

DATE: November 22, 1999

SUBJECT: A-110550F0147

TO: Bureau of Fixed Utility Services

FROM: *JJM* James J. McNulty, Secretary

APPLICATION OF PECO ENERGY

We attach hereto a copy of the Application of PECO Energy and Unicom Corporation for merger, which has been captioned and docketed to the above number.

Applicant has been instructed to publish in a newspaper.

If no protests are received by December 20, 1999, will your Bureau please prepare a report for the attention of the Commission or instruct the Secretary's Bureau to re-assign this matter to the Office of Administrative Law Judge for hearing.

Attachment

cc: Law Bureau

jly

DOCUMENT
FOLDER

DOCKETED
NOV 22 1999

PENNSYLVANIA PUBLIC UTILITY COMMISSION

NOTICE TO BE PUBLISHED

Application of PECO Company, pursuant to chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for approval of (1) a plan of corporate restructuring, including the creation of a holding company and (2) the merger of the newly formed holding company and Unicom Corporation.
Docket No. A-110550F0147

Notice is hereby given that this Application may be considered without a hearing. Protests or petitions to intervene can be filed with the Pennsylvania Public Utility Commission, P. O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the applicant on or before December 20, 1999, pursuant to Title 52 of the Pennsylvania Code.

Applicant:

Peco Energy Company
2301 Market Street
PO Box 8699
Philadelphia PA 19101-8699

Through and By Counsel:

Paul R Bonney, Esquire
2301 Market Street
PO Box 8699
Philadelphia PA 19101-8699

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LEGISLATIVE REFERENCE
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PA. CODE & BULLETIN

BY THE COMMISSION

James J. McNulty

James J. McNulty
Secretary

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

The addressee named here has paid the PA P.U.C. for the following bill:

PECO ENERGY CO
ATTN THOMAS P HILL JR
PO BOX 8699
PHILADELPHIA PA 19101-8699

DATE 11/24/99
RECEIPT # 196419

IN RE: Application fees for PECO ENERGY CO

Docket Number A-110550F0147..... \$350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 002521 & 002522
CHECK AMOUNT: \$350.00

C. Joseph Meisinger
(for Department of Revenue)

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NOV 29 1999

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE :
RESTRUCTURING, INCLUDING THE : APPLICATION
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :

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PA. P.U.C.
SECRETARY'S BUREAU

PROTEST AND PETITION TO INTERVENE

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Petitioners and Protestants, through counsel in this matter, Citizens for Pennsylvania's Future, hereby protest the Application of PECO Energy Company (the "Applicant") for approval of (1) a plan of corporate restructuring, including the creation of a holding company and (2) the merger of the newly formed holding company and Unicom Corporation ("Unicom") (the "Application") and petition the Pennsylvania Public Utility Commission ("Commission") to grant Petitioners, individually and collectively, status as Intervenors in the proceedings of the Commission concerning the Application pursuant to 52 Pa. Code Sections 5.51 et seq. and 5.71 et seq.

The Commission will consider the Application for compliance with the Pennsylvania Public Utility Code, Title 66 of the Pennsylvania Consolidated Statutes Annotated (the "Code"). In particular, Section 2811(e)(1) provides that the Commission shall exercise its authority to approve, reject or condition the merger by considering whether the proposed merger... "is likely to result in anti-competitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market." Section 2811(e)(2) provides that upon such findings, the Commission "shall not approve such proposed merger... except on such terms and conditions as it finds necessary to preserve the benefits of a properly functioning and workable competitive market."

The Commission's authority to approve, reject, or modify the proposed merger is pursuant to Section 1102 (3) of the Code, which directs that "a certificate of public convenience shall be granted by order of the commission, only if the commission shall find or determine that

the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public. The commission, in granting such certificate, may impose such conditions as it may deem to be just and reasonable.”

Both Sections 2811 and 1103 require the Commission to hold public hearings as part of its consideration of the Application.

Petitioners and Protestants provide the following in support of their Protest to the Application and their Petition to Intervene in the Proceedings:

1. *Protestants and Petitioners are:*

- a. Citizens for Pennsylvania’s Future, d/b/a PennFuture, a Pennsylvania non-profit corporation with offices in Philadelphia, Harrisburg, and Pittsburgh, Pennsylvania. The Philadelphia offices are at Suite 1801, 117 S. 17th Street, Philadelphia, Pennsylvania, 19103 and receive electric service from Applicant. PennFuture has members, staff and Directors who live in the PECO service territory, are customers of Applicant, and/or receive electric service from Applicant. PennFuture’s organizational purpose is to preserve and protect the environment of Pennsylvania. PennFuture engages in research and analysis, policy development, public education, litigation and other strategies to achieve its goals. A substantial portion of the work of the organization concerns the environmental and economic impact of energy in general and electricity in particular.
- b. Liz Robinson, 566 Jamestown St., Philadelphia, PA 19128
- c. Ron Celentano, 7821 Flourtown Ave., Wyndmoor, PA 19038
- d. Roger Clark, 905 Denston Dr., Ambler, PA 19002
- e. Julie Dugery, 1253 Black Oak Ct., Chalfont, PA 18914
- f. Lonnie Golden, 657 W. Kingsley Street, Philadelphia, PA 19144
- g. June Cairns, 3008 Poplar St., Philadelphia, PA 19130
- h. Felicia Coward, 1108 S. 46th St., Philadelphia, PA 19143
- i. Gertrude Weaver, 5460 Merion Ave., Philadelphia, PA 19131
- j. Darryl Jones, 2437 W. Sergeant St., Philadelphia, PA 19132
- k. Donna Henry, 1759 S. Avondale St., Philadelphia, PA 19142

(hereafter individually and collectively “Petitioner(s)”)

Each individual Petitioner resides in the PECO Energy service territory and is a customer of PECO Energy or is financially responsible for electric service in a household in which another member is the customer of record of PECO Energy. Each individual Petitioner receives residential distribution and/or generation service from PECO Energy.

2. Each individual Petitioner is directly and personally affected by the proposed merger because it reasonably may be expected to affect the safety, reliability, cleanliness and affordability of the public utility service received from PECO. Each individual Petitioner depends on distribution service from Applicant to meet basic necessities of life and risks severe health and financial consequences if service is not provided in a safe, reliable, clean, and affordable manner.

3. As ratepayers and members of the public affected by the proposed merger, each Petitioner has a right and interest in assuring that the Application is not approved unless the Application, and these proceedings, demonstrate that the proposed merger is necessary or proper for the service, accommodation, convenience or safety of the public of which they are a part. Each Petitioner has a right and interest in safe, reliable, clean and affordable service from Applicant, both before and after any merger, and participation in these proceedings is a necessary and proper way to determine whether the proposed merger is necessary and proper for the service, accommodation, convenience or safety of the public.

4. As ratepayers and members of the public affected by the proposed merger, participation in these proceedings as Intervenors is an efficient and effective way to implement the intent of the statute requiring notice and the opportunity to participate in Commission consideration of the Application through public hearings. Petitioners may intervene in this proceeding pursuant to 52 Pa. Code Sections 5.51 et seq. and 5.71 et seq.

5. Protestants protest approval of the Application as filed because the Application does not demonstrate that the proposed merger is necessary or proper for the service, accommodation, convenience or safety of the public. The Application as filed provides Petitioners with no assurance of safe, reliable, clean and affordable service from the Applicant.

6. Specifically, Petitioners protest is based on the following grounds:

- a. The Application does not support a finding or determination by the Commission that granting the Application is necessary or proper for the service, accommodation, convenience or safety of the public. To the contrary, the Application as filed suggests the potential for benefits to the Applicant, to Unicom Corporation, and/or to the current or future management and/or shareholders of each without any improvements to public service. Moreover, the Application as filed reasonably suggests that granting the Application could be contrary to the service, accommodation, convenience or safety of the public.
- b. The Application does not demonstrate that reliable distribution service will be provided in the PECO service territory. Upon information and belief, distribution

service reliability in the PECO service territory has been deteriorating and requires greater management attention. In addition, PECO has been required pursuant to the restructuring orders to operate quality universal service, conservation and renewable energy programs. Upon information and belief, PECO has been devoting little management attention to these programs and they have been operating poorly at best.

Of particular concern, the Application indicates that management of distribution service in the PECO service territory will report to current Unicom Chairman John Rowe in Chicago. Petitioners are concerned that distant management of distribution service risks deterioration in the quality and reliability of local distribution services. Petitioners aver and believe that Unicom has a long and recent history suggesting difficulty in managing reliable distribution service in its own service territory, that Unicom requires substantial financial and managerial attention to its own distribution system, and that Unicom may be unable to manage the provision of high quality and reliable customer and distribution service in the PECO service territory. Furthermore, Unicom has no experience in operating sophisticated universal service, conservation, and renewable energy programs like those that PECO is required to manage.

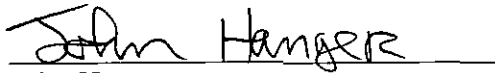
- c. The Application does not propose any rate reductions or assurances for consumers and does not share any potential benefits of the proposed merger with customers.
- d. The Application does not demonstrate that the proposed merged companies, which will own and operate a large number of nuclear generation facilities, can provide assurance that Petitioners and other ratepayers in the PECO service territory will not be asked to pay for additional nuclear decommissioning costs for the plants currently owned and/or operated by PECO, for those currently owned and/or operated by Unicom, or those that become owned, operated and/or otherwise the responsibility of PECO, Unicom or any related entities in the future.
- e. The Application does not demonstrate that the proposed merged companies, which will own and operate a large number of nuclear generation facilities, can provide financial assurance of the ability to decommission all of its nuclear facilities on a safe, reliable and timely basis.
- f. The Application does not demonstrate how the proposed merged companies will reduce sulfur dioxide, nitrogen oxide, fine particulate and mercury emissions from fossil fuel generation plants that they partially or fully own. These emissions threaten public health and safety.
- g. The Application does not demonstrate on what terms and conditions the proposed merged companies will permit interconnection with their systems of distributed generation owned and operated by customers of the merged companies. Distributed generation can improve reliability and environmental impacts.

- h. The Application does not demonstrate that the proposed merger complies with the Public Utilities Holding Company Act and therefore that the merger can be completed.

7. If granted protestant and/or intervenor status in this proceeding, Petitioners will seek to ensure that all relevant aspects of the Application affecting the service, accommodation, convenience or safety of the public are addressed and considered. Petitioners seek to ensure that the Application is approved only if it meets the applicable legal standard upon demonstration that approval is necessary and proper for the service, accommodation, convenience or safety of the public. Since the Application as filed does not meet the legal standard for approval, Petitioners seek to ensure that the Application is rejected unless modified or conditioned by the Commission in a way that meets the legal standard.

For the foregoing reasons and based on the foregoing information and belief, Petitioners request that the Commission accept Petitioners' protest and confer status as Intervenors in the proceedings to consider the Application.

Respectfully submitted,
CITIZENS FOR PENNSYLVANIA'S FUTURE



John Hanger
212 Locust Court, Suite 410
Harrisburg, PA 17101
717-214-7920/717-214-7927 (fax)
hanger@pennfuture.org

Peter Meadows Adels
Charles McPhedran
117 S. 17th St., Suite 1801
Philadelphia, PA 19103
215-569-9695/215-569-9637 (fax)
meadowsadels@pennfuture.org

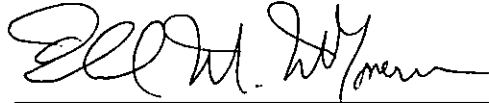
Counsel for Petitioners

DATED: 12/6/1999

VERIFICATION

I, Edward M. McGovern hereby state and verify that I am authorized to execute this Verification on behalf of Petitioners and that the facts set forth herein are true and correct to the best of my knowledge, information and belief. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. Section 4907 concerning unsworn falsification to authorities.

DATE:



Edward M. McGovern
Director of Administration and Member Services
Citizens for Pennsylvania's Future
Protestant and Petitioner

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PA.P.U.C.
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of December, 1999, served a true copy of the foregoing document upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

1. Paul R. Bonney, Esq.
Ward L. Smith, Esq.
Kent D. Murphy, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

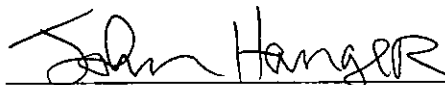
2. Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

3. Irwin Popowsky, Esq.
Pennsylvania Office of Consumer Advocate
14th Floor, Strawberry Square
Harrisburg, PA 17120

4. Bernard A. Ryan Jr., Esq.
Pennsylvania Office of Small Business Advocate
Suite 1102 Commerce Building
300 N. 2nd St.
Harrisburg, PA 17101

5. Charles Hoffman, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU



CITIZENS FOR PENNSYLVANIA'S FUTURE
John Hanger, Counsel for Petitioners
212 Locust Court, Suite 410
Harrisburg, PA 17101
717-214-7920 717-214-7927 (fax)

DATE: December 10, 1999

SUBJECT: A-110550F0147

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary

LAF

DOCKETED
DEC 10 1999

DOCUMENT
FOLDER

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Citizens for Pennsylvania's Future, in connection with the above docketed proceeding.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

DATE: December 13, 1999
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

LAF

DOCKETED
DEC 15 1999

DOCUMENT
FOLDER

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of an Application for Leave to Intervene filed by Senator Vincent J. Furno, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

DATE: December 13, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

DOCKETED
DEC 14 1999

**DOCUMENT
FOLDER**

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Eric Joseph Epstein, pro se, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

EEF

DOCUMENT
FOLDER

COMMONWEALTH OF PENNSYLVANIA

DATE: December 13, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company,
Pursuant to Chapters 11, 19, 21, 22 and 28 of
the Public Utility Code, for Approval of (1) a
Plan of Corporate Restructuring, Including the
Creation of a Holding Company, and (2) the
Merger of the Newly Formed Holding
Company and Unicom Corporation.

DOCKETED
DEC 13 1999

Per memo dated December 13, 1999,
from R.A. Rosenthal, Director of the Bureau of
Fixed Utility Services, the above-docketed
proceeding is being re-assigned to your Office
for appropriate action.

Please note the PECO request for
expedited procedure.

laf

pc: Chairman & Commissioners
Bureau of Fixed Utility Services
Law Bureau
Bureau of Consumer Services
Bureau of CEEP

EEF

December 13, 1999

Subject: Application of PECO Energy Company - A-110550F0147
To: James McNulty, Secretary
From: R. A. Rosenthal, Director *RAR*
Fixed Utility Services

*OK to Rosenthal
Jm - 12/13/99*

Today I received a Petition to Intervene and separately a Protest to the above captioned application filed by Eric Joseph Epstein, a PECO stockholder.

In accordance with Section 304(B), this application, protest and any subsequently filed protests should be assigned to the Office of Administrative Law Judge for recommended disposition.

Please be aware that the Applicant PECO Energy Company has asked for conclusion of its case by mid-April 2000. In support of that request, they have suggested direct briefing to the Commission, without the issuance of a recommended decision by the assigned ALJ.

cc. R. Wilson

DOCUMENT
FOLDER

DOCKETED
DEC 14 1999

EEF

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22, & :
and 28 of the Public Utility Code, for :
Approval of (1) A Plan of Corporate :
Restructuring, Including the Creation :
of A Holding Company and (2) The :
Merger of the Newly Formed Holding :
Company and Unicom Corporation :

Application Docket No.

A-110550F0147

DOCUMENT
FOLDER

PROTEST OF ERIC JOSEPH EPSTEIN, *Pro Se*
4100 Hillside Road
Harrisburg, PA 17112

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

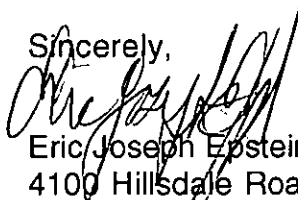
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SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed please find for filing an original and three (3) copies of Eric Epstein,
Pro Se, Protest in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Sincerely,



Eric Joseph Epstein, *Pro Se*
4100 Hillside Road
Harrisburg, PA 17112

EEF

DATED: December 13, 1999

56

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22, & :
and 28 of the Public Utility Code, for :
Approval of (1) A Plan of Corporate : Application Docket No.
Restructuring, Including the Creation : A-110550F0147
of A Holding Company and (2) The :
Merger of the Newly Formed Holding :
Company and Unicom Corporation :

PROTEST of ERIC JOSEPH EPSTEIN, *Pro se*
4100 Hillside Road
Harrisburg, PA 17112

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265


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PA P.U.C.
SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed please find for filing an original and three (3) copies of Eric Epstein's,
Pro Se, **Protest** in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Sincerely,


Eric Joseph Epstein, *Pro Se*
4100 Hillside Road
Harrisburg, PA 17112

DOCKETED
DEC 14 1999

DATED: December 13, 1999

DOCUMENT
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Eric Joseph Epstein, (Epstein), Protests the Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22, and 28 of the Public Utility Code, for the Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) The Merger of the Newly Formed Holding Company and Unicom Corporation.

The Pennsylvania Public Utility Commission (PUC) should not approve the above mentioned **Application for Restructuring and Merger** until PECO Energy complies with, or, addresses the following outstanding issues:

1) The Nuclear Regulatory Commission (NRC) defines "electric utilities" as "any entity that generates or distributes electricity and which recovers the cost of electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority (10 CFR S 50.2)." PECO Energy must provide legally binding assurances and guarantees that this **Plan of Corporate Restructuring and Creation of A Newly Formed Holding Company** will *not* prompt the NRC to revoke PECO Energy and Unicom's status as "electric utilities" causing PECO Energy and Unicom to pre-fund the entire cost of decommissioning its share of Limerick 1 & 2, Peach Bottom 2 & 3, Hope Creek, Salem 1 & 2, Braidenwood 1 & 2, Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and Zion 1 & 2;

2) Make available for inspection by any interested intervening party in this proceeding, provided the party signs legally binding Confidentiality Agreements, the most recent Institute for Nuclear Power Operations evaluation of Limerick 1 & 2, Peach Bottom 2 & 3, Hope Creek, Salem 1 & 2, Braidenwood 1 & 2, Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and Zion 1 & 2;

3) Prepare and submit reliable, revised estimates for radioactive nuclear decommissioning at the following nuclear generating stations: Limerick 1 & 2, Peach Bottom 2 & 3, Hope Creek, Salem, Braidenwood 1 & 2, Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and Zion 1 & 2;

These site-specific estimates should include, but not be limited to:

- a) Cost projections based on 25 years, 30 years, and 35 years of “used and useful” operation;
 - b) Cost projections based on 25 years, 30 years, and 35 years of “used and useful” operation must necessarily include three different funding scenarios linked to the following Nuclear Regulatory Commission (NRC) approved modes of nuclear decommissioning: DECOM, ENTOMB and SAFSTOR;
 - c) Nuclear decommissioning cost projections based on two scenarios: 1) availability of a permanent waste repository; and, 2) storage of spent fuel for an indefinite period during and after decommissioning;
 - d) Factor into the decommissioning formula the following: 1) Costs projections for temporary, spent fuel isolation; and 2,) Cost projections for permanent, spent fuel isolation in decommissioning cost projections;
 - e) These estimates must necessarily be free of industry bias; thereby, precluding TLG Industries from performing the site-specific assessments. PECO should secure the services of a non-partisan entity or agency to perform the above mentioned services such as PNL Laboratories or the Wharton School of Business.
- 4) Prepare and submit legally binding assurances and documentation that dedicated decommissioning funds are in excess of funding “targets” and are prudently being accumulated in externally, segregate sinking funds;
- 5) Prepare and submit reliable estimates for decommissioning of the *non*-radioactive components at Limerick 1 & 2, Peach Bottom 2 & 3, Hope Creek, Salem 1& 2, Braidenwood 1 & 2, Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and, Zion 1& 2;

6) Prepare and submit PECO Energy's review of the Security and Exchange Commission's (SEC) revision of Financial Accounting Standards Board accounting practices in relation to removal costs and decommissioning funding;

7) Prepare and submit engineering and funding plans to return the following sites to Greenfield: Limerick 1 & 2, Peach Bottom 2 & 3, , Hope Creek, Salem 1 & 2, Braidenwood 1 & 2, Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and Zion 1 & 2;

8) Prepare and submit legally binding assurances and guarantees that any part of decommissioned nuclear generation stations sold, recycled, or depreciated, will flow back to rate payers either in the form of a credit or rate rebate;

9) Prepare and submit a report on the amount of spent fuel stored on site, and the amount of spent capacity available at Limerick 1 & 2 Peach Bottom 2 & 3, Hope Creek, Salem 1 & 2, Braidenwood 1 & 2. Byron 1 & 2, Dresden 2 & 3, La Salle County 1 & 2, Quad Cities 1 & 2, and Zion 1 & 2;

10) Prepare and submit an updated report on the status of dry cask storage construction and a time line for deployment at Peach Bottom 2 & 3;

11) Prepare and submit legally binding assurances and guarantees that work force levels at nuclear generating stations will remain at, or exceed, present levels;

12) Prepare and submit legally binding assurances that PECO or Unicom will not utilize mixed uranium oxide fuel sold, leased or, transferred from the United States Department of Energy at any of its operating nuclear generating stations;

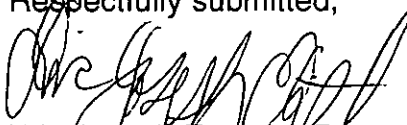
13) Prepare and maintain a health and cancer registry for all Company, contractor and sub-contractor employees working at one or more of PECO Energy's or Unicom's nuclear generating stations;

14) Prepare and submit legally binding assurances and guarantees that investments in local Pennsylvania communities, remain at, or exceed, current levels;

15) Prepare and submit legally binding assurances and guarantees that neither PECO Energy and Unicom and its successors will withdraw corporate or employee contributions from any "recognized human health or social service agency" participating in the United Way; and,

16) Submit the findings of the State of Illinois and Commonwealth Edison regarding Com Ed's blackout in Illinois in July of 1999.

Respectfully submitted,



Eric Joseph Epstein, Pro se
4100 Hillside Road
Harrisburg, PA 17112

DATED: December 13, 1999

Before the

PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Application of PECO Energy :
Company, Pursuant to Chapters :
11, 19, 21 and 28 of the Public :
Utility Code, for Approval of (1) A :
Plan of Corporate Restructuring, : Application No. A-110550F0147
Including the Creation of A :
Holding Company and (2) The :
Merger of the Newly Formed :
Holding Company and Unicom :
Corporation :**

CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the active participants named below by US mail or hand delivery in accordance with the requirements of Section 1.54.

