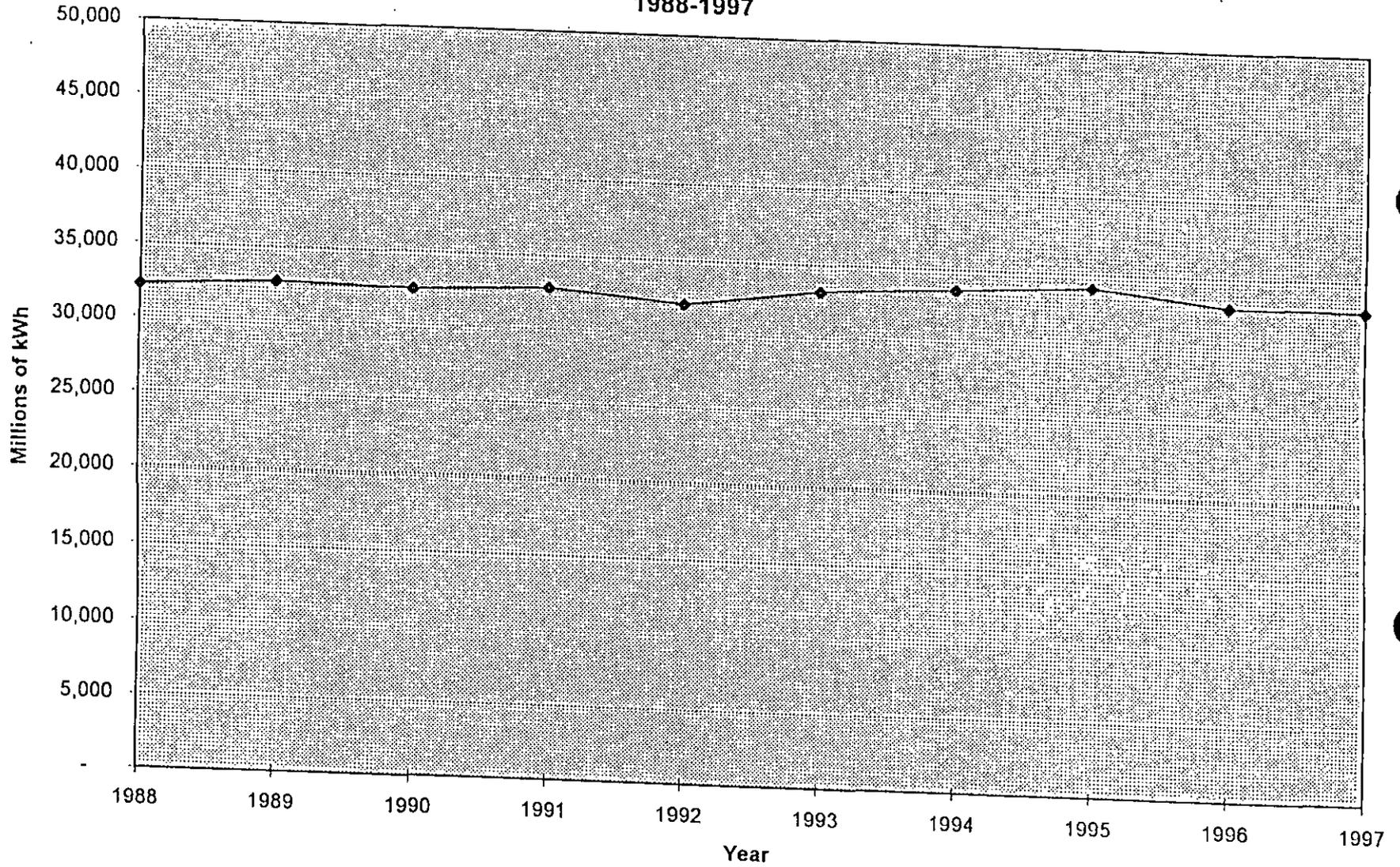
	Millions of kWh (a)	
1988	32,239	
1989	32,675	
1990	32,445	
1991	32,801	
1992	31,993	
1993	33,136	
1994	33,563	
1995	33,994	
1996	32,945	
1997	<u>32,865</u>	(b)
<b>AVG</b>	<b>32,866</b>	

NOTES:

(a) From PECO Energy Annual Report, Years 1988-1996

(b) 12 months ended 8/31/97

PECO Energy Company  
Retail Electric Sales  
1988-1997



PECO Energy Company  
Transmission and Distribution Charges  
From Pilot Filing-Docket No. P-00971170

Rate	T&D (a) Rev. Req. (\$1,000)	Sales From Docket No. R-891364 MWh
R	\$ 429,029	6,876,529
RH	\$ 86,252	2,423,750
GS	\$ 124,392	4,825,601
PD	\$ 24,630	1,546,238
HT	\$ 119,332	14,082,847
EP	\$ 10,575	740,000
Total	\$ 794,210	30,494,965

Rate = 2.60 cents/kwh

Transmission and Distribution (Partial Settlement  
Docket No.R-00973953)

