



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

March 24, 1999

To All Parties To PP&L's Restructuring Proceeding  
And All Who Were Served A Copy Of Our  
August 27, 1998 Final Order At Docket No. R-00973954

Re: Application of Pennsylvania Power & Light Company for  
Approval of its Restructuring Plan Under Section 2806 of the  
Public Utility Code, et al., R-00973954

Dear Sir or Madam:

Enclosed are corrected pages 15, 16 and 17 of the Commission's August 27, 1998 Final Order in the Pennsylvania Power & Light Company's (PP&L) Restructuring Proceeding. PP&L correctly noted that our Final Order contained three typographical errors.

On page 15 and 16, reference to Section 2812(b)(5) of the Public Utility Code was in error. 66 Pa. C.S. §2812(b)(5). The correct citation is to Section 2812(b)(4). 66 Pa. C.S. §2812(b)(4). On page 17, a phrase was misplaced outside the parenthetical that defined Intangible Transition Property. The phrase has been moved to within the parenthetical to reflect the definition set forth in Section 2812(g) of the Public Utility Code. 66 Pa.C.S. §2818(g).

We apologize for any inconvenience these errors may have caused.

Sincerely,

James J. McNulty  
Secretary

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APR 06 1999

cc: Kathryn G. Sophy, Assistant Counsel

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associated with the Transition Bonds issued on that date shall be applied to bills simultaneously with the reduction of the CTCs.

11. That the CTCs and the Intangible Transition Charges shall be applied to customer bills using the methodology and allocation set forth in PP&L's QRO Application and its Restructuring Filing, as adjusted by the Joint Petition. Pursuant to Section 2812(b)(4) of the Act, the Commission authorizes PP&L to make annual adjustments (each, an "Annual Adjustment") to the Intangible Transition Charges if collections of such Intangible Transition Charges fall below the amount necessary to ensure the receipt by the assignee of the Intangible Transition Property and the Financing Party of revenues sufficient to recover fully the Qualified Transition Expenses consistent with this Commission's Order; provided, however, that adjustments during the final calendar year of Intangible Transition Charge collection for any series of Transition Bonds shall be done quarterly or monthly, if necessary, in order to ensure full recovery of Intangible Transition Charges. The revenues received by the assignee of the Intangible Transition Property and the Financing Party through the Intangible Transition Charges shall be determined to be sufficient for this purpose if and only if the revenues so received through the Intangible Transition Charges are sufficient to provide for the payment of principal, interest, and acquisition or redemption premiums on the Transition Bonds, to fund any reserves and to pay related credit enhancement, servicing fees and other related fees, costs and charges in accordance with the terms thereof and as consistent with the

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terms of this Qualified Rate Order and the Joint Petition. For each Annual Adjustment, PP&L shall file with this Commission: (a) an accounting of Intangible Transition Charges received by the assignee of the Intangible Transition Property and the Financing Party for the previous annual period; (b) a statement of any over- or under-receipts; (c) the charge or credit to be added to Intangible Transition Charges to ensure that the Intangible Transition Charges revenue received by the assignee of the Intangible Transition Property and the Financing Party will be sufficient to amortize the Qualified Transition Expenses in accordance with the amortization schedule for Transition Bonds to be determined at the time of issuance of each series of Transition Bonds, and the corresponding reduction or increase in the CTCs or, if CTCs have not been imposed, PP&L's distribution rates; and (d) any proposal by PP&L to modify the reconciliation methodology. Pursuant to 66 Pa. C.S. §2812(b)(4), this Commission shall finally adjudicate all Annual Adjustments within 90 days of PP&L's Annual Adjustment filing.

12. That this Commission determines that the methodology under which PP&L will recover the Intangible Transition Charges authorized by this Qualified Rate Order satisfies the provisions of 66 Pa. C.S. §2812(g), which require that the methodology not shift inter-class or intra-class and that the methodology maintains consistency with the allocation methodology for utility production plant used by the Commission in PP&L's most recently concluded base-rate proceeding.

13. That this Commission concludes that it is in the public interest to, and authorizes PP&L and any Assignee to, (a) assign, sell, transfer or pledge Intangible Transition Property (such term includes all right, title and interest of PP&L or any Assignee in this qualified Rate Order and in all revenues, collections, claims, payments, money or proceeds arising from Intangible Transition Charges pursuant to this Qualified Rate Order to the extent this Qualified Rate Order and the rates and other charges authorized hereunder are declared irrevocable) in an amount sufficient to recover all its Qualified Transition Expenses and (b) issue, sell and refinance, in reliance on this Qualified Rate Order, one or more series of Transition Bonds, each series in one or more classes, secured by the Intangible Transition Property created by this Qualified Rate Order; provided that the final maturity of any services of Transition Bonds shall not exceed 10 years from the date of issuance and in no event shall any Transition Bond have a final maturity after December 31, 2009. Notwithstanding the foregoing, PP&L retains sole discretion regarding whether to assign, sell or otherwise transfer Intangible Transition Property created hereby or to issue or cause the Transition Bonds to be issued or refinanced.

14. That PP&L or any Assignee may refinance the Transition Bonds in a face amount not to exceed the unamortized principal thereof. That, if PP&L or any Assignee refinances the Transition Bonds, the Intangible Transition Charges authorized in this Qualified Rate Order shall be adjusted in accordance with the true-up mechanism