The Honorable Judge Robert Chrisitanson
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
North Office Building
PO Box 3265
Harrisburg, PA 17105- 3265

Bohdan R. Pankiw, Esquire
Chief Counsel - Law Bureau
Pennsylvania Public Utility Commission
North Office Building
PO Box 3265
Harrisburg, PA 17105

Robert A. Rosenthal, Director
Fixed Utility Services
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Thomas P. Gadsen, Esq
Anthony C. DeCusatis, Esq
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

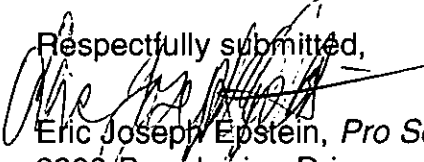
David M. Kleppinger, Esq
McNees, Wallace & Nurick
100 Pine Street, PO Box 1166
Harrisburg, PA 17108-1166

Paul R. Bonney, Esq
Kent D. Murphy, Esq
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Irwin Popowsky, Esq
Tanya J. McCloskey, Esquire
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Charles Hoffman, Esquire
Office of Trial Staff
Pennsylvania PUC
Pitnick Bldg - 3rd Floor
901 N. 7th Street - Rear
Harrisburg, PA 17102

Bernard A Ryan, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
Harrisburg, PA 17101

Respectfully submitted,

Eric Joseph Epstein, *Pro Se*
2308 Brandywine Drive
Harrisburg, PA 17110

DATE: December 13, 1999

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of PECO Energy Company, :
 Pursuant to Chapters 11, 19, 21, 22, & :
 and 28 of the Public Utility Code, for :
 Approval of (1) A Plan of Corporate : Application Docket No.
 Restructuring, Including the Creation : A-110550F0147
 of A Holding Company and (2) The :
 Merger of the Newly Formed Holding :
 Company and Unicom Corporation :

DOCUMENT FOLDER

PETITION TO INTERVENE OF ERIC JOSEPH EPSTEIN, *Pro Se*
 4100 Hillsdale Road
 Harrisburg, PA 17112

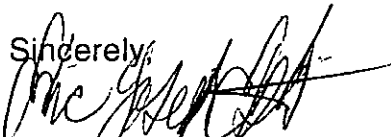
James J. McNulty, Secretary
 Pennsylvania Public Utility Commission
 Room B-20, North Office Building
 P.O. Box 3265
 Harrisburg, PA 17105-3265

RECEIVED
 99 DEC 13 AM 11:29
 PA.P.U.C.
 SECRETARY'S BUREAU

Dear Secretary McNulty:

Enclosed please find for filing an original and three (3) copies of Eric Epstein, *Pro Se*, Notice of Intervention in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely,

 Eric Joseph Epstein, *Pro Se*
 4100 Hillsdale Road
 Harrisburg, PA 17112

DATED: December 13, 1999

56

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22, & : Application Docket No.
and 28 of the Public Utility Code, for : A-110550F0147
Approval of (1) A Plan of Corporate :
Restructuring, Including the Creation :
of A Holding Company and (2) The :
Merger of the Newly Formed Holding :
Company and Unicom Corporation :

PETITION to INTERVENE OF ERIC JOSEPH EPSTEIN, *Pro se*
4100 Hillsdale Road
Harrisburg, PA 17112

Eric Joseph Epstein ("Petitioner"), hereby moves pursuant to 52 Pa. Code S. 5.71, to intervene on the above-captioned **Corporate Restructuring Plan, Including the Creation of A Holding Company and Merger of the Newly Formed Holding Company and Unicom Corporation** proceeding initiated by PECO Energy Company.

1. The Petitioner is a PECO Energy shareholder.

2. The Petitioner was an active participant in the 1995 PP&L Base Rate Proceedings, Docket No. R-00943271C0024. The Petitioner's contributions to the Base Rate Proceedings were recognized by the Honorable Robert A. Christianson, Chief Administrative Law Judge: "... I appreciate Mr. Epstein's role in this proceeding. I suggest that Mr. Epstein has played a useful and beneficial role with respect to nuclear power and the regulation of nuclear power by state and federal governments." (Recommended Decision, Robert A. Christianson, Administrative Law Judge, July 28, 1995, p. 183.)

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SECRETARY'S BUREAU

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3. The Petitioner was a signatory to the Joint Petition for Full Settlement of PP&L, Inc's Restructuring Plan and Related Court Proceedings, August 12, 1998, and negotiated issues relating to Nuclear Decommissioning. (D. Nuclear Decommissioning, p. 20.)

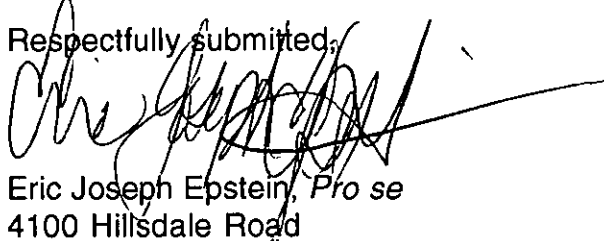
4. The Petitioner has over 16 years experience in publishing, researching and the promotion of research, and active intervention in nuclear decommissioning, nuclear waste isolation, nuclear economics, nuclear safety, and radioactive scrap metal. (Please refer to **Enclosure**.)

5. Consistent with the Petitioner's interest in nuclear decommissioning and nuclear waste isolation, his active participation in the proceeding will focus on issues associated with the "back-end" of nuclear power production and rate payer equity.

6. Mr. Epstein's participation will include, but not be limited to, direct and rebuttal testimony and the cross examination of witnesses presented by PECO Energy, Unicom and other parties.

WHEREFORE, Eric Joseph Epstein requests the right to intervene as an active party in this proceeding.

Respectfully submitted,



Eric Joseph Epstein, *Pro se*
4100 Hillsdale Road
Harrisburg, PA 17112
(717)-238-7318 Office
(717)-541-1101 Voice Mail
(717)-541-5487 FAX

DATED: December 13, 1999

Enclosure

ENCLOSURE

REFERENCES

Technical

Dr. Michael Masnik, Senior Project Manager, Non-Power Reactors and Decommissioning Project Directorate, Division of Plant Support, Office of Nuclear Reactor Regulation, Nuclear Regulatory Commission, (Bethesda, Maryland).

Dr. John Luetzelschwab, Department of Physics and Astronomy, Dickinson College, (Carlisle, Pennsylvania).

Mr. Arthur Morris, Chairman, Nuclear Regulatory Commission's Advisory Panel for the Decontamination of Three Mile Island Unit 2 and former Mayor of Lancaster (Lancaster, Pennsylvania).

PROFESSIONAL PAPERS & PUBLICATIONS

Journal
(1993-1999)

Publisher of the *EFMR Monitor: Monitoring Radiation Trends in the Three Mile Island area.*

Technical

Testimony on Pennsylvania Power & Light's Restructuring Plan, (Pennsylvania Public Utility Commission, Administrative Law Judge George M. Kashi, 1997); Testimony on the "Investigation into Electric Power Competition," (Pennsylvania Public Utility Commission, 1996); Expert Testimony on Pennsylvania Power & Light's 1995 Base Rate Case, (Pennsylvania Public Utility Commission, Administrative Law Judge Robert Christianson); Testimony on "Hostile Takeovers of Electric Utilities," (Pennsylvania Senate Consumer Protection and Professional Licensure Committee, 1995); "Assessing Risk-Assessment," (University of Tennessee, 1995); "Old and New Forms of Public Participation at the PUC," (Public Utility Commission, University Park, PA, 1995); "Radioactive Scrap Metal: An Environmental Perspective," (University of Tennessee, 1994); "On-Site Storage and the Period Prior to Decommissioning," (League of Women Voters, 1993); Testimony on the Security Intrusion at Three Mile Island (Pennsylvania House of Representatives, 1993); Settlement Agreement with General Public Utilities and the Nuclear Regulatory Commission on Post-Defueling Monitored Storage at Three Mile Island Unit-2, (Atomic Safety & Licensing Board, Administrative Law Judge Peter Bloch); Testimony on Chem Nuclear's Siting Plan for a Low-Level Radioactive Waste Site, (Department of Environmental Resources, 1991, 1990, 1989); Testimony on the Cleanup and Decommissioning of Three Mile Island Unit 2, (Nuclear Regulatory Commission, Three Mile Island Advisory Panel for the Decontamination of Three Mile Island, Unit 2, 1994, 1993, 1992, 1991, 1990, 1989, 1988, 1987, 1986, 1985); Testimony on the Pennsylvania Energy Plan, (Lt. Governor Mark Singel, Pennsylvania Energy Office, 1987); Testimony on the Shutdown of Peach Bottom, (Pennsylvania House of Representatives, 1987); Testimony on the Restart of Three Mile Island, (Nuclear Regulatory Commission, Washington, D.C., 1985.)

RESEARCH

Energy
(1999-2005)

Founding Board Member of PP&L's Sustainable Energy Fund.

Nuclear
(1993-1999)

- Sponsored the purchase of **MIRS-II, Scavenger SS100** and **9050 Pipe Crawling Robot (PLS 8750)** by General Public Utilities. These robots perform decontamination and decommissioning tasks at Three Mile Island, Oyster Creek and Saxton nuclear power plants.

Scavenger: Used to vacuum the fuel transfer canal during refueling outage 10R at TMI. Dose savings: One to two man-rem and eliminated one entry into canal saving three to four hours critical path time. Future uses: Clean TMI-2 outdoor tanks, vacuum Oyster Creek equipment pool (16R), and vacuum deep end of TMI-1 fuel transfer canal as well as shallow end (11R).

MISR-II: Used for an entry into the Filter Sludge Tank room at Oyster Creek on February 15 and 16, 1996.) This was a high radiation area. The robot identified that there was not a leak in the cleanup system relief valve. This activity saved approximately 300 mrem and prevented replacement of the valve which would have cost 130 man-hours, and 7.5 man-rem exposure. The exercise saved about 3.5 man-rem exposure.

- Sponsored the purchase of five, **low-volume air samplers (Andersen)** located one to seven kilometers from Three Mile Island. The filters are collected and analyzed weekly for gross alpha and beta and Iodine-131, monthly for gamma isotopes, and semiannually for Strontium-90.

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21 and 28 of the Public Utility Code, for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of A Holding Company and (2) The Merger of the Newly Formed Holding Company and Unicom Corporation :
: Application No. A-110550F0147
:
:
:
:
:
:
:
:
:

CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the active participants named below by US mail or hand delivery in accordance with the requirements of Section 1.54.

The Honorable Judge Robert Chrisitanson
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
North Office Building
PO Box 3265
Harrisburg, PA 17105- 3265

Bohdan R. Pankiw, Esquire
Chief Counsel - Law Bureau
Pennsylvania Public Utility Commission
North Office Building
PO Box 3265
Harrisburg, PA 17105

Robert A. Rosenthal, Director
Fixed Utility Services
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Thomas P. Gadsen, Esq
Anthony C. DeCusatis, Esq
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

David M. Kleppinger, Esq
McNees, Wallace & Nurick
100 Pine Street, PO Box 1166
Harrisburg, PA 17108-1166

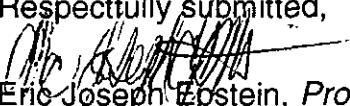
Paul R. Bonney, Esq
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PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Irwin Popowsky, Esq
Tanya J. McCloskey, Esquire
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

Charles Hoffman, Esquire
Office of Trial Staff
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Harrisburg, PA 17102

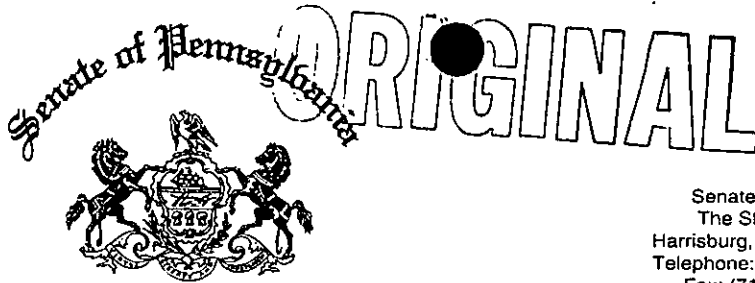
Bernard A Ryan, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
Harrisburg, PA 17101

Respectfully submitted,


Eric Joseph Epstein, *Pro Se*
2308 Brandywine Drive
Harrisburg, PA 17110

DATE: December 13, 1999

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PA.P.U.C.
SECRETARY'S BUREAU



VINCENT J. FUMO
Chairman

PAUL S. DLUGOLECKI
Executive Director

Senate Post Office
The State Capitol
Harrisburg, PA 17120-0030
Telephone: (717) 787-5662
Fax: (717) 783-5210

DEMOCRATIC COMMITTEE ON APPROPRIATIONS

December 13, 1999

Via Hand Delivery or First Class Mail

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B20, North Office Building
North Street & Commonwealth Avenue
Harrisburg, Pennsylvania 17120

DOCUMENT
FOLDER

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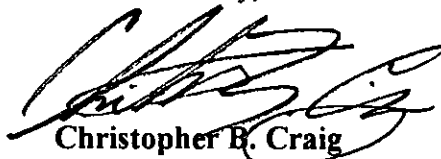
Re: *Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding company and Unicom Corporation, PUC Dkt. No. A-110550F0147.*

Dear Secretary McNulty:

Attached for your consideration and filing is an original and two (2) copies of the Application for Leave to Intervene of Senator Vincent J. Fumo in the above captioned matter. A copy of the foregoing has been served on each party of record.

Thank you for your assistance in this matter. Please do not hesitate to contact me if I can provide any additional information.

Sincerely,


Christopher B. Craig
Counsel

cc: All parties of record.

72

105

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF PECO ENERGY
COMPANY, PURSUANT TO CHAPTERS
11, 19, 21, 22 AND 28 OF THE PUBLIC
UTILITY CODE, FOR APPROVAL OF
(1) A PLAN OF CORPORATE
RESTRUCTURING, INCLUDING THE
CREATION OF A HOLDING COMPANY
AND (2) THE MERGER OF THE NEWLY
FORMED HOLDING COMPANY AND
UNICOM CORPORATION**

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PUC Dkt. No. A-110550 F0147

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DEC 15 1999

**PA.P.U.C.
SECRETARY'S BUREAU**

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RECEIVED

**APPLICATION FOR LEAVE TO INTERVENE
OF STATE SENATOR VINCENT J. FUMO**

Pennsylvania State Senator Vincent J. Fumo, individually as a PECO Energy Company utility ratepayer, and in his official capacity as a duly elected member of the Pennsylvania State Senate, by and through his undersigned counsel, hereby files this Application for Leave to Intervene pursuant to 52 Pa. Code §§ 5.71 - 5.74, requesting this Commission to approve his intervention in the above captioned proceeding initiated by PECO Energy Company (hereinafter "PECO"). Through the submission of its Application, PECO seeks approval of a transaction which will involve the merger of a newly formed holding company and Unicom Corporation. In support of his intervention request, Senator Fumo avers the following:

**DOCUMENT
FOLDER**

1. Vincent J. Fumo is an adult individual, residential PECO ratepayer, and a duly elected member of the Pennsylvania Senate representing the voters of the First State Senatorial District and is the Democratic Chairman of the Senate Appropriations Committee.

2. Senator Fumo possesses standing to bring this action to this Honorable Commission in both his official capacity and as an individual ratepayer. 52 Pa. Code § 5.72(b).

3. Pursuant to Chapters 11, 19, 21 and 28 of the Public Utility Code, on November 22, 1999, PECO filed an application requesting Commission approval of a plan of corporate reorganization involving the creation of a separate holding company and the merger of the new holding company with Unicom Corporation, a regulated public utility company organized and existing under the laws of the State of Illinois. Unicom's principal subsidiary is Commonwealth Edison Company, a regulated utility engaged in the business of supplying, transmitting and distributing electricity primarily in the northern Illinois region.

4. Public notice of PECO's application appeared in the Pennsylvania Bulletin, Vol. 29, No. 49 on December 4, 1999. *See*, 29 Pa.B. 6208. Pursuant to said notice, petitions to intervene are to be filed on or before December 20, 1999, with a copy served on the applicant. *Id.*

5. The proposed corporate reorganization and merger are contingent upon the affirmative vote a majority of the votes cast by all of PECO's common shareholders, and at least

two-thirds of all Unicom common shareholders. Both companies do not intend to seek shareholder approval until the respective companies' shareholder meetings in April 2000.

6. In support of its Application, PECO has made the assertion that the merger will not result in anti-competitive or discriminatory conduct, including the unlawful exercise of market power; that the merger would facilitate the separation of the generation and delivery functions of the newly combined company; and, further the development and delivery of new energy-related goods and services. PECO further avers that the proposed corporate restructuring and merger with Unicom will positively impact service, rates, job development and local communities.

7. Senator Fumo, in both his official and individual capacities, assumed an active and prominent role in litigation involving PECO's Application for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code. PUC Dkt. No. R-00973953. The Commission's consideration of PECO's Restructuring filing under Section 2806 of the Utility Code resulted in a comprehensive settlement that provided substantial benefits to PECO ratepayers in the form of rate reductions, rate caps, an expanded universal service program, renewable energy and economic development initiatives, establishment of a marketing code of conduct, imposition of competitive safeguards and initiation of a consumer education campaign. Senator Fumo has a direct and substantial interest, as a party to PECO's restructuring settlement, to ensure that these obligations imposed on PECO and the tangible benefits provided to ratepayers are not adversely impacted by the Company's proposed corporate reorganization and merger with Unicom.

8. Senator Fumo has a direct and distinct interest, as a member of the Pennsylvania General Assembly, to ensure that the statutory mandates of the legislature are appropriately executed by administrative agencies – in particular, the interpretation and application of Pennsylvania’s Electricity Generation Customer Choice and Competition Act (Act of December 3, 1996, P.L. 802, No. 138, *as amended*, 66 Pa.C.S.A. § 2801, *et seq.*) by this Commission, as it considers the Company’s Application, is completed in a manner which facilitates the development of the competitive marketplace for electricity generation and maximizes the provisioning of consumer benefits as envisioned by the General Assembly.

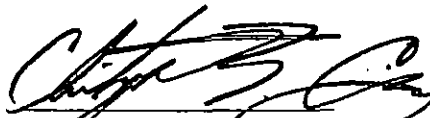
9. Senator Fumo has a direct and distinct interest as a PECO utility service ratepayer to ensure existing rates and services are not adversely impacted by the PECO’s proposed corporate reorganization and subsequent merger with Unicom, and that any merger related effect does not undermine the development of a robust competitive marketplace for electricity generation.

10. This matter is still pending before this Honorable Commission.

11. If not permitted to intervene in this matter and participate in proceedings before this Commission, the members of the Commission will not be able to receive the perspective from members of the Pennsylvania legislature who debated and considered Pennsylvania’s Electricity Generation Customer Choice and Competition Act, and who were active party-litigants in PECO’s restructuring proceeding which resulted in the aforesaid comprehensive settlement.

WHEREFORE, State Senator Vincent J. Fumo respectfully requests that this Commission grant this Application for Leave to Intervene in the above captioned matter.

Respectfully Submitted,



Christopher B. Craig
Counsel, Senate Democratic Appropriations Committee
Room 545, Main Capitol Building
Harrisburg, Pennsylvania 17120
(717) 787-5662

Counsel for Senator Vincent J. Fumo

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

APPLICATION OF PECO ENERGY +
COMPANY, PURSUANT TO CHAPTERS +
11, 19, 21, 22 AND 28 OF THE PUBLIC +
UTILITY CODE, FOR APPROVAL OF +
(1) A PLAN OF CORPORATE +
RESTRUCTURING, INCLUDING THE +
CREATION OF A HOLDING COMPANY +
AND (2) THE MERGER OF THE NEWLY +
FORMED HOLDING COMPANY AND +
UNICOM CORPORATION +

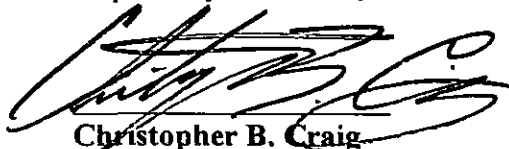
PUC Dkt. No. A-110550 F0147

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PA. P.U.C. BUREAU
SECRETARY'S BUREAU**

VERIFICATION

I, Christopher B. Craig, hereby depose and state that I am authorized to execute this Verification on behalf of the proposed intervener. The facts set forth in the forgoing are true and correct to the best of my knowledge, information and belief. I understand that this Verification is made pursuant to the penalties of 18 Pa.C.S.A. § 4904 relating to unsworn falsification to authorities.

Respectfully Submitted,



Christopher B. Craig
Counsel, Senate Democratic Appropriations Committee
Room 545, Main Capitol Building
Harrisburg, Pennsylvania 17120
(717) 787-5662

Counsel for Senator Vincent J. Fumo

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

APPLICATION OF PECO ENERGY +
COMPANY, PURSUANT TO CHAPTERS +
11, 19, 21, 22 AND 28 OF THE PUBLIC +
UTILITY CODE, FOR APPROVAL OF +
(1) A PLAN OF CORPORATE +
RESTRUCTURING, INCLUDING THE +
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AND (2) THE MERGER OF THE NEWLY +
FORMED HOLDING COMPANY AND +
UNICOM CORPORATION +

PUC Dkt. No. A-110550 F0147

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PA P.U.C.
SECRETARY'S BUREAU

CERTIFICATION OF SERVICE

I, Christopher B. Craig, attorney for Senator Vincent J. Fumo, hereby certify that a copy of the foregoing document has been served in person or by first class mail at the addresses indicated below. I further certify that the manner of service satisfies the requirements of 52 Pa.Code §§ 5.74 and 1.54.

Paul R. Bonney, Esq.
Ward L. Smith, Esq.
PECO Energy Company
2301 Market Street
Philadelphia, Pennsylvania 19101

Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, Pennsylvania 19103

Irwin Popowsky, Esq.
Pennsylvania Office of Consumer Advocate
555 Walnut Street
Harrisburg, Pennsylvania 17101

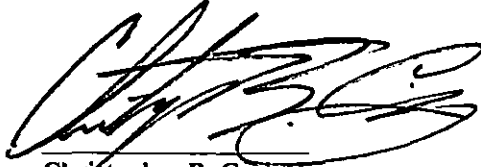
Joseph Dworetzky, Esq.
Hangley, Aronchick, Esq.
1 Logan Square
Philadelphia, Pennsylvania 19101

Bernard Ryan, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
Harrisburg, Pennsylvania 17101

Charles Hoffman, Esq.
Pennsylvania Public Utility Commission
Office of Trial Staff
901 North 7th Street
Harrisburg, Pennsylvania 17102

John Hanger, Esq.
Citizens for Pennsylvania's Future
212 Locust Court, Suite 410
Harrisburg, Pennsylvania 17101

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B20, North Office Building
North Street & Commonwealth Avenue
Harrisburg, Pennsylvania 17120



Christopher B. Craig
Counsel, Senate Democratic Appropriations Committee
Room 545, Main Capitol Building
Harrisburg, Pennsylvania 17120
(717) 787-5662

Counsel for Senator Vincent J. Fumo

LAW OFFICES

UNRUH, TURNER, BURKE & FREES

A PROFESSIONAL CORPORATION

0907
P.O. BOX 515
17 WEST GAY STREET

WEST CHESTER, PA. 19381-0515

(610) 692-1371

FAX (610) 918-1361

FAX (610) 692-1379

E Mail Jhall@utbf.com

December 14, 1999

ROSS A. UNRUH
DONALD C. TURNER
WILLIAM J. BURKE, III
DAVID M. FREES, III
JOHN K. FIORILLO
JOHN L. HALL
DANA V. HADLEY
DOUGLAS L. KAUNE

99 DEC 21 AM 9:58

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SECRETARY'S BUREAU

OTHER OFFICES:
P.O. Box 289
PHOENIXVILLE, PA 19460
(610) 933-8069

348 E. KING STREET
MALVERN, PA 19355
(610) 240-0750

OF COUNSEL
KEVIN R. O'BRIEN
HERBERT R. WEIMAN, JR.