Rate = 3.11 cents/kwh

Increase in Cost  
Percent Increase

0.51 cents/kwh  
19.6%

(a) Appendix B-Attachment 2 of Pilot Filing

**PECO Energy Company**  
**Estimate of Stranded Cost Recovered From Settlement**  
**(1000)**

**CTC Recovery**

Year Col. 1	CTC Col. 2	1996 Sales(MMWH) Col. 3	CTC Revenue Col.4=Col 3*2	CTC Rev (excl GRT) Col.5=Col. 4*.956
1999	3.04	33,569	\$1,020,498	\$975,596
2000	3.04	33,569	\$1,020,498	\$975,596
2001	3.14	33,569	\$1,054,067	\$1,007,688
2002	3.14	33,569	\$1,054,067	\$1,007,688
2003	3.14	33,569	\$1,054,067	\$1,007,688
2004	2.87	33,569	\$963,430	\$921,039
2005	2.77	33,569	\$929,861	\$888,947
2006	2.57	33,569	\$862,723	\$824,763
2007	2.47	33,569	\$829,154	\$792,672
2008	2.27	33,569	\$762,016	\$728,488
NPV@8.71% 9/1/98				\$5,892,542
<b>1998 Rate Reduction</b>			(\$111,500)	(\$104,995)
<b>Sub-Total</b>				\$5,787,546
<b>Other Components (a)</b>				\$237,000
<b>Total Recovery</b>				\$6,024,546
<b>Revenue Requirement on \$5.461 Billion</b>				\$6,024,800

(a) includes extension of T&D rate cap, expansion of universal service, LILR/EER changes  
potential securitization benefits, potential sales growth

PECO-ENRON-VI-19.

Q. With reference to page 2, lines 18-20, and p. 12, lines 7-10, please state whether Mr. Reising has conducted any analyses or investigations of PECO's A&G functions and activities to determine which of these functions and activities will still continue, and/or the extent to which they will continue, when all customers may choose their electric generation supplier. Produce all such analyses or investigations and any and all documents relating to them.

A. I have not conducted such studies.

Responsible Witness: Paul D. Reising

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PECO	CROSS
DATE 10-16-97	EXHIBIT 14
MARY ELLEN WOLF, REPORTER	

Philadelphia  
R-00973953, etc.

**Resume of  
Michael S. Freeman**

Office: 215-841-6865  
Office Fax: 215-841-6959  
E-mail: Mfreeman@PECO-Energy.com

**Professional experience:**

**PECO ENERGY COMPANY**, January 1992 to present.

- **Supply manager**, National Energy Team. Negotiates and prices national energy agreements, as well as analyzes and obtains the most economical, efficient energy supplies for customers.
- **Senior market specialist** in Pricing group, which is part of Strategic Planning and Analysis. Responsibilities included development, design, analysis, and regulatory aspects of special contracts, primarily for large industrial customers; customer negotiation, and rate design. Participated in decisions on pricing strategy and methodologies, and on general direction of Pricing group. Initiated and worked on marginal costing studies for electric and gas businesses. Led or assisted analysis and negotiation of approximately 15 power contracts.
- Helped develop PECO Energy's **Retail Wheeling Pilot Program**, especially unbundling of retail rates.
- Provided analytical support for testimony in pilot and restructuring litigation and settlement proceedings.
- **Was Company's lead modeler for Demand Side Management Plan**, filed with Pennsylvania Public Utility Commission in March 1995. Wrote or co-wrote the Plan, with exception of evaluation section. **Lead analyst and writer** for annual filings with PaPUC of Conservation and Load Management Programs, 1993 to 1995.
- **Key contributor** to McKinsey & Company studies of PECO response to deregulation (1993) and account planning reorganization (1994).

**Performance Evaluations:** Achieved highest possible rating for five consecutive years.

**UNIVERSITY OF PENNSYLVANIA**, Department of Energy Management and Policy, January 1989 to December 1992.

- **Research assistant.** Led or co-led two major research projects:
  - “The Costs of Greenhouse Gas Emissions,” for the World Bank, 1992. Oversaw six graduate students in collection and analysis of international data related to costs and emissions of power generation sites. Wrote most of the final 300-page version.
  - “The Environmental Impacts of Power Generation,” for the United Nations, 1991. Co-led seven graduate students in researching and writing.
- **Editor,** *Quarterly for the Center for Energy and the Environment*, 1990 to 1991. Responsible for content- and technical editing of articles.
- **Other research** included alternative methods of financing the Strategic Petroleum Reserve; analysis of eminent domain awards in electromagnetic field cases; symmetry and asymmetry between wholesale and retail gasoline prices.

**THE PHILADELPHIA DAILY NEWS, 1978 to 1989.**

- **City editor,** April 1985 to January 1989. Responsible for all local news coverage. Managed a staff of 50. Previous positions included reporter and assistant city editor.

**Education:**

**Master of Science,** University of Pennsylvania, 1991. Energy Management and Policy. Multi-disciplinary program with emphasis on micro-economics and economic modeling. I developed a concentration in statistics and econometrics.

**Bachelor of Science,** Temple University, 1976. Political Science.

**“Industrial Power Distribution,”** 10-week course given by Electrical Association of Philadelphia, 1996.

**Workshops:** “Advanced Real Time Pricing,” Electric Power Research Institute, March 1996; “Electric Utility Finance,” EXNET, April 1995.

**Recent Papers:**

“Utilities at the Crossroads.” Presented Jan. 14, 1997, Buying Electricity II, American Metal Market and Energy User News, Orlando, Fla.