Prothonotary
Pennsylvania Public Utility Commission
P.O. Box 3265
North Office Building
Harrisburg, PA 17105-3265

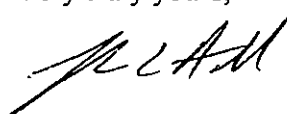
ORIGINAL DOCUMENT FOLDER

RE: In the Matter of PECO Company Application for Corporate Restructuring and Merger, Docket No. A-110550F0147

Dear Sir or Madam:

Enclosed for filing please find an original and ten (10) copies of Wallace Township's Petition for Intervention and Protest of the Application of PECO Company for Approval of Corporate Restructuring and Merger in the above referenced case. Please file, time-stamp and return one of enclosed copies to me in the self-addressed stamped envelope provided. Thank you for your assistance with regard to this matter.

Very truly yours,



John L. Hall

JLH:mdp

cc: Wallace Township (w/enc.)
Judge Rainey (w/enc.)

RECEIVED

DEC 1, 1999

10

EEF

PUBLIC UTILITY COMMISSION
PHILADELPHIA OFFICE
ADMINISTRATION LAW JUDGE

COMMONWEALTH OF
PENNSYLVANIA
090791 BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
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IN THE MATTER OF
PECO COMPANY APPLICATION FOR
CORPORATE RESTRUCTURING AND MERGER
DOCKET NO. A-110550F0147

ORIGINAL

NOTICE OF APPEARANCE

Please enter my appearance in the above designated matter on behalf of Wallace Township, Chester County, Pennsylvania. I am authorized to accept service on behalf of said participant in this matter. On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

Respectfully submitted,

UNRUH, TURNER, BURKE & FREES, P.C.

Date: 12/14/99

By:

J. L. Hall
John L. Hall, Esquire
P.O. Box 515
West Chester, PA 19381-0515
Attorney I.D. No. 38455
610-692-1371
Solicitor, Wallace Township,
Chester County, Pennsylvania

DOCUMENT
FOLDER

DOCKETED
DEC 21 1999

UNRUH, TURNER, BURKE & FREES, P.C.
BY: JOHN L. HALL, ESQUIRE
ATTORNEY I.D. NO. 38455
P.O. BOX 515
WEST CHESTER, PA 19381-0515

: ATTORNEY FOR PETITIONER,
WALLACE TOWNSHIP

090792

99 DEC 21 AM 9:58

RECEIVED
SECRETARY'S BUREAU

DOCKETED
DEC 21 1999

COMMONWEALTH OF
PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC
UTILITY COMMISSION

ORIGINAL
DOCUMENT
FOLDER

IN THE MATTER OF:
PECO COMPANY APPLICATION FOR
CORPORATE RESTRUCTURING AND MERGER
DOCKET NO. A-110550F0147

**PETITION FOR INTERVENTION AND PROTEST OF
THE APPLICATION OF PECO COMPANY FOR APPROVAL OF
CORPORATE RESTRUCTURING AND MERGER**

Wallace Township, Chester County, Pennsylvania ("Wallace Township"), by and through its attorneys, Unruh, Turner, Burke & Frees, P.C., hereby files this Petition for Intervention and Protest of the Application of PECO Company for Approval of Corporate Restructuring and Merger, and in support thereof avers as follows:

1. Petitioner, Wallace Township, is a political subdivision of the Commonwealth of Pennsylvania, classified as a second class township, with its principal offices located at 451 Fairview Road, Glenmoore, Chester County, PA 19343 and with an approximate population of three thousand one hundred (3,100) residents.
2. On or about December 3, 1999, PECO Company ("PECO") filed an application (the "PECO Application") with the Public Utility Commission for the approval of a plan of corporate restructuring and merger of itself with a newly formed holding

company and Unicom Corporation.

3. The residents of Wallace Township have been provided past electrical service by PECO which has been substantially substandard. Recently the quality of PECO's electrical service has notably deteriorated further to the increased detriment of all Wallace Township citizens.
4. PECO's substandard service to the residents of Wallace Township causes those residents to experience more frequent power outages than those experienced by residents in other regional municipalities and requires them to wait longer than other communities for the restoration of electrical service.
5. This past year, Wallace Township residents have had to suffer through electrical service outages which lasted for days, far longer than the electrical outages experienced in other regional communities. Since Labor Day 1999 alone, there have been four (4) significant power outages to residents in Wallace Township.

INTERVENTION

6. Wallace Township incorporates paragraphs 1 through 5 herein as though fully set forth at length.
7. Wallace Township desires to intervene in the subject proceedings to represent the interests of the residents of Wallace Township.
8. Wallace Township, as the Pennsylvania political subdivision created to further the health, safety and welfare of the Wallace Township residents, has a direct and substantial interest in these proceedings to ensure that PECO is required to supply

Wallace residents with improved and reliable electrical service.

9. Wallace Township's interest in the PECO Application is not adequately represented by any existing participants to the proceeding.
10. The participation of Wallace Township in this proceeding is in the public interest as it would serve to benefit all of the residents of Wallace Township.
11. If granted permission to intervene, Wallace Township would request the Public Utility Commission to require PECO to promptly provide significantly improved and reliable electrical service to Wallace Township residents by, among other things, upgrading the equipment used to provide electrical service within Wallace Township and supplying additional personnel to maintain that equipment and keep it operational at all times, including during storms.

WHEREFORE, Wallace Township respectfully requests that it be granted the right to intervene in these proceedings.

PROTEST

12. Wallace Township hereby incorporates paragraphs 1 through 11 herein as though fully set forth at length.
13. Wallace Township protests the subject PECO Application until and unless PECO provides significantly improved and reliable electrical service to the residents of Wallace Township.

WHEREFORE, Wallace Township, respectfully requests that the approval of the subject PECO Application be denied unless the PUC requires PECO, and any successor entity, to

promptly provide significantly improved and reliable service to Wallace Township by, among other things, upgrading the equipment used to provide electrical service within Wallace Township and supplying additional personnel to maintain that equipment and keep it operational at all times, including during storms.

Respectfully submitted,

UNRUH, TURNER, BURKE & FRÉES, P.C.

Date: 12/14/99

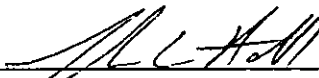
By: 

John L. Hall, Esquire
Attorney for Petitioner,
Wallace Township
P.O. Box 515
West Chester, PA 19381-0515
Attorney I.D. No. 38455
610-692-1371

VERIFICATION

I, John L. Hall, Esquire, Solicitor for Wallace Township, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Date: 12/14/99



John L. Hall, Esquire
Solicitor for Wallace Township

UNRUH, TURNER, BURKE & FREES, P.C.
BY: JOHN L. HALL, ESQUIRE
ATTORNEY I.D. NO. 38455
P.O. BOX 515
WEST CHESTER, PA 19381-0515

: ATTORNEY FOR PETITIONER,
WALLACE TOWNSHIP

**COMMONWEALTH OF
PENNSYLVANIA
BEFORE THE
PENNSYLVANIA PUBLIC
UTILITY COMMISSION**

IN THE MATTER OF:
PECO COMPANY APPLICATION FOR
CORPORATE RESTRUCTURING AND MERGER
DOCKET NO. A-110550F0147

PROOF OF SERVICE

I hereby certify that I have this day served by overnight mail a true and correct copy of the foregoing Petition for Intervention and Protest upon the participant, listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant).

Date this 14th day of December, 1999.

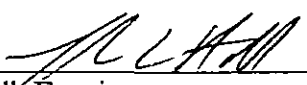
Paul R. Bonney, Esquire
2301 Market Street, P.O. Box 8699
Philadelphia, PA 19101-8699

Counsel for PECO Company

Respectfully submitted,

UNRUH, TURNER, BURKE & FREES, P.C.

By:



John L. Hall, Esquire
Attorney for Petitioner,
Wallace Township
P.O. Box 515
West Chester, PA 19381-0515
Attorney I.D. No. 38455
610-692-1371

Paul E. Russell
Associate General Counsel
Tel. 610.774-4254 Fax 610.774.6726
E-mail: perussell@papl.com

PP&L, Inc.
Two North North Street
Allentown, PA 18101-1179
Tel. 610.774.5151
<http://www.ppl-inc.com/>



FEDERAL EXPRESS

December 16, 1999

ORIGINAL RECEIVED

DEC 16 1999

James J. McNulty, Esquire
Secretary
Pennsylvania Public Utility Commission
North Office Building
North Street & Commonwealth Avenue
Harrisburg, Pennsylvania 17105-3265

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**DOCUMENT
FOLDER**

**Re: Application of PECO Energy Company,
Pursuant to Chapters 11, 19, 21, 22 and 28
of the Public Utility Code, for Approval of
(1) a Plan of Corporate Restructuring, Including
the creation of a Holding Company and
(2) the Merger of the Newly Formed Holding
Company and Unicom Corporation
Docket No. A-110550 F0147**

Dear Mr. McNulty:

Enclosed for filing on behalf of PP&L, Inc. ("PP&L") are an original and three (3) copies of the following documents:

- Petition to Intervene of PP&L, Inc.
- Motion for Admission Pro Hac Vice of Donald A. Kaplan
- Motion for Admission Pro Hac Vice of Leanne M. Bober

As indicated on the attached certificate of service, PP&L has served these documents on all parties notified of PECO Energy Company's filing. (2)

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on December 16, 1999, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

EEF

James J. McNulty, Esquire

- 2 -

December 16, 1999

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed documents, please call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul E. Russell". The signature is written in a cursive style with a large, prominent initial "P".

Paul E. Russell

Enclosures

cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

**DOCUMENT
FOLDER**

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 and :
28 of the Public Utility Code, for :
Approval of (1) a Plan of Corporate :
Restructuring, Including the Creation of :
a Holding Company and (2) the Merger :
of the Newly Formed Holding Company :
and Unicom Corporation :

Docket No. A-110550 F0147

DOCKETED RECEIVED
DEC 20 1999

DEC 16 1999

PETITION TO INTERVENE OF PP&L, INC.

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Pursuant to 52 Pa. Code § 5.71, PP&L, Inc. ("PP&L" or the "Company"), by its attorney, hereby files this Petition to Intervene in the above-captioned proceeding involving the Application of PECO Energy Company ("PECO") for approval of a plan of corporate restructuring, including the creation of a holding company ("Restructuring"), and the merger of the newly formed holding company and Unicom Corporation ("Merger"). In support of its petition, PP&L states as follows:

1. PP&L is a public utility providing electric services in central eastern Pennsylvania, subject to the jurisdiction of the Pennsylvania Public Utility Commission ("PUC" or the "Commission"). PP&L's principal place of business is:

PP&L, Inc.
Two North Ninth Street
Allentown, Pennsylvania 18101

2. PP&L will be represented in this proceeding by the following counsel, who should be placed on the Commission's service list and receive copies of all correspondence and other documents:

Paul E. Russell, Esq.
PP&L, Inc.
Two North Ninth Street
Allentown, Pennsylvania 18101

Donald A. Kaplan, Esq.
Leanne M. Bober, Esq.
Preston Gates Ellis & Rouvelas Meeds LLP
Suite 500
1735 New York Avenue, NW
Washington, DC 20006

Motions for Admission Pro Hac Vice of Donald A. Kaplan and Leanne M. Bober are being filed today with this petition.

3. Section 1102 of the Public Utility Code ("Code"), 66 Pa. C.S. § 1102, requires Commission approval of the proposed Restructuring and Merger. In addition, Section 1901 of the Code, 66 Pa.C.S. § 1901, may require Commission approval for the assignment of certain debt obligations by PECO to a newly formed generation subsidiary ("GenCo."). Commission approval also will be required for certain contracts with affiliated interests pursuant to Section 2102(b) of the Code, 66 Pa.C.S. § 2102(b). In addition, Section 2210 of Pennsylvania's Natural Gas Choice and Competition Act ("Natural Gas Competition Act"), 66 Pa.C.S. § 2210, and Section 2811(e) of Pennsylvania's Electricity Generation Customer Choice and Competition Act ("Electric Competition Act"), 66 Pa.C.S. § 2811(e), require the Commission to consider whether a proposed merger is likely to result in

anticompetitive or discriminatory conduct which will prevent retail gas or electricity customers, respectively, in Pennsylvania from obtaining the benefits of properly functioning and workable competitive retail markets. Both the Natural Gas Competition Act and the Electric Competition Act give the Commission authority to impose terms and conditions on a proposed merger as it finds necessary to preserve the benefits of a properly functioning and workable competitive retail market. 66 Pa.C.S. §§ 2210(b) (Natural Gas Competition Act), 2811(e) (Electric Competition Act). Finally, PECO has requested that the Commission include findings required by PUHCA Sections 32(c) and 32(k), 15 U.S.C. §§ 793-5(a)(c) and 793-5(a)(k), in any Order approving the proposed Restructuring and Merger, regarding transferring generating assets, liabilities, and wholesale power contracts to a newly formed corporate subsidiary, and the purchases of power from GenCo.

4. PP&L has direct and substantial interests in this proceeding that cannot adequately be represented by any other party. As a public utility whose electric service territory is adjacent to PECO's service territory, and as a neighboring utility within the PJM Interconnection, L.L.C. ("PJM"), both the Restructuring and the proposed Merger and concomitant introduction of Unicom, and its principal subsidiary Commonwealth Edison Company, into Pennsylvania could substantially impact PP&L both competitively and operationally. PP&L's participation as an active party in this proceeding is therefore required to protect its substantial individual interests.

5. Moreover, PP&L has a direct and substantial interest in ensuring that the proposed Merger and Restructuring will not have an adverse competitive

effect on Pennsylvania's retail energy markets. PP&L's affiliate, PP&L EnergyPlus Co., Inc. is an active participant in the competitive retail electric market throughout Pennsylvania, including in PECO's service territory.

6. In addition, Commission rulings in this proceeding could potentially have precedential effects for PP&L. Specifically, the PECO and PP&L Restructuring Settlements pursuant to the Electric Competition Act have many similar terms. Commission rulings in this proceeding that rely on such terms could affect future PP&L proceedings.

7. PP&L's participation as an active party is also in the public interest because the Company can provide input for the record from the unique perspective of the only other Pennsylvania utility in the PJM that intends to remain in the generation business. Therefore, PP&L can assist in the development of a full and complete record for review by the Administrative Law Judges and the Commission.

8. Due to the breadth of this proceeding and its early stage, PP&L, at this time, is not able to identify the issues it may pursue, its position on those issues or how its positions may align with those of other parties to this proceeding.

9. Each of the parties participating in this case will take positions on the issues that support its specific interests, and those positions may be inconsistent with the position that PP&L would take. For this reason, no other party in this proceeding can adequately represent PP&L or protect the Company's interests.

10. Active party status will permit the Company to receive and review all of the documents filed in the case. In addition, as an active party, the

Company will have an opportunity to attend and participate fully in all evidentiary hearings and settlement discussions.

11. At this time, PP&L does not expect to present testimony in this proceeding. However, the Company expressly reserves the right to submit both direct and rebuttal testimony should it determine that it is necessary to do so to protect and advance its position. Whether PP&L files rebuttal testimony and the nature of that testimony will depend upon the positions developed by PP&L and positions taken by the other parties on the major issues raised by this proceeding. Accordingly, PP&L cannot identify, at this time, the issues that may be raised in any testimony it might submit, or the witness(es) that it will present. As soon as PP&L identifies these issues and witnesses, it will notify the Administrative Law Judge and all parties.

WHEREFORE, for all of the foregoing reasons, PP&L respectfully requests that the Commission grant this petition and approve PP&L's intervention as an active party of record in this proceeding.

Respectfully submitted,



Paul E. Russell
Associate General Counsel
PP&L, Inc.
Two North Ninth Street
Allentown, Pennsylvania 18101

Dated: December 16, 1999
at Allentown, Pennsylvania

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 :
and 28 of the Public Utility Code, for : Docket No. A-110550 F0147
Approval of (1) a Plan of Corporate :
Restructuring, Including the Creation of :
a Holding Company and (2) the Merger :
of the Newly Formed Holding Company :
and Unicom Corporation :

DOCKETED

DEC 20 1999

DOCUMENT
FOLDER

RECEIVED

MOTION FOR ADMISSION PRO HAC VICE OF
DONALD A. KAPLAN

DEC 16 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PP&L, Inc. ("PP&L" or the "Company"), through its undersigned attorney of record, moves the Pennsylvania Public Utility Commission to allow the admission pro hac vice of attorney Donald A. Kaplan as co-counsel and as grounds therefore states:

1. PP&L is a Pennsylvania corporation and has as its attorney of record in this proceeding the undersigned Paul E. Russell, who is a practicing attorney duly admitted to and in good standing with the bar of the Commonwealth of Pennsylvania (Attorney No. 21643).

2. Donald A. Kaplan, a partner in the law firm of Preston Gates Ellis & Rouvelas Meeds LLP, is a practicing attorney duly admitted to and in good standing with the bars of the District of Columbia, New York, the United States Supreme Court and several United States Courts of Appeals and District Courts.

3. PP&L desires that Mr. Kaplan represent it in this action and respectfully requests that Mr. Kaplan be admitted pro hac vice to practice before the Pennsylvania Public Utility Commission as co-counsel representing PP&L in this proceeding.

WHEREFORE, PP&L requests an order admitting Mr. Kaplan to serve as co-counsel for PP&L, along with PP&L's undersigned attorney of record.

Dated: December 16, 1999

Respectfully submitted,



Paul E. Russell
PP&L, Inc.
Two North Ninth Street
Allentown, Pennsylvania 18101
(610) 774-4254

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 :
and 28 of the Public Utility Code, for : Docket No. A-110550 F0147
Approval of (1) a Plan of Corporate :
Restructuring, Including the Creation of :
a Holding Company and (2) the Merger :
of the Newly Formed Holding Company :
and Unicom Corporation :

ORDER GRANTING ADMISSION PRO HAC VICE

On November 22, 1999, PECO Energy Company filed an application for approval of (1) a plan of corporate restructuring, including the creation of a holding company and (2) the merger of the newly formed holding company and Unicom Corporation.

On or about December 16, 1999, Paul E. Russell, Esq., a member of the bar of the Commonwealth of Pennsylvania, moved the admission pro hac vice of Donald A. Kaplan, Esq., Preston Gates Ellis & Rouvelas Meeds LLP, Suite 500, 1735 New York Avenue, NW, Washington, DC, 20006, in this case, pursuant to Pa.B.A.R. 301.

It is represented by Mr. Russell that Mr. Kaplan is a member in good standing of the bars of the District of Columbia, New York, the United States Supreme Court and several United States Courts of Appeals and District Courts.

The Motion for Admission Pro Hac Vice is unopposed.

THEREFORE,

IT IS ORDERED:

1. That Donald A. Kaplan, Esq., Preston Gates Ellis & Rouvelas Meeds LLP, Suite 500, 1735 New York Avenue, NW, Washington, DC, 20006, is admitted pro hac vice in the above-captioned case, on behalf of PP&L, Inc.

2. That in accordance with the provisions of Pa.B.A.R. 301(a), Paul E. Russell, Esq. shall remain attorney of record for PP&L, Inc.

Date

(name)
Administrative Law Judge

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

DOCUMENT
FOLDER

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 and :
28 of the Public Utility Code, for :
Approval of (1) a Plan of Corporate :
Restructuring, Including the Creation of :
a Holding Company and (2) the Merger :
of the Newly Formed Holding Company :
and Unicom Corporation :

Docket No. A-110550 F0147

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DEC 16 1999

DOCKETED

DEC 20 1999

PA PUBLIC UTILITY COMMISSION
MOTION FOR ADMISSION PRO HAC VICE
LEANNE M. BOBER
SECRETARY'S BUREAU

PP&L, Inc. ("PP&L" or the "Company"), through its undersigned attorney of record, moves the Pennsylvania Public Utility Commission to allow the admission pro hac vice of attorney Leanne M. Bober as co-counsel and as grounds therefore states:

1. PP&L is a Pennsylvania corporation and has as its attorney of record in this proceeding the undersigned Paul E. Russell, who is a practicing attorney duly admitted to and in good standing with the bar of the Commonwealth of Pennsylvania (Attorney No. 21643).

2. Leanne M. Bober, an associate in the law firm of Preston Gates Ellis & Rouvelas Meeds LLP, is a practicing attorney duly admitted to and in good standing with the bars of the State of Maryland, the United States Court of Appeals for the Federal Circuit, and the United States Court of Federal Claims.

3. PP&L desires that Ms. Bober represent it in this action and respectfully requests that Ms. Bober be admitted pro hac vice to practice before the Pennsylvania Public Utility Commission as co-counsel representing PP&L in this proceeding.

WHEREFORE, PP&L requests an order admitting Ms. Bober to serve as co-counsel for PP&L, along with PP&L's undersigned attorney of record.

Dated: December 16, 1999

Respectfully submitted,



Paul E. Russell
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, Pennsylvania 18101
(610) 774-4254

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 :
and 28 of the Public Utility Code, for : Docket No. A-110550 F0147
Approval of (1) a Plan of Corporate :
Restructuring, Including the Creation of :
a Holding Company and (2) the Merger :
of the Newly Formed Holding Company :
and Unicom Corporation :

ORDER GRANTING ADMISSION PRO HAC VICE

On November 22, 1999, PECO Energy Company filed an application for approval of (1) a plan of corporate restructuring, including the creation of a holding company and (2) the merger of the newly formed holding company and Unicom Corporation.

On or about December 16, 1999, Paul E. Russell, Esq., a member of the bar of the Commonwealth of Pennsylvania, moved the admission pro hac vice of Leanne M. Bober, Esq., Preston Gates Ellis & Rouvelas Meeds LLP, Suite 500, 1735 New York Avenue, NW, Washington, DC, 20006, in this case, pursuant to Pa.B.A.R. 301.

It is represented by Mr. Russell that Ms. Bober is a member in good standing of the bars of the State of Maryland, the United States Court of Appeals for the Federal Circuit, and the United States Court of Federal Claims.

The Motion for Admission Pro Hac Vice is unopposed.

THEREFORE,

IT IS ORDERED:

1. That Leanne M. Bober, Esq., Preston Gates Ellis & Rouvelas Meeds LLP, Suite 500, 1735 New York Avenue, NW, Washington, DC, 20006, is admitted *pro hac vice* in the above-captioned case, on behalf of PP&L, Inc.

2. That in accordance with the provisions of Pa.B.A.R. 301(a), Paul E. Russell, Esq. shall remain attorney of record for PP&L, Inc.

Date

(name)
Administrative Law Judge

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 and :
28 of the Public Utility Code, for Approval :
of (1) a Plan of Corporate Restructuring, :
Including the Creation of a Holding :
Company and (2) the Merger of the :
Newly Formed Holding Company and :
Unicom Corporation :

Docket No. A-110500 F0147

RECEIVED

DEC 16 1999

CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I hereby certify that I have this day served a true copy of the foregoing documents upon the participant(s), listed below, in accordance with the requirements of §1.54 (relating to service by a participant):

First Class Mail:

Paul R. Bonney, Esquire
PECO Energy Company
2301 Market Street S23-1
Philadelphia, PA 19103

Kenneth L. Mickens, Esquire
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Irwin A. Popowsky, Esquire
Tanya McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

David M. Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(Counsel for PAIEUG)

Bernard A. Ryan, Jr., Esquire
Office of Small Business Advocate
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300 North Second Street
Harrisburg, PA 17101

Audrey Van Dyke, Associate Counsel
Naval Facilities Engineering Command
Washington Navy Yard, Building 218
Room 200
901 M. Street, S.E.
Washington, DC 20374-5018

Steven P. Hershey, Esquire
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1515 Market Street – 9th Floor
Philadelphia, PA 19102-1909

Kenneth Zielonis, Esquire
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208 North 3rd Street, Suite 310
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(Counsel for Pennsylvania Retailers Association)

Roger Clark, Esquire
NESIP 905 Denston Drive
Ambler, PA 19002-3901
(Counsel for Environmentalists)

Randall V. Griffin, Esquire
Delmarva Power & Light Company
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Wilmington, DE 19899
(Counsel for Conectiv/Delmarva Power & Light)

Christopher B. Craig, Esquire
Democratic Committee on Appropriations
Room 545, Main Capitol Building
Harrisburg, PA 17120
(Counsel for The Honorable Vincent J. Fumo)

Phil Bertocci, Esquire
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
(Counsel for CEPA, TAG, Action Alliance of Sr. Citizens & John Long, Jr.)

Daniel Clearfield, Esquire
Alan Kohler, Esquire
Wolf, Block, Schorr and Solis-Cohen
Locust Court Building, Suite 300
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(Counsel for Enron)

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McNees, Wallace & Nurick
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Craig A. Doll, Esquire
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Harrisburg, PA 17101
(Counsel for Conectiv)

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Obermayer Rebmann Maxwell & Hippel
LLP
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Al Benincasa
Skipping Stone
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Sea Cliff, NY 11579

Usher Fogel, Esquire
Roland, Fogel, Koblenz & Petroccione,
LLP
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*(Counsel for Pennsylvania Petroleum
Association)*

Alan Seltzer, Esquire
Ryan, Russell, Ogden & Seltzer, LLP
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Mary Ann Ralls, Esquire
Sheila Hollis, Esquire
Duane, Morris & Heckscher, LLP
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Joel D. Newton, Esquire
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Gordon Smith, Esquire
John & Hengerer
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Noram Energy)*

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(Counsel for Enron Energy Services Power, Inc.)

John Gallagher, Esquire
Michael Klein, Esquire
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Zeigler & Zimmerman, PC
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Camp Hill, PA 17011-3707

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McFarren Group
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Harrisburg, PA 17101

Craig Goodman
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Suite 338
Washington, DC 20007

Andrew S. Tubbs
Pennsylvania Rural Electric Association
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Harrisburg, PA 17108

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UGI Utilities, Inc. – Gas Division
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King of Prussia, PA 19406

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(Counsel for SEPTA)

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(Counsel for CEED)

Ethan Giddings
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Jenkintown, PA 19046

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Counsel
American Energy Solutions, Inc.
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Alexandria, VA 22314

John Earwood
Pennsylvania Department of Aging
555 Walnut Street – 5th Floor
Harrisburg, PA 17101

Michael W. Reville, Esquire
National Fuel Gas Distribution Corp.
10 Lafayette Square, 17th Floor
Buffalo, NY 14203

Jay W. Dawson, Esquire
T. W. Phillips Gas & Oil Company
205 North Main Street
Butler, PA 16001

John Kell, Vice President Financial
PG Energy
One PEI Center
Wilkes-Barre, PA 18711-0601

Thomas T. Niesen, Esquire
Thomas, Thomas, Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500
(Counsel for Equitable)

Kenneth Christman, General Counsel
Columbia Gas Company
650 Washington Road – 8th Floor
Pittsburgh, PA 15228-2703

Susan George
The Peoples Natural Gas Company
625 Liberty Avenue
Pittsburgh, PA 15222-3197

Dated this 16th day of December, 1999.



Paul E. Russell
Attorney ID #21643
Associate General Counsel

Counsel for:
PP&L, Inc.
Two North Ninth Street
Allentown, PA 18101
(610) 774-4254

MCNEES, WALLACE & NURICK

ATTORNEYS AT LAW

100 PINE STREET
P. O. BOX 1166
HARRISBURG, PA 17108-1166
TELEPHONE (717) 232-8000
FAX (717) 237-5300

http://www.mwn.com

ORIGINAL

CHARIS M. BURAK

DIRECT DIAL: (717) 237-5437

E-MAIL ADDRESS: CBURAK@MWN.COM

December 16, 1999

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

VIA HAND DELIVERY

DOCUMENT
FOLDER

Re: Application of Peco Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, For Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation; Docket No.A-110550F0147

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of a Petition to Intervene of the Philadelphia Area Industrial Energy Users Group in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and kindly return it for our filing purposes.

Very truly yours,

EEF

McNEES, WALLACE & NURICK

By *Charis M. Burak*
Charis M. Burak

Counsel to the Philadelphia Area Industrial Energy
Users Group

CMB/map
Enclosures

c: Chief Administrative Law Judge Robert A. Christianson (via hand delivery)
Certificate of Service

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SECRETARY'S BUREAU
55

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY
COMPANY, PURSUANT TO
CHAPTERS 11, 19, 21, 22 AND 28 OF
THE PUBLIC UTILITY CODE, FOR
APPROVAL OF (1) A PLAN OF
CORPORATE RESTRUCTURING,
INCLUDING THE CREATION OF A
HOLDING COMPANY AND (2) THE
MERGER OF THE NEWLY FORMED
HOLDING COMPANY AND UNICOM
CORPORATION

Docket No. A-110550F0147

**DOCUMENT
FOLDER**

DOCKETED
DEC 20 1999

PETITION TO INTERVENE OF THE
PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP

Pursuant to 52 Pa. Code §§ 5.72-5.74, the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), by and through its attorneys, respectfully petitions this Honorable Commission to intervene as a party in the above-captioned proceeding. In support thereof, PAIEUG states as follows:

1. Petitioner is the Philadelphia Area Industrial Energy Users Group. The membership of PAIEUG is attached hereto as Appendix "A" and will be updated as necessary.
2. The names and address of PAIEUG's counsel are:

David M. Kleppinger
Charis M. Burak
McNEES, WALLACE & NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717)232-8000

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99 DEC 16 PM 4:00
PA.P.U.C.
SECRETARY'S BUREAU

3. PAIEUG is an ad hoc association of energy-intensive industrial customers receiving electric and natural gas utility services from PECO Energy Company ("PECO"). PAIEUG members use substantial volumes of electricity and natural gas in their manufacturing and operational processes. These energy costs are a significant element of the member companies' respective costs of operation.

4. On November 22, 1999, PECO filed an Application with the Pennsylvania Public Utility Commission ("PUC" or "Commission") requesting approval of (1) a plan of corporate restructuring, including the creation of a holding company, and (2) the merger of the newly formed holding company and Unicom Corporation ("Unicom"), the parent company of Commonwealth Edison Company ("ComEd"). The proposed transaction contemplates the merging of PECO and Unicom into a holding company, created specifically in order to facilitate the proposed merger. As a result of the merger, Unicom's and PECO's electric and natural gas utility operations will become separate subsidiaries of the newly created holding company. The Applicant asserts that the merger will in no way diminish PECO's aggressive pursuit of service excellence, but rather, better position PECO and ComEd to meet future customer demands, and to ensure that the quality of service presently being provided is maintained and/or enhanced. See Application, p. 16.

5. A number of issues regarding the proposed merger concern and may directly impact the interests of PAIEUG members. PAIEUG provides the following preliminary list of potential issues to be examined.

- a. The effect of the proposed merger on retail competition and the retail market in the Commonwealth of Pennsylvania;

- b. The effect of the proposed merger on transmission and distribution service rates;
- c. The calculation of the anticipated savings created by the synergy of the merger, and the manner in which the realized savings would be apportioned among customers; and,
- d. The effect of the merger on the terms and conditions of PECO's electric restructuring settlement, which was entered into pursuant to the Electricity Generation Customer Choice and Competition Act.

PAIEUG reserves the right to raise further issues as necessary and appropriate during the course of the proceeding, and to respond to issues raised by other parties.

6. Accordingly, the Commission's resolution of the issues in this proceeding will impact the rates that PAIEUG members pay for electricity and natural gas, the services they receive, and the quality of retail competition in Pennsylvania. Consequently, PAIEUG has interests that will be directly affected by the outcome of this proceeding. Additionally, PAIEUG has an interest in this proceeding that is not represented adequately by any other party of record.

WHEREFORE, PAIEUG respectfully requests that the Commission grant this Petition to Intervene and provide PAIEUG with full party status.

Respectfully submitted,

McNEES, WALLACE & NURICK

By Charis M. Burak
David M. Kleppinger
Charis M. Burak
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717) 232-8000
(717) 237-5300

Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated: December 16, 1999

APPENDIX "A"

**MEMBERS OF
PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP**

Air Liquide America Corporation
Bethlehem Steel Corporation
The Boeing Company
The Budd Company - Hunting Park Plant
Buckeye Pipeline Company, L.P.
Ford Motor Company
Franklin Mills Associates Limited Partnership
Jefferson Health System
Kimberly-Clark Corporation
Merck & Co., Inc.
Nabisco, Inc.
Occidental Chemical Corporation
Rohm and Haas Company
SmithKline Beecham Pharmaceuticals
Sunoco, Inc. (R&M)
Temple University
USX Corporation - U.S. Steel Group

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing letter upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA HAND DELIVERY

Irwin A. Popowsky, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, Fifth Floor
Harrisburg, PA 17101

Honorable Allyson Y. Schwartz
4th District
Senate Box 203004
Harrisburg, PA 17120

Bernard A. Ryan, Jr., Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

John Hanger, Esq.
212 Locust Court, Suite 410
Harrisburg, PA 17101

Christopher B. Craig, Esq.
Room 545 Main Capitol Building
Harrisburg, PA 17120

Charles Hoffman, Esq.
Office of Trial Staff
PA Public Utility Commission
Office of Trial Staff
901 Rear North 7th Street
P.O. Box 3265
Harrisburg, PA 17105-3265

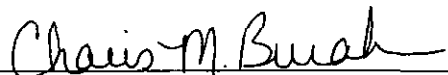
VIA FIRST CLASS MAIL

Peter Meadows
Adels, Charles, McPedran
117 S. 17th Street Suite 1801
Philadelphia, PA 19103

Eric Joseph Epstein
4100 Hillsdale Road
Harrisburg, PA 17112

Thomas P. Gadsden, Esq.
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Paul R. Bonney, Esq.
2301 Market Street
P.O. Box 8699
Philadelphia PA 19101-8699



Charis M. Burak

Dated this 16th of December, 1999, in Harrisburg, Pennsylvania.

Sutherland
▪ Asbill & ▪
Brennan LLP
ATTORNEYS AT LAW

1275 Pennsylvania Avenue, NW
Washington, DC 20004-2415
202.383.0100
fax 202.637.3593
www.sablav.com

GREGORY K. LAWRENCE
DIRECT LINE: 202.383.0762
Internet: glawrence@sablav.com

ORIGINAL

December 16, 1999

VIA OVERNIGHT MAIL

James J. McNulty, Secretary
Office of the Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Room B-20, North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU


Re: *Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation, Docket No. A-110550F0147*

Dear Secretary McNulty:

Attached please find for filing an original and three (3) copies of the following documents: (1) Petition to Intervene in the above-referenced matter on behalf of Shell Energy Services Company, L.L.C. ("Shell Energy") and (2) Motion to Appear Pro Hac Vice on behalf of Paul F. Forshay and Gregory K. Lawrence in the above-referenced matter. Please date-stamp the two extra copies of each document enclosed and return them in the self-addressed, postage-prepaid envelop.

Thank you for your assistance with this matter.

Sincerely,



Gregory K. Lawrence, Esq.

EEF

Attorney for
Shell Energy Services Company, L.L.C.

cc: Per Service List (Attached Proof of Service)

Enclosures

RECEIVED

BEFORE THE
COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DEC 16 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Application of PECO Energy Company,)
Pursuant to Chapters 11, 19, 21, 22)
and 28 of the Public Utility Code,)
for Approval of (1) A Plan of Corporate)
Restructuring, Including the Creation)
of a Holding Company and (2) the)
Merger of the Newly Formed Holding)
Company and Unicom Corporation)

Docket No. A-110550F0147

PETITION TO INTERVENE
OF SHELL ENERGY SERVICES COMPANY, L.L.C.

ORIGINAL

Pursuant to 52 Pa. Code §§ 5.71-5.76, Shell Energy Services Co., L.L.C. ("Shell Energy"), hereby submits its petition to intervene in the above-captioned proceeding. In support of this petition, Shell Energy respectfully states the following:

I.

Communications concerning this petition should be addressed as follows, and the following should be included on the official service list in this proceeding:

Paul F. Forshay, Esq.
Gregory K. Lawrence, Esq.
SUTHERLAND ASBILL & BRENNAN LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
(202) 383-0100 (phone)
(202) 637-3593 (fax)

DOCUMENT
FOLDER

Amy Gold
SHELL ENERGY SERVICES Co., L.L.C.
P. O. Box 4402
Houston, Texas 77210
(713) 241-8911 (phone)
(713) 241-8941 (fax)

DOCKETED
DEC 20 1999

II.

Shell Energy is a national marketer, aggregator, and supplier of electricity and natural gas to retail customers, especially residential and small commercial customers. Shell Energy intends to serve residential and small commercial customers on the PECO Energy Co. ("PECO") system. Moreover, Shell Energy is a licensed Electric Generation Supplier and active participant in electric retail restructuring matters in the Commonwealth of Pennsylvania.

III.

On November 22, 1999, PECO submitted its application for approval of a corporate restructuring plan, including the creation of a holding company, and merger of the newly formed holding company with Unicom Corp, pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code. The Pennsylvania Public Utility Commission ("Commission") published notice of the application filing in the Pennsylvania Bulletin on December 3, 1999. 29 Pa.B. 6208.

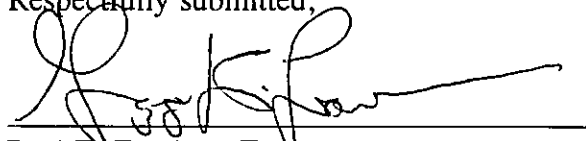
IV.

The establishment of separate corporate entities such as the structure proposed in the merger application generally tracks the spirit of the Code of Conduct and Competitive Safeguards set out in PECO's Restructuring Settlement. However, the merger application also raises important issues regarding the potential impact of utility market power on the competitive market in Pennsylvania, the potential impact of the merger on PECO's rates, and whether the proposed merger serves the public convenience and necessity. Since electric and natural gas service to be provided by Shell Energy and the services provided by PECO will be directly affected by the outcome of this proceeding, Shell Energy has substantial and vital

interests herein and requests permission to intervene to protect those interests. 52 Pa. Code § 5.72(a)(2). Shell is not now, and will not be, adequately represented by any other party in this proceeding, and may be bound or adversely affected by the Commission's action herein. *Id.* Therefore, Shell Energy is an interested party and its intervention and participation will be in the public interest. 52 Pa. Code § 5.72(a)(3). Additionally, as a national marketer of electricity and natural gas, Shell Energy can bring significant and unique experience to this proceeding.

WHEREFORE, for the foregoing reasons, Shell Energy Services Co., L.L.C. respectfully requests that it be allowed to intervene in this proceeding with full rights as a party hereto.

Respectfully submitted,



Paul F. Forshay, Esq.

Carol A. Weiser, Esq. (#43810)

Gregory K. Lawrence, Esq.

SUTHERLAND ASBILL & BRENNAN LLP

1275 Pennsylvania Avenue, N.W.

Washington, D.C. 20004-2415

(202) 383-0100

Attorneys for

Shell Energy Services Co., L.L.C.

December 16, 1999

CERTIFICATE OF SERVICE

In accordance with 52 Pa. Code § 5.75, I hereby certify that I have this day served a copy of the foregoing document upon each person to this proceeding as reflected on the list below:

Via U.S. Mail

Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Paul R. Bonny, Esq.
Ward L. Smith, Esq.
Kent D. Murphy, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Honorable Allyson Y. Schwartz
Senate Box 203004
Harrisburg, PA 17120-3004


John Hanger
212 Locust Court
Suite 410
Harrisburg, PA 17101

Peter Meadows
117 S. 17th St.
Philadelphia, PA 19103

Eric J. Epstein
4100 Hillsdale Rd.
Harrisburg, PA 17112

Christopher B. Craig
Rm. 545
Main Capitol Bldg
Harrisburg, PA 17120

Dated at Washington, D.C. this 16th day of December, 1999.



Gregory K. Lawrence

RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DEC 16 1999

Application of PECO Energy Company,)
Pursuant to Chapters 11, 19, 21, 22)
and 28 of the Public Utility Code,)
for Approval of (1) A Plan of Corporate)
Restructuring, Including the Creation)
of a Holding Company and (2) the)
Merger of the Newly Formed Holding)
Company and Unicom Corporation)

PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket No. A-110550F0147

DOCUMENT DOCKETED
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DEC 20 1999

MOTION TO APPEAR
PRO HAC VICE

The undersigned attorney, admitted to practice in the Commonwealth, hereby moves the admission of Paul F. Forshay, Esq., and Gregory K. Lawrence, Esq., to appear as attorneys in this proceeding, *pro hac vice* on behalf of Shell Energy Services Co., L.L.C. ("Shell Energy").

Mr. Forshay and Mr. Lawrence each have been members in good standing of the bar of the District of Columbia since 1984 and 1993, respectively, and there are, to my knowledge, no disciplinary proceedings pending against either attorney in any jurisdiction. Mr. Forshay and Mr. Lawrence have advised Shell Energy concerning the issues raised in this proceeding and each has special knowledge and expertise regarding such matters.

WHEREFORE, the movant respectfully requests that Paul F. Forshay, Esq., and Gregory K. Lawrence, Esq., be authorized to appear as attorneys, *pro hac vice*, on behalf of Shell Energy.



Carol A. Weiser, Esq. (Atty. No. 43810)
SUTHERLAND ASBILL & BRENNAN LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 383-0100
Attorney for Shell Energy Services Co., L.L.C.

Dated: December 16, 1999

CERTIFICATE OF SERVICE

In accordance with 52 Pa. Code § 5.75, I hereby certify that I have this day served a copy of the foregoing document upon each person to this proceeding as reflected on the list below:

Via U.S. Mail

Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Paul R. Bonny, Esq.
Ward L. Smith, Esq.
Kent D. Murphy, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Honorable Allyson Y. Schwartz
Senate Box 203004
Harrisburg, PA 17120-3004

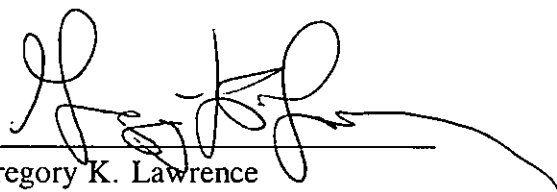
John Hanger
212 Locust Court
Suite 410
Harrisburg, PA 17101

Peter Meadows
117 S. 17th St.
Philadelphia, PA 19103

Eric J. Epstein
4100 Hillsdale Rd.
Harrisburg, PA 17112

Christopher B. Craig
Rm. 545
Main Capitol Bldg
Harrisburg, PA 17120

Dated at Washington, D.C. this 16th day of December, 1999.



Gregory K. Lawrence

DATE: December 17, 1999

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DEC 20 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

**DOCUMENT
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FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Motion to Intervene filed by Enron Energy Services, Inc., in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

EEF

DATE: December 17, 1999

SUBJECT: A-110550F0147

DOCKETED
DEC 20 1999

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

**DOCUMENT
FOLDER**

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene with Motion to Appear Pro Hac Vice filed by Shell Energy Services Company, L.L.C., in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

EEF

laf

DATE: December 17, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCUMENT
FOLDER

LAF

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Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by Philadelphia Area Industrial Users Group, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

EEF

DATE: December 17, 1999
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

DOCUMENT
FOLDER

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DEC 20 1999

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene with Motions for Admission Pro Hac Vice filed by PP&L, Inc., in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

laf

EEF

Wolf, Block, Schorr and Solis-Cohen LLP

212 Locust Street
Suite 300
Harrisburg, PA 17101

T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

ORIGINAL

Gerald Gornish
Direct Dial: (215) 977-2118
Direct Fax: (215) 405-3718
E-Mail: ggornish@wolfblock.com

December 17, 1999

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
B-20 North Office Building
P. O. Box 3265
Harrisburg, PA 17105-3265

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SECRETARY'S BUREAU

RE: Application of PECO Energy Company Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) The Merger of the Newly Formed Holding Company and Unicom Corporation Application No. A-110550F0147

Dear Mr. McNulty:

Enclosed for filing please find an original and three copies of **Motion to Intervene of Enron Energy Services, Inc.** in the above-captioned matter.

As evidenced by the attached Certificate of Service, all parties of record included in the service list utilized by PECO Energy Company with its Application have been served by first-class mail.

Respectfully yours,

EEF



Gerald Gornish

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

GG:jc

Enclosure

cc: Parties of Record (w/enc.)

DSB:677129.1

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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PA.P.U.C.
SECRETARY'S BUREAU

Application of PECO Energy Company Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) The Merger of the Newly Formed Holding Company and Unicom Corporation

**Application
Docket No. A-110550F0147**

**DOCUMENT
FOLDER**

**MOTION TO INTERVENE OF
ENRON ENERGY SERVICES, INC.**

DOCKETED

DEC 20 1999

Enron Energy Services, Inc. ("Enron"), through its counsel, hereby moves, pursuant to 52 Pa. Code §§ 5.71-5.74, to intervene in the above-captioned Application of PECO Energy Company ("PECO") for approval of a corporate restructuring, including the creation of a holding company, and a merger of that holding company with Unicom Corporation, the parent of Commonwealth Edison Company, a regulated electric utility in Illinois. As a consequence of the transaction, PECO seeks: (1) to transfer all of its non transmission and distribution ("T&D") assets to other newly-formed PECO affiliates; (2) to become a wholly-owned subsidiary of the holding company it has created; and (3) to continue its existence only as the provider of the services of a regulated electric distribution company ("EDC") in its current service territory.

In its Application, PECO seeks Commission approval of: (1) a transfer by PECO shareholders of all the stock of PECO to the holding company PECO has created in exchange for an equal number of shares in that holding company; (2) a transfer of PECO's generation assets and wholesale power contracts to a newly-formed generation subsidiary ("GenCo."); (3) the transfer of certain other assets and facilities to a service affiliate ("ServeCo."); and (4) the transfer of yet other assets to other newly-formed non-utility subsidiaries — with PECO remaining as the owner of only T&D assets necessary to provide its EDC services.

To accomplish the purposes of the Application, PECO seeks approval from the Commission under Chapter 11 of the Public Utility Code, especially 66 Pa. C.S. § 1102(a)(3), to transfer assets used and useful in the public service to the various PECO affiliates described above; approval under Chapter 21 of contracts PECO will enter into with its affiliated entities; and orders under Chapters 22 and 28 of the Public Utility Code that the proposed merger is not "likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail . . . customers from obtaining the benefits of a properly functioning and workable competitive retail . . . market." In addition, the "public interest" standard established by the City of York¹ case also requires that PECO establish that the merger will affirmatively benefit the public interest generally. That "public interest" test includes affirmative enhancements to competition and the competitive market.

In anticipation that it may in the future seek Exempt Wholesale Generator ("EWG") status for GenCo. (or, possibly, some other newly-formed corporate subsidiary), PECO also requests the Commission to make the necessary EWG findings under Section 32(c) of the

¹ City of York v. Pennsylvania Public Utility Commission, 449 Pa. 136, 295 A.2d 825 (1972).

Public Utility Holding Company Act, 15 U.S.C. § 793-5a(c), that the transfer of generating assets, liabilities and wholesale power contracts to a newly-formed subsidiary will benefit customers, is in the public interest and does not violate state law. By the same token, PECO seeks findings from the Commission under Section 32(k) of that Act, 15 U.S.C. § 793-5a(k), that PECO purchases from GenCo. will benefit customers, not violate state law, will not provide GenCo. with an unfair competitive advantage and is in the public interest.

Implementation of the Application will clearly have a far-reaching impact on the recent inception and continuing development of a competitive generation and generation services market in PECO's service territory, as well as serving as a prototype for other possible mergers of Pennsylvania's electric utilities. Since Enron is an electric generation supplier ("EGS"), which is providing and plans to continue to offer EGS services in PECO's service territory, Enron has standing and seeks to participate in this proceeding. Enron desires to protect its interests and to assure among other things that: PECO's Application is fully consistent with the requirements of the Public Utility Code, including the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. § 2801 et seq. ("Customer Choice Act"); the merger requirements of Sections 2210 and 2811(e) of the Public Utility Code and the terms of the Joint Settlement of PECO's Restructuring under the Customer Choice Act approved by the Commission on May 14, 1998;² and the public interest. Enron's

² Application of PECO Energy for Approval of its Restructuring Plan and Petition of Enron Energy Services Power, Inc. for Approval of an Electric Competition and Choice Plan, PUC Docket Nos. R-00973953 and P-00971265 (hereinafter referred to as the "PECO Restructuring Proceeding"), Order entered December 23, 1997; Reconsideration Order entered January 16, 1998; Orders entered February 4, 1998 and February 27, 1998; Tentative Order entered April 30, 1998; Final Order entered May 14, 1998 ("Final Order") (collectively, "PUC Orders"). The Final Order approved a Joint Petition for Full Settlement of PECO's Restructuring Plan ("Joint Settlement"), which was joined in by virtually every party to the PECO Restructuring Proceeding, including Enron.

primary goal overall is to assure that granting the Application as presented will enhance the development of fully competitive retail electric and natural gas markets.

In support of its Motion, Enron states as follows:

1. The name and address of the entity seeking intervention is as follows:

Enron Energy Services, Inc.
1400 Smith Street
P.O. Box 4428
Houston, TX 77002
(713) 853-7500
(713) 646-8160 (fax)

2. Enron will be represented in this proceeding by the following counsel:

Daniel Clearfield, Esquire (dclearfield@wolfblock.com)
Gerald Gornish, Esquire (ggornish@wolfblock.com)
Kevin Moody, Esquire (kmoody@wolfblock.com)
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160
(717) 237-7161 (fax)

3. Enron is the largest, non-regulated wholesale electric supplier in the Nation and is actively involved in electric competition issues in Pennsylvania and around the Nation. Enron was a party to, and participated fully in, the PECO Restructuring Proceeding and in the Joint Settlement that resulted in, and was approved by, the Final Order. Enron presently intends to participate and continue its participation in Pennsylvania's retail electric market, including PECO's service territory, and to compete with PECO in the market for the generation supply of electricity in PECO's service territory under the terms of the Final

Order. Enron has obtained a supplier license in Pennsylvania. Enron presently focuses its marketing efforts upon industrial and large commercial energy users.

4. The Customer Choice Act, enacted on December 3, 1996, required the restructuring of Pennsylvania's electric industry to implement the transition from monopoly provision of retail electricity supply to a competitive market. Retail electric competition in Pennsylvania will provide far-reaching benefits to both residential and business consumers throughout the Commonwealth through reduced prices and improved services. Furthermore, retail electric competition will stimulate economic development and will allow Pennsylvania businesses to compete effectively in national and international markets and will enhance Pennsylvania's business climate. In the Final Order, the Commission approved the Joint Settlement, which was designed to achieve competition and broaden consumer choice while providing reasonable compensation to PECO in accordance with the Customer Choice Act.

5. In particular, the Final Order established the price that PECO may charge retail consumers in its service territory for distribution services, unbundled the charge for T&D services, and also specified the amount and timing of stranded costs, through the vehicle of a competitive transition charge ("CTC"), that PECO shall be permitted to assess consumers in order to recover approximately \$5.26 billion in transition or stranded costs allegedly incurred by PECO. Thus, under the Joint Settlement — which did not contemplate the restructuring of PECO and the merger sought in the Application — PECO will retain its monopoly over T&D services regulated by the Commission and PECO will also receive the stranded cost/CTC charges from all consumers in its service territory. However, under the Final Order, Enron and other suppliers are intended to be permitted to compete with a separate PECO affiliate or division to provide consumers with the service of generation

supply of electricity as well as additional services and options, which will result in reduction of consumers' electric bills and greater choice as the Commission and the Pennsylvania General Assembly intended. In addition, if any consumer fails to choose an alternative supplier of electricity, the Settlement contemplates that for the remainder of the transition period PECO or its affiliate will remain as that consumer's generation supplier, subject to a competitive bidding process for 20% of those customers which will commence on January 1, 2001. This will be known as Competitive Default Service ("CDS").

6. The Final Order also authorized PECO to transfer all of its generating assets and liabilities and related assets, as well as wholesale power contracts — excluding wholesale power contracts that PECO utilizes to satisfy its provider of last resort obligations and those entered into by PECO-affiliated EGSs — to affiliated or non-affiliated entities. The transfers were approved at net book value at the date of transfer.

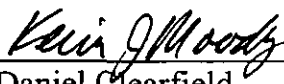
7. Enron seeks intervention in this proceeding to investigate the effects of the proposed merger and to assure that it will not retard the development of a competitive market. Enron also seeks to assure that the provisions addressed in the Joint Settlement and adopted by the Final Order are adhered to by PECO and are not vitiated by the Application. Additionally, Enron seeks to assure that any financial savings from the merger are used to benefit competitive choice, or, at least, that they are competitively neutral, such as to reduce the amount of the CTC collected by PECO from its customers. Enron will particularly focus on any issues that may impact on Enron's ability to offer competitive service options to consumers in PECO's retail marketplace. Enron's advocacy in this proceeding will focus on assuring a "level playing field" among all market participants.

8. Enron has a direct, immediate, and substantial interest in this proceeding that is protected by the Public Utility Code. Its interests are not adequately represented by any other party.

9. In addition, in view of its status as a party in the PECO Restructuring Proceeding, which resulted in the Final Order setting forth the terms and conditions of PECO's Restructuring under which Enron is entitled to compete for the supply of electricity in PECO's service territory, Enron has the right to intervene in this matter to assure that the provisions of the Joint Settlement are not adversely impacted by the proposed restructuring of PECO sought in this proceeding.

WHEREFORE, for all the foregoing reasons, Enron respectfully requests the Commission to *grant this Motion and approve Enron's intervention as a party of record in this proceeding.*

Respectfully submitted,



Daniel Clearfield
Gerald Gornish
Kevin Moody

Attorneys for Enron Energy Services, Inc.

Of counsel:

WOLF, BLOCK, SCHORR AND SOLIS-COHEN LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Dated: December 17, 1999

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Application of PECO Energy Company
Pursuant to Chapters 11, 19, 21, 22 and 28
of the Public Utility Code, for Approval of
(1) A Plan of Corporate Restructuring,
Including the Creation of a Holding
Company and (2) The Merger of the Newly
Formed Holding Company and Unicom
Corporation**

**Application
Docket No. A-110550F0147**

**RECEIVED
99 DEC 17 PM 12:10
PA.P.U.C.
SECRETARY'S BUREAU**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of 52 Pa. Code § 1.54:

Paul R. Bonney, Esquire
Ward D. Smith, Esquire
Kent D. Murphy, Esquire
PECO Energy Company
2301 Market Street, S23-1
PO Box 8699
Philadelphia, PA 19101-8699

Kenneth L. Mickens, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

David Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
Harrisburg, PA 17108-1166

Thomas P. Gadsen, Esquire
Anthony C. DeCusatis, Esquire
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Irwin A. Popowsky, Esquire
Tanya McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101

Bernard Ryan, Esquire
Small Business Advocate
Suite 1102, Commerce Building
300 N. 2nd Street
Harrisburg, PA 17101

Christopher B. Craig, Esquire
Democratic Committee on Appropriations
Room 545, Main Capitol Building
Harrisburg, PA 17120

Steven P. Hershey, Esquire
Connolly Epstein Chicco Foxman, et al.
1515 Market Street - 9th Floor
Philadelphia, PA 19102-1909

Paul Russell, Esquire
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101

Robert A. Mills, Esquire
McNees, Wallace & Nurick
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Harrisburg, PA 17108-5216

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Harrisburg, PA 17101

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Obermayer Rebman Maxwell & Hippel LLP
204 State Street
Harrisburg, PA 17101

Stephanie A. Sugrue, Esquire/
Mary Ann Ralls, Esquire
Sheila Hollis, Esquire
Duane, Morris & Heckscher, LLP
1667 K. Street, N.W. - Suite 700
Washington, DC 20006

Paul Nordstrom/Joel D. Newton, Esquire
Verner Lipfert Bernhard McPherson & Hand
901 15th Street, N.W.
Washington, DC 20005-2301

Phil Bertocci, Esquire
Community Legal Services, Inc.
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Philadelphia, PA 19102

Audrey Van Dyke, Associate Counsel
Naval Facilities Engineering Command
Washington Navy Yard, Building 218,
Room 200
901 M. Street, S.E.
Washington, DC 20374-5018

Kenneth Zielonis, Esquire
Stevens & Lee
208 N. 3rd Street - Suite 310
Harrisburg, PA 17108-2090

Roger Clark, Esquire
NESIP 905 Denston Drive
Ambler, PA 19002-3901

Randall V. Griffin, Esquire
Delmarva Power & Light Company
800 King Street
Wilmington, DE 19899

Michael G. Banta, Esquire
Indianapolis Power & Light Company
One Monument Circle
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Vickiren S. Aeshleman
Director-Regulatory Policy
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Peoria, IL 61602

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Allegheny Power
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Gordon Smith, Esquire
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SouthEastern Pennsylvania Transportation
Authority
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Susan M. Shanaman, Esquire
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Harrisburg, PA 17102

Ethan Giddings
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Jenkintown, PA 19046

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American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

John Earwood
Pennsylvania Department of Aging
555 Walnut Street - 5th Floor
Harrisburg, PA 17101

Michael W. Reville, Esquire
National Fuel Gas Distribution Corp.
10 Lafayette Square, 17th Floor
Buffalo, NY 14203

Al Benincasa
Skipping Stone
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Albany, NY 12207

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Ryan, Russell, Ogden & Seltzer
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Maureen Z. Hurley, Esquire
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Washington, DC 20005-3917

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Philadelphia, PA 19141

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Zeigler & Zimmerman, P.C.
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Camp Hill, PA 17011-3707

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McFarren Group
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Suite 338
Washington, DC 20007

Pennsylvania Rural Electric Association
212 Locust Street
Harrisburg, PA 17108

Jay W. Dawson, Esquire
T.W. Phillips Gas & Oil Company
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Butler, PA 16001


John Kell, Vice President Financial
PG Energy
One PEI Center
Wilkes Barre, PA 18711-0601

Kenneth Christman, General Counsel
Columbia Gas Company
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Pittsburgh, PA 15228-2703

Mark C. Morrow, Esquire
UGI Utilities, Inc. - Gas Division
460 North Gulph Road
King of Prussia, PA 19406

Thomas T. Niesen, Esquire
Thomas, Thomas, Armstrong & Niesen
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Susan George
The Peoples Natural Gas Company
625 Liberty Avenue
Pittsburgh, PA 15222-3197



Gerald Gornish

Dated: December 17, 1999



PECO ENERGY

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street, S12-3
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5760
Fax 215 841 6447
E-mail: amiller@peco-energy.com

ORIGINAL

December 17, 1999

RECEIVED

Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA 17105-3265

DEC 17 1999

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty:

Re: Docket No. A-110550F0147

In reply to your letter of November 22, 1999, I am enclosing proof of publication notice of the Application of PECO Energy Company and Unicom Corporation for approval of a merger.

Sincerely,

Enclosure

**DOCUMENT
DOCKETED
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DEC 23 1999

**DOCUMENT
FOLDER**

EEF

P.O. #99114TP2-015876
\$2022.72

**Proof of Publication In The Philadelphia Inquirer
Under Act. No 160, P.L. 877, July 9, 1976**

**STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA**

Anna Dickerson being duly sworn, deposes and says that **The Philadelphia Inquirer** is a daily newspaper published at **Broad and Callowhill Streets, Philadelphia County, Pennsylvania**, which was established in the year 1829, since which date said daily newspaper has been regularly published and distributed in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspaper on the following dates:

November 24, 1999

Affiant further deposes and says that he is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that he is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

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DEC 23 1999

Anna Dickerson

Sworn to and subscribed before me this 24th day of
November, 1999.

Margaret C. Ruchalski
Notary Public

My Commission Expires:

NOTARIAL SEAL
Margaret C. Ruchalski, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 27, 2002

Copy of Notice of Publication

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

NOTICE TO BE PUBLISHED:

Application of PECO Energy Company pursuant to chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for approval of (1) a plan of corporate restructuring including the creation of a holding company and (2) the merger of the newly formed holding company and Union Corporation.
Docket No: A-110550F0147

Notice is hereby given that this Application may be considered without a hearing. Protests or petitions to intervene can be filed with the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265, with a copy served on the applicant on or before December 29, 1999, pursuant to Title 52 of the Pennsylvania Code.

Applicant:
PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699

PECO Energy Company

LAW OFFICES
GAWTHROP, GREENWOOD & HALSTED
A PROFESSIONAL CORPORATION
119 NORTH HIGH STREET
POST OFFICE BOX 562

JOHN S. HALSTED
ROBERT F. ADAMS
KEVIN HOLLERAN
GEORGE C. ZUMBANO
MARK L. TUNNELL
ROGER N. HUGGINS
WALTER P. EELLS
ANDREW D. H. RAU
MIGUEL D. PENA

WEST CHESTER, PENNSYLVANIA 19381-0562
TELEPHONE (610) 696-8225
TELEFACSIMILE (610) 344-0922
E-MAIL gghlaw@gawthrop.com

ROBERT S. GAWTHROP, JR.
(1940-1995)

ROBERT S. GAWTHROP
(1904-1915; 1933-1936)
THOMAS C. GAWTHROP
(1932-1957)
W. EDWARD GREENWOOD
(1943-1982)

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December 17, 1999

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Via Federal Express

James M. McNulty
Secretary of Bureau
PA Public Utility Commission
North Office Building
Commonwealth Avenue & North Street
Harrisburg, PA 17120

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DEC 17 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: PECO Company Application/East Brandywine Township
Merger Docket No. A-110550F0147

Dear Secretary McNulty:

Enclosed for filing please find an original and three copies of Petition for Intervention and Protest of the Application of PECO Company for Approval of Corporate Restructuring and Merger on behalf of East Brandywine Township.

Sincerely yours,



John S. Halsted

JSH/id
Enclosures

EEF

pc: Paul R. Bonney, Esquire
John L. Hall, Esquire

64

ORIGINAL

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

IN THE MATTER OF
PECO COMPANY APPLICATION FOR
CORPORATE RESTRUCTURING AND
MERGER DOCKET NO.

A-110550 ~~0000~~
FO147

NOTICE OF APPEARANCE

Please enter my appearance in the above designated matter on behalf of East Brandywine Township, Chester County, Pennsylvania. I am authorized to accept service on behalf of said participant in this matter. On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

GAWTHROP, GREENWOOD & HALSTED,
A Professional Corporation

Date:

12/17/99

BY:

John S. Halsted

John S. Halsted, Esquire
119 North High Street
West Chester, PA 19381-0562
(610) 696-8225
Solicitor, East Brandywine Township

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DEC 21 1999

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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DEC 17 1999

IN THE MATTER OF
PECO COMPANY APPLICATION FOR
CORPORATE RESTRUCTURING AND
MERGER DOCKET NO. A-110550F0147

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION FOR INTERVENTION AND PROTEST OF
THE APPLICATION OF PECO COMPANY FOR APPROVAL
OF CORPORATE RESTRUCTURING AND MERGER

East Brandywine Township, Chester County, Pennsylvania
("East Brandywine Township"), by and through its attorneys,
Gawthrop, Greenwood & Halsted, P.C., hereby files this Petition
for Intervention and Protest of the Application of PECO Company
for Approval of Corporate Restructuring and Merger, and in
support thereof avers as follows:

1. Petitioner, East Brandywine Township, is a political
subdivision of the Commonwealth of Pennsylvania, classified as a
second class township, with its principal offices located at 1214
Horseshoe Pike, Downingtown, Chester County, Pennsylvania 19335,
and with an approximate population of 6,100.

2. On or about December 3, 1999, PECO Company ("PECO")
filed an application (the "PECO Application") with the Public
Utility Commission for the approval of a plan of corporate
restructuring and merger of itself with a newly formed holding
company and Unicom Corporation.

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3. The residents of East Brandywine Township have been provided past electrical service by PECO which has been substantially substandard. Recently, the quality of PECO's electrical service has notably deteriorated further to the increased detriment of all East Brandywine Township citizens.

4. PECO's substandard service to the residents of East Brandywine Township causes those residents to experience more frequent power outages than those experienced by residents in other regional municipalities and requires them to wait longer than other communities for the restoration of electrical service.

5. This past year, East Brandywine Township have had to suffer through electrical service outages which lasted substantially longer than the electrical outages experienced in other communities in the region. Since Labor Day 1999 alone, there have been four (4) significant power outages to residents in East Brandywine Township.

INTERVENTION

6. East Brandywine Township incorporates paragraphs 1 through 5 as though fully set forth at length.

7. East Brandywine Township desires to intervene in the subject proceedings to represent the interests of the residents of East Brandywine Township.

8. East Brandywine Township, as the Pennsylvania political subdivision created to further the health, safety and welfare of the East Brandywine Township residents, has a direct and substantial interest in these proceedings to ensure that PECO is required to supply East Brandywine residents with improved and reliable electrical service.

9. East Brandywine Township's interest in the PECO Application is not adequately represented by any existing participants to the proceeding.

10. The participation of East Brandywine Township in this proceeding is in the public interest as it would serve to benefit all of the residents of East Brandywine Township.

11. If granted permission to intervene, East Brandywine Township would request the Public Utility Commission to require PECO to promptly provide significantly improved and reliable electrical service to East Brandywine Township residents by, among other things, upgrading the equipment used to provide electrical service within East Brandywine Township and supplying additional personnel to maintain that equipment and keep it operational at all times, including during storms.

WHEREFORE, East Brandywine Township respectfully requests that it be granted the right to intervene in these proceedings.

PROTEST

12. East Brandywine Township hereby incorporates paragraphs 1 through 11 herein as though fully set forth at length.

13. East Brandywine Township protests the subject PECO Application until and unless PECO provides significantly improved and reliable electrical service to the residents of East Brandywine Township.

WHEREFORE, East Brandywine Township respectfully requests the that approval of the subject PECO Application be denied unless the PUC requires PECO, and any successor entity, to promptly provide significantly improved and reliable service to East Brandywine Township by, among other things, upgrading the equipment used to provide electrical service within East Brandywine Township and supplying additional personnel to maintain that equipment and keep it operational at all times, including during storms.

Respectfully submitted,

GAWTHROP, GREENWOOD & HALSTED,
A Professional Corporation

Date:

BY: _____
John S. Halsted, Esquire
Attorney I.D. #04918
119 North High Street
West Chester, PA 19381-0562
(610) 696-8225
Attorneys for East Brandywine Twp.

VERIFICATION

Scott Piersol, as Township Administrator hereby states that the facts set forth above are true and correct to the best of his knowledge, information and belief.

The undersigned understands that the statements therein are made subject to the penalties of 18 Pa.C.S.A. §4904 relating to unsworn falsification to authorities.

Scott J. Piersol

Dated: December 17, 1999

PROOF OF SERVICE

I hereby certify that I have this day served by overnight mail a true and correct copy of the foregoing Petition for Intervention and Protest upon the participant, listed below, in accordance with the requirements of 52 Pa. Code §1.54 relating to service by participant.

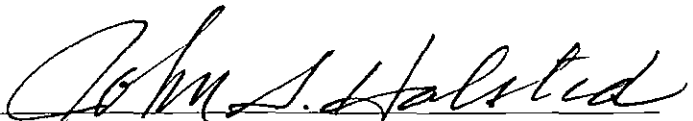
Date this 17th day of December, 1999

Paul R. Bonney, Esquire
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

GAWTHROP, GREENWOOD & HALSTED,
A Professional Corporation

Date:

BY:


John S. Halsted, Esquire
Attorney I.D. #04918
119 North High Street
West Chester, PA 19381-0562
(610) 696-8225
Attorneys for East Brandywine Twp.

GREG PASTORE FOR STATE REPRESENTATIVE

619 Pemberton Street Philadelphia, PA 19147
phone: (215) 922-6997 fax: (215) 923-0425
e-mail: campaign@gregpastore.org

December 18, 1999

DOCUMENT
FOLDER

ORIGINAL

Pennsylvania Public Utility Commission
Attn: Secretary's Office
North Office Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: *Merger Application of PECO Energy Company*
Application Docket No. A-110550F0147

To the PUC:


This letter shall serve as my formal protest against the proposed merger of PECO Energy Company and Unicom Corporation. I do not intend to argue on the merits at this time except to note that precedent does not support the merger of two utility companies whose service areas are not contiguous.

My standing for making this protest is twofold. Firstly, as a resident of Philadelphia I am, of course, a customer in PECO's distribution territory. (I am also still a purchaser of PECO-generated electricity, having unsuccessfully attempted to change to another electricity supplier in the past.) Secondly, and more importantly, I am a candidate for the Pennsylvania House of Representatives in the 182nd District, which comprises not only some 60,000 residents in PECO's service area but also PECO's corporate headquarters at 2301 Market Street. Therefore, its corporate staff falls under my potential aegis.

I hereby request that the PUC add my name to the service list for this docketed application. Please send all relevant papers, including a copy of PECO's application to the PUC, to me at the above address. I intend to give oral testimony at the PUC's hearings on the matter; therefore, please inform me in writing of any such hearings and enter my name on their agendas for speaking. Thank you very much for your attention to my request.

DOCKETED
DEC 21 1999

Sincerely,


Gregory J. Pastore

99 DEC 20 AM 8:32
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SECRETARY'S BUREAU

59

EE

cc: Irwin Popowsky, Pennsylvania Consumer Advocate

www.gregpastore.org

DATE: December 20, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCUMENT
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DOCKETED
DEC 21 1999

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition for Intervention with Notice of Appearance filed by East Brandywine Township, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW
CMU

EEF

laf

DATE: December 20, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCKETED
DEC 21 1999

DOCUMENT
FOLDER

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by Conectiv Energy, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

EEF

cc: OTS
LAW
CMU

laf

Before The
Pennsylvania Public Utility Commission

ORIGINAL

Application of PECO Energy Company,)
Pursuant to Chapters 11, 19, 21,22, and)
28 of the Public Utility Code for Approval)
of (1) a Plan of Corporate Restructuring,)
Including the Creation of a Holding)
Company and (2) the Merger of the)
Newly Formed Holding Company and)
Unicom Corporation)

Docket No. A-110550F0147

**DOCUMENT
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DOCKETED

DEC 21 1999

**RECEIVED
99 DEC 20 PM 3:57
PA. P.U.C.
SECRETARY'S BUREAU**

PETITION TO INTERVENE OF
CONECTIV ENERGY

Conectiv Energy, pursuant to 52 Pa. Code §5.75, by and through its attorney, hereby files this *Petition to Intervene* in the above captioned proceeding. In support of this *Petition*, Conectiv Energy states as follows:

1. Conectiv Energy is a division of Delmarva Power & Light Company, a subsidiary of Conectiv, existing and operating pursuant to the laws of the State of Delaware, and holds a license from this Commission as a competitive supplier of electricity within the Commonwealth of Pennsylvania. Conectiv Energy is currently providing service to customers on PECO Energy's electric distribution system.

2. Conectiv Energy was a party to PECO Energy's Restructuring Application pursuant

84

EEF

to 66 Pa. C.S. §2806 of the Public Utility Code and is a signatory to the Joint Petition for Full Settlement signed April 29, 1998.

3. Conectiv Energy will be represented in this proceeding by the following counsel who should be placed on the Commissions service list and receive copies of all documents:

Craig A. Doll, Esquire
214 State Street
Harrisburg, PA 17101-1108

(717) 230-9555
(717) 230-9750 or (717) 230-8534 (Fax)
Cdoll76342@aol.com

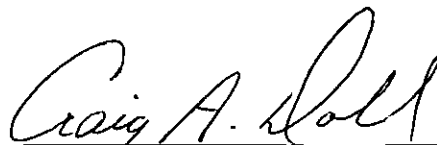
4. On or about November 22, 1999, PECO Energy Company filed with the Commission the above caption application, which, *inter alia*, requests Commission approval for the corporate restructuring of PECO Energy and its merger with Unicom Corporation.

5. Conectiv Energy has a direct interest in this proceeding. Conectiv Energy provides competitive electric supply service to customers in the PECO Energy electric distribution system pursuant to various tariff provisions and/or agreements with PECO Energy which may be affected by any Commission Order in this proceeding. No other party, other than Conectiv Energy, can adequately represent its unique position or protect its interests in this proceeding.

6. Permitting the intervention of Conectiv Energy in this proceeding will not delay the proceedings nor prejudice any existing party or the public interest. Conectiv Energy states that the public interest is best served by permitting the intervention of Conectiv Energy.

WHEREFORE, Conectiv Energy respectfully requests that this Petition for Intervention be granted.

Respectfully submitted,

A handwritten signature in cursive script that reads "Craig A. Doll". The signature is written in black ink and is positioned above a horizontal line.

Craig A. Doll, Esquire

214 State Street

Harrisburg, PA 17101-1108

(717) 230-9555

(717) 230-9750 or (717) 230-8534 (Fax)

Attorney I.D. #22814

Attorney for Conectiv Energy

Dated: December 20, 1999

**Before The
Pennsylvania Public Utility Commission**

Application of PECO Energy Company,)
Pursuant to Chapters 11, 19, 21,22, and)
28 of the Public Utility Code for Approval)
of (1) a Plan of Corporate Restructuring,) Docket No. A-110550F0147
Including the Creation of a Holding)
Company and (2) the Merger of the)
Newly Formed Holding Company and)
Unicom Corporation)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of 52 Pa. Code §1.54:

Paul R. Bonney, Esquire
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Kent D. Murphy, Esquire
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2301 market Street, S23-1
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Office of Trial Staff
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PA P.U.C.
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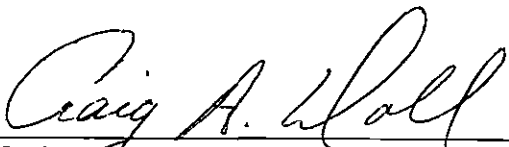
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PG Energy
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Craig A. Doll

Dated: December 20, 1999

LEGAL SERVICES



Allegheny Power

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Phone: (724) 837-3000
FAX: (724) 838-6177

Writer's Direct Dial No. 724-838-6210

E-mail: jmunsch@alleghenyenergy.com

December 20, 1999

ORIGINAL

DOCUMENT
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VIA FEDERAL EXPRESS

DEC 20 1999

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B20
Harrisburg, PA 17105-3265

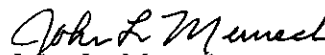
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Application of PECO Energy Company; Docket No. A-110550F0147
Allegheny Power's Petition to Intervene

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of the Petition to Intervene of Allegheny Power. The filing date of the Petition is deemed to be today pursuant to 52 Pa. Code §1.11. Copies of the Petition have been served on persons shown on the attached Certificate of Service.

Very truly yours,


John L. Munsch
Senior Attorney

Enclosures

cc: Certificate of Service

EEF

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generation company providing service in Maryland and Virginia. Monongahela Power Company is an electric distribution, transmission and generation company that provides service in West Virginia and Ohio. West Penn Power Company, The Potomac Edison Company, and Monongahela Power Company are utility operating subsidiaries of Allegheny Energy, Inc., which do business in their service territories as "Allegheny Power."

2. The proposed merger would create a generation company with more than 18,000 MW generation capacity. In PECO Energy Company's ("PECO") merger filing at the Federal Energy Regulatory Commission, PECO's expert, William H. Hieronymous, recognizes that Allegheny Power is a destination market that will be affected by the merger. (Exhibit APP-300, p. 23). While the filing states that the historic sales patterns of PECO and Com Ed "show quite a similar lack of significant overlap," the filing recognizes that Allegheny Power is one of only six "overlap markets" where both PECO and Com Ed sold at least 100,000 mwh in 1997 and 1998. (Exhibit APP-300, p. 7, footnote 4). Furthermore, Dr. Hieronymous states that there are "at least two intervening utilities on all paths between Com Ed and PJM." In fact Allegheny Power is one of those intervening utilities in many or most cases. The FERC filing recognizes that the ECAR to PJM and SERC to PJM interconnections occur in Allegheny Power's territory in the far west and Virginia Power's in the west. (Exhibit APP-300, p. 23, footnote 11). Allegheny Power submits that these facts illustrate that the proposed PECO and Com Ed merger could affect the service territory of Allegheny Power, including that of West Penn in western Pennsylvania, in terms of transmission flows and resulting distribution effects, in terms of markets for generation sales and retail and wholesale generation prices.

3. Allegheny Power has a direct interest in the merger application under Section 2811(e) of the Public Utility Code, which provides that the Commission shall consider whether the proposed merger "is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers from obtaining the benefits of a properly functioning and workable competitive retail market." As it is one of the few "overlap markets" of both PECO and Com Ed, Allegheny Power's interest in the merger application is apparent. The merged company may have an ability to exercise inappropriate market power in retail and wholesale markets in the service territory of Allegheny Power, including that of West Penn.

4. Allegheny Power, as a purchaser of power, has an interest in seeing the application of PECO's Competitive Safeguards to prevent unfair preferences for affiliates or cross-subsidization between affiliates of the merger applicants. West Penn Power Company was a party to the PECO restructuring proceeding at Docket No. R-00973953 that produced PECO's Competitive Safeguards and it has a continued interest in maintaining the safeguards. As a purchaser of power Allegheny Power also has an interest in the potentially anticompetitive effects of the elimination of Com Ed and/or of PECO as an independent supplier of power, and their replacement by a merged single, larger seller of power.

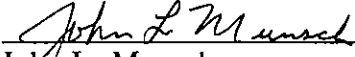
5. A primary position of Allegheny is that it wants to see the application of PECO's Code of Conduct and Competitive Safeguards by the merging parties. It also wants the merger to be conditioned, if necessary, upon terms to preserve or enhance a properly functioning retail electricity market.

6. Allegheny Power does not at this time intend to present witnesses. However, it reserves the right to present witnesses and to cross-examine the witness of any party.

WHEREFORE, West Penn Power Company, The Potomac Edison Company, and Monongahela Power Company, together doing business as "Allegheny Power," respectively request that the Pennsylvania Public Utility Commission grant them admission individually as intervenors in the above-captioned application proceeding.

Respectfully submitted,

Date: December 20, 1999

By: 
John L. Munsch
Pa. I.D. No. 31489
(724) 838-6210
jmunsch@alleghenyenergy.com
and
Deborah J. Henry
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Attorneys for
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE : DOCKET NO. A-110550F0147
RESTRUCTURING, INCLUDING THE :
CREATION OF A HOLDING COMPANY :
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :


AFFIDAVIT

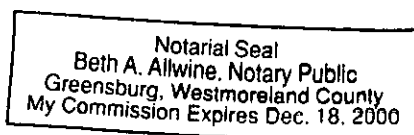
CAROLE R. CHAMBERLAIN being duly sworn according to law, deposes and says that she is Assistant Secretary of Allegheny Power; that she is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of her knowledge, information and belief and she expects Allegheny Power to prove the same at any hearing hereof.


CAROLE R. CHAMBERLAIN

Sworn and subscribed before

this 20th day of December 1999.


(Signature of official administering oath)
(My Commission expires)



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE : DOCKET NO. A-110550F0147
RESTRUCTURING, INCLUDING THE :
CREATION OF A HOLDING COMPANY :
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :

CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of December 1999, a true and correct copy of Allegheny Power's Petition to Intervene was served by first-class mail, postage prepaid upon the following:

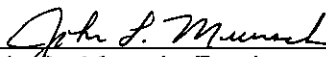
Tanya J. McCloskey, Esquire
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Charles F. Hoffman, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
901 North Seventh Street
Rear Pitnick Building
Harrisburg, PA 17120



John L. Munsch, Esquire

ORIGINAL

December 20, 1999

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B-20
Harrisburg, PA 17105

By Federal Express

Re: Application of PECO Energy Company ... for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation

Dear Mr. McNulty:

Enclosed please find an original and three (3) copies of the Protest and Notice of Intervention of Consumers Education and Protective Association, Association of Community Organizations for Reform Now, Action Alliance of Senior Citizens, and Tenants' Action Group in the above captioned matter.

Copies of this filing have been sent this date to parties listed on the Certificate of Service by First Class Mail, postage prepaid.

Very truly yours,

Philip A. Bertocci

PHILIP A. BERTOCCI
Supervising Attorney

cc: Service List

Enclosures

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DEC 20 1999

**DOCUMENT
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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ORIGINAL
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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DEC 20 1999

**DOCUMENT
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PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Application of PECO Energy Company
Pursuant to Chapters 11, 19, 21, 22 and 28
of the Public Utility Code For Approval
of (1) a Plan of Corporate Restructuring,
Including the Creation of a Holding
Company and (2) the Merger of the Newly
Formed Holding Company and
Unicom Corporation**

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Docket No. A110550F0147

DOCKETED

DEC 21 1999

**Protest and Notice of Intervention of
Consumers Education and Protective Association, Association of Community
Organizations for Reform Now, Action Alliance of Senior Citizens of Greater
Philadelphia and Tenants' Action Group**

The Consumers Education and Protective Association, the Association of Community Organizations for Reform Now, the Action Alliance of Senior Citizens of Greater Philadelphia, and the Tenants' Action Group (collectively "CEPA et al."), through counsel Community Legal Services, Inc., hereby file this Protest and Notice of Intervention in the above-captioned Application pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), 52 Pa.Code §§ 5.71 and 5.51, and section 1102 of the Public Utility Code, 66 Pa.C.S. § 1102. In support of this Protest, CEPA et al. aver as follows:

1. On November 22, 1999, PECO Energy Company ("PECO") filed an application

for approval of a plan for corporate restructuring, including the creation of a holding company, and the merger of the newly formed holding company and Unicom Corporation. PECO has requested that the Commission grant all approvals, certificates of public convenience or waivers that are required under the Public Utility Code or regulations thereunder, including, but not limited to, Chapters 11, 19, 21, 22, and 28 of the Public Utility Code, in connection with the proposed restructuring and proposed merger. PECO alleges that the merger will “affirmatively promote” the service, accommodation, convenience, and safety of the public in a substantial way and is otherwise in the public interest. PECO also requests the Commission to make findings under Section 32 of the Public Utility Holding Company act, 15 U.S.C. § 793-5a, that transfer of its generating assets, liabilities and wholesale power contracts to a newly-formed subsidiary (“GenCo”) will benefit customers, will not have an anti-competitive effect, is consistent with state law, and is in the public interest. PECO asserts that the benefits of the proposed merger for consumers will be improved service and that “economies would give rise to lower rates than otherwise over time.” Application, at Paragraphs 19, 30, 31, 36. In addition, PECO alleges that the merger will produce a stronger company and that “certain duplicative tasks would be eliminated.” Application, at Paragraph 36.

2. The Commission should not approve PECO’s Application because the proposed restructuring and merger of PECO and Unicom do not affirmatively promote the interests of PECO’s residential customers or of the citizens of southeastern Pennsylvania.

3. PECO's residential customers pay electricity rates which are substantially above the national average. Despite the fact that PECO envisages significant savings for the PECO distribution company over the next five years, the Application does not provide for any quantifiable reduction in rates for electric service for PECO's residential customers, and does not provide for any measures which will ensure that the needs of low income customers for affordable service will be met.

4. The proposed merger, by providing PECO with a stronger presence in the electricity generation market without adequate safeguards against anti-competitive or discriminatory conduct, including the unlawful exercise of market power, will undermine what competition presently exists in the sale of electric generation to southeastern Pennsylvania residential customers.

5. The proposed merger will adversely affect the quality of service provided to PECO's southeastern Pennsylvania gas and electric customers. The headquarters of the new corporation to be formed by the merger will be in Chicago, Illinois. In the future, if the merger is approved, the broadest policy decisions concerning PECO Energy will be made by corporate officers in Chicago who do not reside in PECO Energy's service territory and will have no personal stake in maintaining or elevating PECO Energy's standards of residential service.

6. The proposed merger will not benefit the economy of southeastern Pennsylvania, and will lead to the loss of jobs in the City of Philadelphia.

7. The proposed merger will lead to the loss of tax revenues from PECO employees in the City of Philadelphia, thereby diminishing the tax base needed to support essential local government services.

8. Under the proposed merger, PECO Energy's customers will be at greater risk of increased burdens associated with nuclear decommissioning costs associated with the nuclear facilities currently owned by Unicom.

9. The protestant Consumers Education and Protective Association ("CEPA") is a non-profit advocacy organization based in Philadelphia, Pennsylvania. CEPA is a membership organization composed of eastern Pennsylvania moderate and low income residents, many of whom are taxpayers and/or residential PECO customers. In those capacities, they have a direct, immediate, substantial and distinct interest in the proposed merger, which will affect the quality and cost of utility service and the economic well being of their City and region. CEPA is located at 6048 Ogontz Avenue, Philadelphia, PA 19141.

10. The protestant Association of Community Organizations for Reform Now ("ACORN"). ACORN is a non profit membership organization many of whose members are

Philadelphia residents, taxpayers, and customers of PECO Energy. In those capacities, they have a direct, immediate, substantial and distinct interest in the proposed merger, which will affect the quality and cost of utility service and the economic well being of their City and region. ACORN is located at 846 N. Broad Street, Philadelphia, PA 19130.

11. The protestant Action Alliance of Senior Citizens of Greater Philadelphia (“Action Alliance”) is a non-profit membership organization of senior citizens, many of whom are Philadelphia taxpayers, residents and customers of PECO Energy, on whom they rely for their heating and cooling needs. In those capacities, they have a direct, immediate, substantial and distinct interest in the proposed merger, which will affect the quality and cost of utility service and the economic well being of their City and region. Action Alliance is located at 1201 Chestnut Street, 5th Floor, Philadelphia, PA 19107.

12. The protestant Tenants’ Action Group (“TAG”) is a non-profit advocacy organization composed of moderate and low income tenants, all either customers of PECO Energy or dependent on PECO electricity service, and all residing in Philadelphia, PA. In those capacities, they have a direct, immediate, substantial and distinct interest in the proposed merger, which will affect the quality and cost of utility service and the economic well being of their City and region. TAG is located at 21 S. 12th Street, 12th Floor, Philadelphia, PA 19107.

13. Protestants CEPA, ACORN, Action Alliance and TAG are represented by Philip A. Bertocci, Esquire and Edward A. McCool, Esquire, Energy Unit, Community Legal Services, Inc., 1424 Chestnut Street, 4th Floor, Philadelphia, PA 19102.

14. In the event that the Commission does not deny the Application, the Commission must condition approval on PECO's agreement to perform such actions as are necessary to assure compliance with applicable public interest standards.

15. Section 1102 of the Public Utility Code requires that PECO obtain from the Commission a Certificate of Public Convenience authorizing the transfer of PECO tangible or intangible property used or useful in the public service. 66 Pa.C.S. §1102(a)(3). The Commission must consider the "public interest" in determining whether to grant a certificate of public convenience in response to an application for permission to merge. Northern Pennsylvania Power Co. v. Pa. PUC, 333 Pa. 265, 5 A2d 133 (1939).

16. Section 1103 of the Public Utility Code explicitly allows the Commission to impose conditions upon the issuance of a Certificate of Public Convenience. Section 1103 provides: "The Commission, in granting such a certificate, may impose such conditions as it may deem to be just and reasonable." 66 Pa.C.S. §1103(a). The Commission should not grant PECO's Application without imposing such conditions as are necessary to ensure that the public interest standard is met and that the interests of consumers are protected.

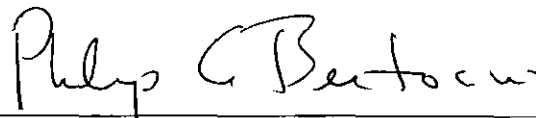
17. Section 2811(e)(2) of the Electricity Generation Customer Choice and Competition Act and Section 2210(b) of the Natural Gas Customer Choice and Competition Act specifically authorize the Commission to impose such conditions upon approval of a merger application involving electric and/or gas utilities as are necessary to “preserve the benefits of a properly functioning and effectively competitive retail” market for electricity generation and natural gas respectively. 66 Pa.C.S. §§ 2811(e)(2), 2210(b). The Commission should not grant PECO’s Application without imposing such conditions as are necessary to ensure against monopolistic and discriminatory practices.

18. Due to the breadth of this proceeding, its early stage, and the lack of availability at this time of full information on all aspects of the proposed merger, CEPA et al. reserve the right to raise other issues as additional information becomes available in the course of this proceeding.

WHEREFORE, CEPA et al. respectfully request that the Pennsylvania Public Utility after appropriate investigation and hearing, deny the Application, based upon the failure to demonstrate affirmative benefits to customers and/or the failure to show that the merger will not have a monopolistic and anti-competitive effect on the electricity generation and/or natural gas market in Southeastern Pennsylvania. Alternatively, the Commission should impose such just and reasonable conditions upon the merger and restructuring as are necessary to ensure that all public interest standards and applicable consumer protections

will be satisfied.

Respectfully submitted,

A handwritten signature in cursive script that reads "Philip A. Bertocci". The signature is written in black ink and is positioned above a horizontal line.

PHILIP A. BERTOCCI
EDWARD A. McCOOL

Counsel for CEPA et al.

Community Legal Services, Inc.
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102
(215) 981-3702

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VERIFICATION

I, MARIS H MENIN, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 12-20-99

Maris H Menin
CEPA BOARD MEMBER

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company :
Pursuant to Chapters 11, 19, 21, 22 and 28 :
of the Public Utility Code For Approval :
of (1) a Plan of Corporate Restructuring, :
Including the Creation of a Holding : **Docket No. A110550F0147**
Company and (2) the Merger of the Newly :
Formed Holding Company and :
Unicom Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon parties of record in this proceeding in accordance with the requirements of 52 Pa.Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 20th day of December, 1999

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

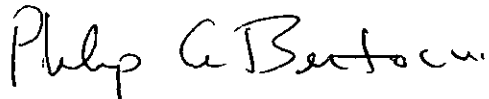
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ORIGINAL

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December 20, 1999

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

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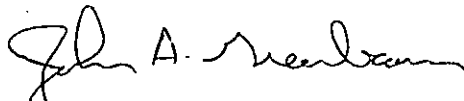
Re: Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation; Application Docket No. A-110550F0147

Dear Sir or Madam:

I enclose for filing the original and five copies of National Railroad Passenger Corporation's Petition to Intervene. Please return two time-stamped copies with our messenger.

Thank you for your attention in this matter.

Sincerely,



John A. Greenbaum

Enclosures

cc: Service List (w/enc.)

EEF

67

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

APPLICATION OF PECO ENERGY
COMPANY, PURSUANT TO CHAPTERS
11, 19, 21, 22 AND 28 OF THE PUBLIC
UTILITY CODE, FOR APPROVAL OF
(1) A PLAN OF CORPORATE
RESTRUCTURING, INCLUDING THE
CREATION OF A HOLDING COMPANY
AND (2) THE MERGER OF THE NEWLY
FORMED HOLDING COMPANY AND
UNICOM CORPORATION

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Application

Docket No. A-110550F0147

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NATIONAL RAILROAD PASSENGER CORPORATION'S
PETITION TO INTERVENE

Pursuant to 52 Pa. Code § 5.72, the National Railroad Passenger Corporation ("Amtrak") hereby petitions to intervene in the above-captioned proceeding. PECO Energy Company ("PECO") has filed an application for approval of its corporate restructuring plan and for the merger of a newly formed holding company with Unicom Corporation ("Unicom"). As such, the Commission will consider the impact of PECO's proposal on competition. (Pennsylvania Public Utility Code, Title 66 of the Pennsylvania Consolidated Statutes Annotated ("Code"), Section 2811(e).) In approving the merger, the Commission also must determine that it is "necessary or proper for the service, accommodation, convenience or safety of the public." The Commission may impose conditions that it deems just and reasonable. (Code, Section 1102(3).)

Amtrak states that it has a direct and substantial interest in the outcome of this proceeding, and its interest would not be adequately represented by any other party.

Allowing Amtrak to participate in this proceeding also would be in the public interest. In support of its petition, Amtrak states:

1. Amtrak is a corporation empowered by Congress to provide safe and reliable railroad passenger services throughout the United States, including its Northeast Corridor, which is service provided between Washington D.C. and New York City, including service from Harrisburg to Philadelphia. Service in the Northeast Corridor accounts for approximately 50% of Amtrak's ridership.
2. Amtrak's trains operating on the Northeast Corridor operate almost exclusively on electric traction power. Amtrak is directly interconnected with PECO at four frequency conversion facilities.
3. Amtrak has the unique ability to transmit and deliver power and does so within PECO's service territory. Specifically, Amtrak transmits and delivers electricity on its own electrical infrastructure, which includes over 900 miles of transmission lines.
4. Amtrak also resells electricity to regional commuter railroad authorities, which operate trains on Amtrak's rights-of-way and on other interconnected lines. Power taken onto Amtrak's system through the frequency converters in PECO's service territory is used to serve these commuter railroad authorities.
5. Amtrak is one of PECO's largest customers. On an annual basis Amtrak's traction power loads in the PECO service territory are approximately 300,000 MWH of power for Amtrak's traction power requirements. This represents approximately 55-60% of Amtrak's total traction power load requirements in the Northeast Corridor.

6. Amtrak has a public service obligation to ensure reliable and safe passenger service for its customers. It also has an obligation to provide reliable and safe electric service to the commuter railroad authorities that use Amtrak's traction power system. To ensure that it meets these obligations at a reasonable cost to Amtrak and the commuter railroad agencies, it is essential that Amtrak have free and open access to local and regional transmission facilities and that the market for generation services are fully competitive.

7. Amtrak is in the unique position of also being a large customer of Unicom, as Amtrak owns and operates Chicago Union Station, including adjacent commercial properties in Chicago, Illinois. Although Amtrak does not provide electric train service in Illinois, Amtrak has an interest in maintaining a high level of reliable and safe electric service to Union Station in order to better serve the public.

8. *Based on these circumstances, the outcome of this proceeding* could have a significant impact on Amtrak's operations as well as Amtrak's operating costs and the costs of its commuter railroad customers.

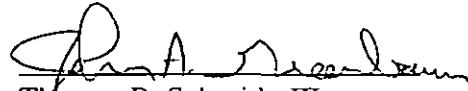
9. Because Amtrak is providing a public service, its participation in this proceeding also would be in the public interest.

10. Amtrak seeks to participate in this proceeding to ensure that the proposed merger does not have a negative impact on transmission access, transmission construction, generation services, and competition for the delivery of electricity, and to ensure that Amtrak, with the merger, will continue to have the ability to operate its rail system in a reliable and safe manner.

11. At this time, Amtrak takes no position on the filing made by PECO. However, Amtrak reserves the right to present a case or file comments either in support or in opposition to all or parts of PECO's filing as it completes its analysis of PECO's filing and/or as more information becomes available.

Based on the foregoing, Amtrak respectfully requests that the Commission grant its petition to intervene in this proceeding.

Respectfully submitted,



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Counsel for National Railroad Passenger
Corporation

Dated: December 20, 1999

VERIFICATION

I, Amy Linden, hereby state and verify that I am authorized to execute this Verification on behalf of the Petitioner and that the facts set forth herein are true and correct to the best of my knowledge, information and belief. I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. Section 4907 concerning unsworn falsification to authorities.

Amy Linden

Dated: December 20, 1999

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served by mail the foregoing document upon the parties listed below in accordance with the requirements of § 1.54 relating to service by a participant:

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John A. Greenbaum

Dated: December 20, 1999

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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Harrisburg, Pennsylvania 17101-1923
(717) 783-5048

IRWIN A. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
E-Mail: paoca@ptd.net

December 20, 1999

James J. McNulty, Secretary
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Room B-20, North Office Bldg.
Harrisburg, PA 17105-3265

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Re: Application of PECO Energy Company, Pursuant
To Chapter 11, 19, 21, 22 & 28 of the Public Utility
Code, For Approval of (1) A Plan of Corporate
Restructuring Including the Creation of a Holding
Company and (2) The Merger of the Newly Formed
Holding Company and Unicom Corporation
Docket No. A-110550F0147

Dear Secretary McNulty:

Enclosed please find for filing an original and three (3) copies of the Office of
Consumer Advocate's Protest in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Sincerely,

Tanya J. McCloskey
Senior Assistant Consumer Advocate

Enclosures

cc: All parties of record
56004

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of PECO Energy Company Pursuant :
To Chapters 11, 19, 21, 22 and 28 Of The :
Public Utility Code For Approval Of (1) A Plan :
Of Corporate Restructuring, Including Creation : Docket No. A-110550F.0147
Of A Holding Company And (2) The Merger :
Of The Newly Formed Holding Company And :
Unicom Corporation :

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DEC 21 1999

PROTEST OF THE
OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) files this Notice of Intervention and Protest in the above-captioned Application pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (PUC or Commission), 52 Pa. Code §§5.51-5.53, and Chapters 11, 19, 21, 22, and 28 of the Public Utility Code. Through this Application, PECO Energy Company (PECO) requests Commission approval of (1) a plan of corporate restructuring, including the creation of a holding company and (2) the merger of the newly formed holding company and Unicom Corporation. In addition, PECO seeks approval of various affiliated interest agreements between it and other members of the newly formed holding company with Unicom. PECO also asks the Commission to make the findings necessary for its new generating affiliate to obtain exempt wholesale generator (EWG) status and to engage in certain affiliated power sales under Sections 32(c) and 32(k) of the Public Utility Holding Company Act of 1935 (PUHCA).

The proposed restructuring and merger will be accomplished in three major steps. The first step is a share exchange where each PECO shareholder will be entitled to receive either one share of NewCo common stock or \$45.00 in cash, subject to proration. NewCo then becomes the parent of PECO. The proposed Restructuring and Merger, however, will not change the terms or character of PECO's outstanding preferred stock and none of PECO's outstanding indebtedness will be guaranteed by NewCo. Second, PECO will transfer generating assets and wholesale power contracts to a newly formed generation subsidiary (GenCo) and will transfer certain other assets and common facilities to NewCo, a newly formed service company (ServeCo) and a newly formed non-utility business subsidiary (VenturesCo). The transfers will be effected through a "division" under the Pennsylvania Business Corporation Law with PECO Energy Company surviving the division as the regulated transmission and distribution utility. In the third step, PECO will distribute to NewCo its shares of stock in GenCo as well as its interest in several other existing subsidiaries. Finally, pursuant to the Agreement and Plan of Exchange and Merger, Unicom will merge into NewCo and each Unicom shareholder will receive 0.95 share of NewCo common stock or \$42.75 in cash, subject to proration, for each share of Unicom stock.

PECO avers that the proposed merger is in the public interest. PECO avers that the combined enterprise, by virtue of its greater resources and sharing of "best practices" will be better positioned to meet future customer demands and ensure high quality service. PECO states that its rates, rules and regulations will not change and its commitment to the community will continue. PECO also avers that the proposed merger will have a positive impact on competition by facilitating the separation of generation and delivery functions and furthering the development of new energy-related goods and services.

The OCA files this Notice of Intervention and Protest in order to ensure that the restructuring and merger are approved only if (1) it is found to be in the public interest; (2) it provides substantial, affirmative benefits to PECO's ratepayers; (3) it does not adversely affect retail competition in Pennsylvania; and (4) it is in accordance with the Public Utility Code.

Specifically, the OCA avers as follows:

1. The Protestant is Irwin A. Popowsky, Consumer Advocate, 555 Walnut Street, 5th Floor, Forum Place, Harrisburg, PA 17101-1923. Protestant's attorney for the purpose of receiving service of all documents in this proceeding is Tanya J. McCloskey, Senior Assistant Consumer Advocate.

2. The OCA is authorized by law to represent the interests of utility ratepayers in all proceedings before the Commission. 71 P.S. §§ 309-1, *et seq.* This Intervention and Protest are filed by the OCA to ensure that the interests of PECO's ratepayers are protected in the proposed transactions.

3. The Application of PECO must be examined pursuant to Chapters 11, 19, 21, 22, and 28 of the Public Utility Code.

4. Section 1102 of the Public Utility Code requires that the Commission issue a Certificate of Public Convenience as a legal prerequisite to offering service, abandoning service and certain property transfers by public utilities or their affiliated interests. 66 Pa.C.S. §1102(a)(1)-(3).

5. The Code further requires that a certificate shall only be granted upon findings that the granting of such certificate is "necessary or proper for the service, accommodation, convenience or safety of the public." 66 Pa.C.S. §1103(a). The Supreme Court has construed this section of the Code as requiring a finding that a proposed merger will affirmatively benefit the public and

specifically will “affirmatively promote the ‘service, accommodation, convenience or safety of the public’ in some substantial way.” *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 141, 295 A.2d 825, 828 (1973).

6. Additionally, Section 1103 explicitly allows the Commission to impose conditions upon the issuance of a Certificate of Public Convenience. 66 Pa.C.S. §1103(a). Section 1103(a) of the Code provides: “The Commission, in granting such a certificate, may impose such conditions as it may deem to be just and reasonable.” The OCA submits that the Commission may wish to consider the imposition of conditions in order to ensure that the public interest standard is met.

7. Pursuant to Section 2811 of the Public Utility Code, enacted as a provision of the Electricity Generation Customer Choice and Competition Act, the Commission has responsibility for “monitor[ing] the market for the supply and distribution of electricity to retail customers and to . . . prevent anticompetitive or discriminatory conduct, including the unlawful exercise of market power.” 66 Pa.C.S. §2811(a). As to approval of mergers, consolidations, acquisitions or dispositions, the Commission “shall consider whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.” 66 Pa.C.S. §2811(e)(1). Section 2811(e)(2) requires that upon request for approval of a merger or acquisition, notice and an opportunity for open, public evidentiary hearing shall be afforded. Section 2811(e)(2) also requires that the Commission only approve such transaction upon terms and conditions it finds necessary to preserve the benefits of a properly functioning and workable competitive retail electricity market.

8. Pursuant to Section 2210 of the Public Utility Code, enacted as a provision of the Natural Gas Choice and Competition Act, the Commission, in exercising its authority to consider mergers, acquisitions, consolidations or dispositions, must consider (1) whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market; and (2) the effect on the employees of the natural gas distribution company. 66 Pa.C.S. §2210(a). Section 2210(b) requires notice and an opportunity for open, public evidentiary hearings. Section 2210(b) also requires that the Commission only approve such transaction upon terms and conditions it finds necessary to preserve the benefits of a properly functioning and effectively competitive retail natural gas market.

9. Based upon the OCA's preliminary review of the Application, the Application raises a number of important issues that must be resolved by the Commission before granting approval of this restructuring and merger. The OCA submits that the Application and proposals of the Applicant as filed do not support a conclusion that the restructuring and merger will provide substantial, affirmative benefits to the public and will affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way, as required by Pennsylvania law.

10. Preliminarily, the OCA has identified the following areas that require further consideration by the Commission and must be resolved prior to Commission approval of this merger.

a. Affirmative Ratepayer Benefits: PECO's Application and its proposals do not demonstrate that this merger will provide substantial, affirmative ratepayer benefits in accordance

with Pennsylvania law. The OCA's preliminary review of the Application and accompanying Testimony has found that PECO has not proposed to provide tangible and affirmative benefits from the merger to its ratepayers. Indeed, the alleged benefits of the merger for PECO's ratepayers identified in the filing may be overshadowed by the potential increased risk of PECO's proposal to merge with a utility that has significant service problems and substantial nuclear capacity. PECO's request for merger approval should not be approved unless and until PECO demonstrates and provides affirmative, substantial ratepayer benefits from this merger such as through significant rate reductions and enhanced quality of service.

b. Merger Savings: One area of potential ratepayer benefits from this merger identified by PECO are the merger savings. PECO has identified merger savings over a five year period totaling approximately \$556 million. The Applicants do not provide an allocation of these savings between PECO and Unicom. PECO also estimates that approximately 60% of these savings are allocable to regulated operations. PECO then estimates that the costs to achieve the merger are about one-third of the merger savings. The resulting magnitude of the savings which PECO attributes to its regulated operations is relatively small, particularly compared to other mergers. Initially, the OCA submits that PECO's calculation of the savings must be examined.

PECO makes no proposal to reflect any merger savings to customers prior to 2005. PECO proposes to retain the savings to fund its obligation to maintain its pre-existing rate cap until 2005. PECO's primary proposal regarding the identified savings is that these savings, post-2005, may delay theoretical, potential rate increases. This is particularly problematic for PECO that still has among the highest rates in the Commonwealth, and indeed, in the Nation.

The OCA submits that PECO's proposals in this regard are inadequate and do not support merger approval. The merger must provide substantial, affirmative ratepayer benefits to be found to be in the public interest.

c. Costs To Achieve: Additional information regarding the costs to achieve this merger is necessary before the Commission can determine that these costs are just and reasonable. In addition, the allocation of costs to achieve between ratepayers and shareholders, and between corporate functions and subsidiaries, must be examined to determine whether ratepayers are receiving an appropriate share of the net benefits anticipated from this merger.

d. Quality of Service: PECO's Application, although stating that it will improve the quality of service in its service territory, provides no proposal to assure that this commitment is implemented. *Of particular concern, under the corporate restructuring, although there will remain a local management of the distribution function, local management will report to the current Unicom Chairman who will remain based in Chicago. As the Commission is undoubtedly aware, Commonwealth Edison (Com Ed), the operating subsidiary of Unicom, has recently experienced significant service reliability problems in the Chicago area and is under an obligation to correct these problems, which will require substantial resources. Given these circumstances, and the possibility for a diversion of resources out of Pennsylvania to remedy the Com Ed problems, the OCA submits that the Commission must, at a minimum, establish enforceable performance benchmarks and standards relating to all aspects of PECO's quality of service, including customer service, to assure that PECO's commitment to maintain and enhance quality of service is met.*

e. Universal Service: PECO's Application and Testimony do not discuss the management and continuation of PECO's universal service programs. PECO must commit to retain appropriate control and administration of its universal service programs and must commit to the continued improvement of these vital programs.

f. Additional Nuclear Risks To PECO's Ratepayers: This merger will bring ComEd's nuclear plants, totaling 9,214 MW under one corporate control with PECO's nuclear plants. This strategy presents significant risks such as the costs and uncertainties of unforeseen nuclear decommissioning and waste management costs, the costs and uncertainties of major outages, the potential significant liabilities that could result from increased safety requirements, and the significant costs of future capital additions. PECO must provide a sufficient, enforceable commitment to protect PECO's ratepayers from these increased risks. For example, the OCA submits that it is critical that PECO provide sufficient enforceable assurance that PECO's ratepayers are properly isolated from the nuclear decommissioning costs, and other costs, associated with Unicom's nuclear plants. In addition, PECO must provide sufficient assurances that capital, necessary to maintain transmission and distribution system reliability and other customer service functions, will not be diverted to support the potential increased costs of this nuclear fleet.

g. Diversion of Capital: As discussed above, the concentration of nuclear plant ownership entails substantial risks that must be clearly isolated from ratepayers. In fact, it may be difficult under the proposed corporate structure to isolate such risks if financial and credit quality analysis examines the activities of the entire holding company. In addition, dividend policy, capital

structure, and corporate financial integrity must not harm the regulated PECO subsidiaries or impair the regulated subsidiaries' access to capital to meet its regulated functions at reasonable cost. The OCA submits that PECO must provide assurance that the regulated operations will not be harmed by the corporate restructuring and merger.

h. Corporate Structure: The proposed corporate structure raises several issues that should be explored and resolved prior to approval of the restructuring and merger. For example, appropriate accounting protocols to prevent cross subsidization must be in place. In addition, appropriate Codes of Conduct must be in place to govern the relationships between the operating companies. The proposed corporate structure also must be reviewed to assure that there are no adverse tax effects.

i. Continuation of PUC Jurisdiction: Post corporate restructuring, the Commission should ensure that it retains sufficient jurisdiction, as well as access to appropriate books and records of all subsidiaries, to ensure the continued provision of safe, adequate and reliable service in Pennsylvania, to ensure against inappropriate cross subsidies at the expense of Pennsylvania consumers, and to assure workable and viable competitive markets for retail electric and retail natural gas supply. Of particular concern, the ServeCo will be subject to SEC jurisdiction and the merged company may argue that an SEC determination preempts the Pennsylvania Commission's jurisdiction. The OCA submits that a waiver of this preemption argument should be obtained from the Company prior to approval of the corporate structure.

j. Market Power and Effects On Competitive Markets: Under both Section 2811 and 2210, the Commission must examine the effect of this merger on the competitive retail electric market and the competitive retail natural gas market. Several concerns are not fully addressed in the Company's market power analysis and should be further explored in this proceeding to assure that the merger does not negatively impact the retail markets in Pennsylvania. For example, PECO has retained a 100 MW transmission path from PJM to the ECAR market. The western interface of PJM has, historically, been constrained at times of system peak. The reservation of this path to meet the requirement of PUHCA for integration raises concerns about the incentive and opportunity to export to ECAR during times of system peak. In addition, a question not addressed by PECO is the potential effect of this merger on the western Pennsylvania retail market, particularly after the development of the MidWest ISO.

11. The OCA reserves the right to raise additional issues as the case proceeds and further information is obtained from the Company.

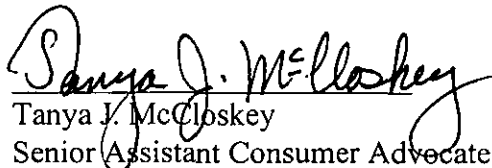
12. The OCA would note an additional concern regarding the Public Utility Holding Company Act of 1935 (PUHCA) that will be determined by the Securities and Exchange Commission but may impact upon PECO's ability to consummate the merger. The merger of these two companies can only be achieved if the companies meet the "integration" requirement of PUHCA. Although this issue will be addressed by the Securities and Exchange Commission, at this time, the Application does not demonstrate that the Applicants will prevail at the SEC. In particular, the Applicants are proposing to utilize the reservation of transmission capacity for a defined period

of time to serve as the interconnection of their service territories which are approximately 1,000 miles apart.

13. PECO requests expedited treatment of this restructuring and merger Application, asking for a Commission decision in five months. The OCA opposes this request for expedited treatment. The OCA recognizes the need to act diligently and as expeditiously as possible to resolve these matters, but given the significant issues raised by this Application, the OCA submits that expedited treatment, particularly under the schedule proposed by PECO, would be unreasonable and contrary to the public interest.

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission investigate and hold full hearings, including public input hearings in PECO's service territory, regarding the Application of PECO Energy Company. The OCA further requests that the Commission not approve this Application **unless** it finds that (1) the Application is in the public interest; (2) it provides substantial, affirmative benefits to PECO's ratepayers; (3) *it does not adversely affect retail competition in Pennsylvania*; and (4) *it is in accordance with the Public Utility Code*. Additionally, the OCA requests that the Commission impose such terms and conditions upon the Application as are necessary to ensure that the Application meets the requirements set forth above.

Respectfully submitted,


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Senior Assistant Consumer Advocate

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
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(717) 783-5048

Dated: December 20, 1999
55934

CERTIFICATE OF SERVICE

Re: Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22, and 28 of the Public Utility Code for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) The Merger of the Newly Formed Holding Company and Unicom Corporation
Docket No. A-110550F0147

I hereby certify that I have this day served a true copy of the foregoing document, OCA's Protest, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 20th day of December, 1999

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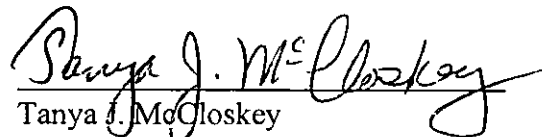
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JOYCE COLLIER BRONG
Of Counsel

December 20, 1999

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VIA HAND

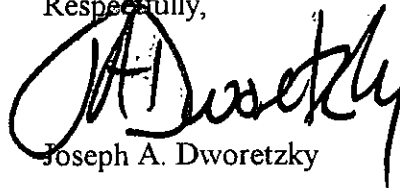
**Re: In re: Application of PECO Energy Company,
Pursuant to Chapters 11, 19, 21, 22 and 28 of the
Public Utility Code, for Approval of (1) a Plan of
Corporate Restructuring, Including the Creation
of a Holding Company, and (2) the Merger of the
Newly Formed Holding Company and Unicom Corporation;
Application Docket No. A-110550F0147**

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SECRETARY'S BUREAU

Dear Mr. McNulty:

Enclosed please find an original and four (4) copies of Protest and Petition to Intervene of Mid-Atlantic Power Supply Association in the above referenced proceeding. I have enclosed an extra copy of this document to be time stamped and returned in the enclosed, self-addressed stamped envelope.

Respectfully,


Joseph A. Dworetzky

83

JAD:kbs
encl.
cc: Certificate of Service

EEF

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 and 28 of :
the Public Utility Code, for Approval of (1) a :
Plan of Corporate Restructuring, Including the :
Creation of a Holding Company, and (2) the :
Merger of the Newly Formed Holding :
Company and Unicom Corporation :

Application Docket No. A-11089F0147

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PA. PUBLIC
UTILITY
SECRETARY'S BUREAU

**PROTEST AND PETITION TO INTERVENE
OF MID-ATLANTIC POWER SUPPLY ASSOCIATION**

Pursuant to 52 Pa. Code §§ 5.51 et seq. and 5.71 et seq., Mid-Atlantic Power Supply Association ("MAPSA") hereby submits this Protest to the Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation (the "Application"), and requests permission to intervene in proceedings relating to the Application, and in support hereof states as follows:

1. The Applicant is PECO Energy Company ("PECO").
2. The name, business address and telephone number of the Protestant is as follows:

Mid-Atlantic Power Supply Association
6 East Main Street
Suite 6-E
Ramsy, NJ 07446
(201) 818-7487

3. The name, business address and telephone number of the Protestant's attorneys are as follows:

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4. PECO is an exempt public utility holding company under section 3(a)(2) of the Public Utilities Holding Company Act ("PUHCA"), 15 U.S.C. § 79c(a)(2), organized and existing under the laws of the Commonwealth of Pennsylvania, that inter alia provides electric service in Southeastern Pennsylvania, both as a regulated transmitter and distributor of electricity, i.e., an electric distribution company ("EDC") (as that term is defined in 66 Pa. C.S. § 2803) (which entity shall be referred to hereinafter as "PECO EDC"), and as an unregulated retail generator and marketer of electricity, under the name of Exelon, an electric generation supplier ("EGS") (as that term is defined in 66 Pa. C.S. § 2803). In its capacity as an EDC, PECO is the Provider of Last Resort ("PLR") for retail electric customers in its service territory.

5. On November 22, 1999, PECO filed an application with the Pennsylvania Public Utility Commission ("PUC") for approval of (1) a plan of corporate restructuring, including the creation of a holding company, and (2) the merger of the newly formed holding company and Unicom Corporation ("Unicom"). Unicom is an exempt public utility holding company under

section 3(a)(2) of the PUHCA, 15 U.S.C. § 79c(a)(2), organized and existing under the laws of the State of Illinois, that inter alia is engaged in the business of generating, transmitting and distributing electricity in portions of Illinois and Indiana.

6. The Application was filed inter alia pursuant to section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3), which requires a public utility to obtain a certificate of public convenience prior to "acquir[ing] from or transfer[ring] to any . . . corporation . . . by any method or device whatsoever, including the sale or transfer of stock, and including a consolidation, merger, sale or lease, the title to, or the possession or use of, any tangible or intangible property used or useful in the public service," section 2102(a) of the Public Utility Code, 66 Pa. C.S. § 2102(b), which requires a public utility to obtain written approval before entering into certain contracts or arrangements with affiliated companies, and section 2811(e)(1) of the Public Utility Code, 66 Pa. C.S. § 2811(e)(1), which requires the PUC to consider, in deciding whether to approve a restructuring or merger, "whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market." See generally In re DQE, Inc., Docket No. A-110150F0015, 1998 WL 406768 (Pa. P.U.C. May 29, 1998).

MAPSA's Interest

7. MAPSA is a trade association whose membership includes EGS's licensed to

operate in the Commonwealth of Pennsylvania.¹ MAPSA's members sell retail electricity to numerous businesses and residential customers in PECO's service territory. MAPSA's members deliver electricity to their customers using the distribution system of PECO and in that capacity are entitled to the rights and protections against discriminatory and prejudicial conduct specified in the Electric Generation Customer Choice and Competition Act, section 2811 of the Public Utility Code, 66 Pa. C.S. § 2811. Members of MAPSA also compete with PECO's affiliates and subsidiaries in the deregulated retail electrical services market in Pennsylvania.

8. MAPSA and its members have a direct, substantial and immediate interest in the Application made by PECO, which cannot adequately be represented by any other party in this proceeding. In particular, as EGS's, MAPSA's members depend on PECO to provide transmission and distribution ("T&D") services for their customers. As such, MAPSA's members have a strong interest in insuring the integrity and reliability of PECO's T&D system, and ensuring that the merger presently under consideration poses no threat to that system. Furthermore, MAPSA's members have an additional interest in insuring that PECO provides T&D services to its customers in a fair and nondiscriminatory manner, and that PECO does not favor its own EGS in its allocation of such services. To the extent that the restructuring or merger could affect PECO's allocation of its T&D services, MAPSA and its members have an interest in ensuring that the restructuring and merger is in accordance with law and the public

¹MAPSA is an association of power marketers, independent power producers and a broad range of companies who support the electric services industry with an interest in the emerging electric power supply market within the Commonwealth of Pennsylvania and the Mid-Atlantic region. The positions expressed herein represent those of the Association as a whole, and do not necessarily reflect the position of an individual member as to all issues.

interest. Finally, MAPSA's members, as T&D customers of PECO, have an interest in ensuring that the restructuring and merger does not increase the cost of the services PECO provides to them now or in the future, and that any savings resulting from the restructuring and merger are to the extent appropriate used to decrease the cost of T&D services.

9. MAPSA and its members have an additional direct, substantial and immediate interest in the Application made by PECO, which cannot adequately be represented by any other party in this proceeding. As competitive EGS's, MAPSA's members have a direct, substantial and immediate interest in ensuring that the Pennsylvania market for retail electrical services remains open to vigorous competition. As PECO competes with MAPSA's members in this market, the proposed restructuring and merger is of great significance thereto. In addition, MAPSA's members have an interest in ensuring that PECO does not use its increased market power as a result of the merger to engage or continue to engage in unfair practices, both in competition and in all related activities, including advertising and promotion. MAPSA's members have a related interest in ensuring that the restructuring and merger do not permit the cross-subsidization of PECO's EGS. MAPSA is also interested in ensuring that PECO does not use its PLR status to advantage its position in the competitive market.

10. MAPSA and its members have a third direct, substantial and immediate interest in the Application made by PECO, which cannot adequately be represented by any other party in this proceeding. As EGS's, MAPSA's members are required to guarantee the availability of a specified amount of power for delivery to their customers, termed the "installed capacity." Since many of MAPSA's members do not generate their own power, they must contract with wholesale generators to ensure the availability of installed capacity. PECO is one such wholesale

generator, which, in the proposed restructuring, plans to transfer its generating assets to GenCo., which it intends to be exempt from regulation by the PUC. MAPSA's members have an interest in ensuring that, as a result of this transfer, their costs of maintaining installed capacity are not increased as a result of the transfer to an unregulated entity.

11. MAPSA's members have previously participated in PUC proceedings relating to PECO and electrical services deregulation in a similar capacity. MAPSA was an active participant in PECO's electric restructuring proceeding, Docket No. R-00973953, and was a signatory to the resolution of that proceeding by the May 14, 1998 Full Settlement therein (the "Settlement"). As such, MAPSA and its members have an additional direct, immediate and substantial interest in the Application made by PECO, to the extent that it will impact on the effectuation of the Settlement. MAPSA's members' interests in this respect relate additionally to their status as both customers and competitors of PECO.

Legal Principles

12. PECO brings its Application under inter alia sections 1102(a)(3), 2102(b) and 2811(e)(1) of the Public Utility Code, 66 Pa. C.S. §§ 1102(a)(3), 2102(a) & 2811(e)(1).

13. In order to meet the requirements of section 1102(a)(3), the proposed restructuring and merger must be "necessary or proper for the service, accommodation, or safety of the public." 66 Pa. C.S. § 1103(a). Likewise, contracts with affiliated companies may only be approved pursuant to section 2102(a) if the contract "is reasonable and consistent with the public interest." See 66 Pa. C.S. § 2102(b). Finally, as noted above, section 2811(e)(1) requires the PUC, in any proceeding relating to a restructuring and merger involving an electrical utility, to

consider, in addition to the other statutory factors, "whether the proposed merger . . . is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market."

14. The Supreme Court has clarified the nature of the burden on an applicant to prove that a proposed restructuring and merger is in the public interest under the relevant standards: "The Public Utility [Code] requires that those seeking the approval of a utility merger demonstrate more than the mere absence of any adverse effect upon the public. [It] requires that the proponents of a merger demonstrate that the merger will affirmatively promote the 'service, accommodation, convenience or safety of the public' in some substantial way." City of York v. Pennsylvania PUC, 449 Pa. 136, 141, 295 A.2d 825, 828 (1972).

15. The PUC has set forth many factors to consider in determining whether a restructuring and merger will affirmatively promote the public interest. On the one hand:

The following factors are relevant in the Commission's determination as to whether a proposed merger is in the public interest: (a) economies giving rise to a stronger utility for financing costs; (b) economies giving rise to reductions in operating expenses; (c) economies giving rise to a stronger utility through the elimination of duplicative tasks favorably impacting service; and (d) economies giving rise to lower rates than otherwise over time.

In re Newtown Artesian Water Co., Docket No. A-212070, 76 Pa. PUC 260 (1992).

16. On the other hand, these specific factors require close consideration to determine whether the Application and the facts support the conclusion that the proposed restructuring and merger will in fact attain these benefits. The PUC recently remanded to the ALJ a proposed merger of two geographically separate natural gas utilities for taking additional evidence to

answer the following questions:

Is it possible to merge the two Companies' operations and realize economies while maintaining separate gas supply resources and separate rate districts? What are the short term and long term effects of replacement gas supplies on future gas costs for Apollo considering future replacement gas supplies may involve pipeline transportation and reservation costs associated with them? What are the benefits of the merger considering that there are no present service or reliability problems nor any specific cost reductions identified?

. . . .

Is the gathering charge which the unregulated affiliate . . . plans to charge Apollo appropriate? What are the consequences of Apollo serving jurisdictional customers off gathering lines which have been transferred to an unregulated production affiliate? What are the consequences on future base rate and gas cost rates of transferring utility assets to an unregulated affiliate? What is the appropriate period of time for the two Companies to merge their base rates and gas cost rates?

Pennsylvania PUC v. Apollo Gas Co., Docket Nos. R-00953378, 1996 WL 159723 (Pa. PUC

January 25, 1996). These questions are startlingly similar to questions raised by PECO's

Application, as discussed hereafter.

Issues

17. MAPSA has identified numerous grounds of protest, involving aspects of PECO's Application which, if approved, could be expected to have an adverse impact on MAPSA and its members. These issues, set forth individually in general terms hereinafter, merit extended and in-depth consideration by the PUC, including without limitation the taking of testimony at a hearing. The superficial nature of the information presented in the Application, however, and the numerous areas where PECO has not explained its plans, make clear that the list included herein is not complete and that development of the record by discovery and hearings will be essential to determine the public interest.

18. The Application does not provide for adequate control of the relationship between PECO EDC and the various branches of the proposed new holding company, including ServeCo., GenCo. and VenturesCo. PECO EDC engages in the transmission and distribution of electrical services in conjunction with retail sales of electricity, for which service PECO EDC receives a regulated T&D rate. Pursuant to the Settlement, PECO is also entitled to collect a Competitive Transition Charge ("CTC") (as defined in 66 Pa. C.S. §§ 2803, 2808). Customers, both retail electric customers (as defined in 66 Pa. C.S. § 2803) and EGS's, must pay this T&D rate and CTC regardless of what EGS they choose. Given the affiliation between the PECO EDC and its affiliated EGS, there is a real possibility of cross-subsidization of the EGS. In particular, any funds derived from the regulated rate could easily be used for purposes unrelated to the T&D services from which they are derived, e.g., to fund the non-electric services provided by ServeCo. and GenCo. to other PECO-affiliated entities. For instance, PECO EDC could pay a higher rate for services to ServeCo. and GenCo., subsidized by its regulated T&D receipts, thereby permitting ServeCo. and GenCo. to provide services to other PECO affiliates -- including EGS's -- at a discount when compared with the price MAPSA's members must pay for such services. This would decidedly not be in the public interest, and moreover would be anticompetitive and discriminatory. Furthermore, the proposed restructuring and related documents incorporated in the Application provide no protection against such cross-subsidization; if anything, they provide additional opportunities therefor.² It would be in the

²The Service Agreements attached to the Application as Exhibit H, although they purportedly provide protection from cross-subsidization, in fact provide no such protection. They only state that PECO-affiliated companies shall pay the PECO-affiliated services providers "at cost" for the nonutility services they provide. This provides no assurance, however, that costs

public interest to ensure that the proposed restructuring be modified to ensure that cross-subsidization does not occur.

19. One particular form of cross-subsidization that might arise as a result of the restructuring and from which the restructuring and related documents provide no protection is easily identified. The Application states that, pursuant to the restructuring, certain assets of PECO EDC not related to its post-restructuring core T&D business will be transferred to affiliate companies carrying out the functions for which these assets are designed. The agreement does not, however, provide for any allocation of debt in relation to these transfers of assets, or any fair-value payment. In particular, the agreement makes no provision for either the transfer of debt associated with an asset -- on a dollar-for-dollar basis -- to the affiliate along with the asset or for the exchange of debt for the asset. Without accounting for such debt, these asset transfers amount to gross cross-subsidization; the regulated entity PECO EDC is essentially giving its service affiliates free or discounted assets, which the service affiliates will use to provide services to PECO's EGS affiliates for free or at a substantial discount, while MAPSA's members must pay the actual costs of such services. Such transfers would be blatantly anticompetitive, and PECO's Application cannot be approved without mitigating this problem.

20. These asset transfers raise an additional problem. By transferring such assets without transferring corresponding debt or receiving credit in return, PECO EDC may adversely affect its current or prospective cost of capital, which could result in result in higher rates for its services. Transactions which will necessarily result in an increase in rates are manifestly

will be calculated in a reasonable way in the public interest, or that this provision will even be enforced or enforceable in any way.

contrary to the public interest.

21. The Application and underlying agreement do not adequately explain how the savings created by the restructuring and merger will be applied. To meet the public interest test of the Public Utility Code, the savings must of course be circulated back to the customers.³ But the Application and agreement do not set forth how these savings will be so returned. One logical way would be to apply the savings to T&D costs, and therefore reduce the regulated T&D rate. Although this and other potential alternatives are available, the Application makes no attempt to select one. Such a selection, however, should be a critical aspect of the Application process, especially considering the significance of this question to the public.

22. Moreover, there is a significant possibility that the Application in fact understates the amount of savings likely to result from the proposed restructuring and merger. Upon closer examination of the details of the restructuring and merger, it is possible that the savings resulting from the transaction are in fact substantially larger. Accordingly, the Application should not be approved without a closer examination of the amount of savings attributable to the restructuring and merger, so that the full amount of savings may be passed on to the public.

23. The Application, although it addresses briefly the issue of market power, does not adequately explain how the proposed restructuring and merger will be conducted in such a way as to avoid any increase in PECO's already substantial market power. Of course, the Code of Conduct and Competitive Safeguards incorporated in the previous Settlement attempt to mitigate PECO's market power by requiring PECO's affiliates to deal with each other on the same basis

³The Application itself makes no provision for the return of these savings to the customer. This is simply another area in which the Application needs to be amended or rejected.

as they deal with outsiders, such as MAPSA's members. Those safeguards, however, may not be adequate in light of the changed corporate entity. Moreover, other than mentioning that the post-restructuring and merger companies will abide by the Code and Safeguards, the Application contains no provision for ensuring that the restructuring and merger will not result in further violations thereof. The public interest and requirements of competition demand that a closer examination of the post-restructuring and merger companies' market power be undertaken by the Commission, and that adequate safeguards against the abuse of such market power be established.

24. In addition, although PECO suggests that market power is not a concern in this case because the merged entity will consist of two geographically distinct parts,⁴ the actual situation is to the contrary. Recent press reports have suggested that the merged entity is likely to acquire or attempt to acquire related businesses in the area between PECO's and Unicom's present operating regions. Such acquisitions are likely both as a practical matter and because of the PUHCA, which requires that parties to a merger between public utility holding companies be "physically interconnected." 15 U.S.C. § 79j. Even if the merger itself did not result in a dramatic shift in market power, the interconnection of the two systems through the acquisition of intervening assets certainly would. The public interest and requirements of competition demand

⁴In fact, the testimony of William H. Hieronymus, PECO's expert on the competitive effects of the merger, specifically relies on the geographical separation of PECO and Unicom in concluding that the merger will have no effect on market power. See Test. of William H. Hieronymus at 4, 5, 6, 7. Accordingly, to the extent the merger will lead to the acquisition of intervening energy assets, Mr. Hieronymus's testimony is facially inadequate to support a finding that the proposed merger will not have a detrimental effect on competition in the retail electricity market.

that a closer examination of such an interconnection on PECO's market power be undertaken, and that any necessary safeguards be incorporated in the Application.

25. The Application does not provide adequate assurances that the playing field in the market for retail electrical services in Pennsylvania will be level. Even before the restructuring and merger, PECO has engaged in conduct which is anticompetitive and against the public interest. In particular, as presented in proceedings presently before the Commonwealth Court on appeal from the PUC, PECO Energy Co. v. Pennsylvania PUC, Docket No. 1714 C.D. 1999, PECO has engaged in unfair advertising of its services as a PLR, in particular suggesting, without any basis for doing so, that customers should refrain from choosing an EGS, because the EGS may provide unreliable service and making the choice is too inconvenient. In addition, recent reports suggest that PECO plans to rename all of its operations Exelon, the name under which its affiliated EGS presently operates. The use of the Exelon name for PECO's operations is likely to lead to confusion among customers, and a corresponding reduction in competition. These anticompetitive practices are against the public interest and violative of the Electricity Generation Customer Choice and Competition Act. Accordingly, PECO's Application should not be granted without adequate assurances that such conduct will be eliminated in the future.

26. Additionally, the Application does not support a finding that the merger will have a positive effect on competition in the retail electricity market. Competition has replaced rate-making as the method of determining the retail price for electricity. Accordingly, just as before the Electric Generator Customer Choice and Competition Act, a proposed transaction would not be approved unless the applicant showed that the transaction would have a beneficial (i.e., negative) effect on rates, so too after the Act the applicant should be required to show that the

proposed transaction has a beneficial (i.e., positive) effect on competition. Furthermore, just as City of York requires that the applicant demonstrate a positive benefit to the public interest to meet the standard of sections 1102 and 1103 of the Public Utility Code, 66 Pa. C.S. §§ 1102 & 1103, so should section 2811(e)(1), 66 Pa. C.S. § 2811(e)(1), require that the applicant demonstrate a positive impact on competition in order to obtain approval of a merger. Although the Application in several places asserts that the merger will have a beneficial effect on competition, these are mere assertions lacking in factual support.⁵ As the Application itself recognizes, the most PECO can argue is that the merger "will have no adverse competitive effect on Pennsylvania's retail energy markets." Application ¶ 34, at 18. This lack of adverse effect, however, is insufficient to meet the requirements of the Public Utility Code, as recently amended by the Electric Generation Customer Choice and Competition Act.

27. The Application provides inadequate assurances of continued reliability of PECO's T&D service. This issue is one of critical importance to MAPSA, as its members must rely on PECO for T&D services. Although the Application touts the idea that the merger will lead to improvements in reliability as a result of "sharing of best practices," it neglects the possibility of the sharing of "worst practices." Com-Ed, Unicom's T&D service provider, is one of the least reliable providers of such service in the nation. The Application provides no

⁵The assertions the Application does make about positive effects on competition primarily relate to PECO's restructuring, and not its merger with Unicom. In addition, its assertions primarily revolve around the supposed increased ability to carry out the mandates of the Settlement as a result of the proposed restructuring. But PECO is required to meet these mandates whether or not the proposed restructuring is permitted. Accordingly, any claimed benefits to competition from the restructuring, resulting from an increased ability to obey the terms of the Settlement, cannot be counted in PECO's favor, as they are matters that PECO is bound by law to undertake, whether or not the restructuring is approved.

assurance that Com-Ed's T&D problems will not be transferred over to PECO, and not the opposite.⁶ Any problems with PECO's reliability, or even questions about its reliability, raise serious doubts about the benefit of the proposed merger to the public interest.

28. The Application provides no assurance that PECO will not as a result of the merger be forced to seek an exception to the rate caps under the Settlement and the Public Utility Code. Pursuant to the Settlement, PECO is subject to various rate caps during the period the CTC is in effect. PECO can obtain an exception to these caps, however, under various circumstances set forth in section 2804(4)(iii) of the Public Utility Code, 66 Pa. C.S. § 2804(4)(iii). These very circumstances, however, may become more likely as a result of the proposed restructuring and merger. For instance, as a result of the merging of PECO's T&D system with Unicom's, PECO might be forced to make expenditures to repair or upgrade its system, as a result of which it would be able to seek a rate-cap exception under § 2804(4)(iii)(E). Likewise, PECO might have to adjust its nuclear decommissioning costs, thereby also permitting it to seek an exception to the rate cap. See 66 Pa. C.S. § 2804(4)(iii)(F). Such a rate-cap exception would be patently contrary to the public interest, and to the extent the proposed restructuring and merger makes such an exception more likely, it is contrary to the public interest.

29. The Application does not prevent the possibility that customers of PECO EDC, such as consumers and MAPSA's members, might be forced to bear part of the cost of

⁶In fact, the Application itself touts the possibility that PECO and Unicom will be able to share generation capacity as a result of the merger. Given Unicom's reliability problems, it is difficult to see how this is a benefit to the public.

decommissioning Unicom's nuclear power plants. At present, the decommissioning of PECO's nuclear assets is funded through the CTC. Of course, this is a reasonable way to distribute these costs, as it results in Pennsylvania consumers paying the cost of decommissioning nuclear power plants in Pennsylvania. Unicom, however, does not currently have any similar provision for funding the decommissioning of its nuclear assets. Without any provision in the proposed merger agreement to the contrary, it is easily conceivable that the substantial cost of decommissioning Unicom's nuclear assets might be passed on in part to PECO's customers, i.e., Pennsylvania consumers and MAPSA's members. Requiring Pennsylvania consumers and companies to pay for the retirement of Com-Ed's nuclear assets, from which they obtained no benefit, would be unfair and patently contrary to the public interest.

30. Aside from the specific problems set forth above, the Application in general is insufficiently specific about and lacks support for the purported benefits of the proposed restructuring and merger. The Application touts such benefits as increased ability to obtain financing, increased accountability, positive effects on retail electrical services competition, and sharing of best practices. It provides no explanation, however, of how these changes will come about and how and the extent to which they will actually benefit the public. In addition, the Application touts such benefits as sharing of best practices, increased intellectual capital, and creation of a stronger company, while at the same time assuring the PUC that the Application will not result in problems, such as cross-subsidization, that would seem to be an inevitable result of these putative benefits. The Application should not be granted without a clearer and more consistent explanation of the purported benefits of the transaction it proposes.

31. PECO, in its Application, requests that, in addition to the specific approvals it

seeks, the PUC "grant such additional approvals as are necessary to complete the proposed Restructuring and Merger." Application ¶ 17, at 8. This request is not consistent with the Public Utility Code or the PUC's regulations, which require that an application "state clearly and concisely the authorization or permission sought." 52 Pa. Code § 5.12(a). The PUC should not grant any approvals, certificates or permissions that PECO has not specifically sought, and should require PECO to file a new or amended application to the extent that the PUC determines that PECO needs additional approvals, certificates or permissions in order to effectuate the proposed restructuring and merger.

32. PECO requests that the PUC make factual findings sufficient to support an application of GenCo. for Exempt Wholesale Generator ("EWG") status under section 32(c) of the PUHCA, 15 U.S.C. § 79z-5a(c), and for findings under section 32(k) of the PUHCA, 15 U.S.C. § 79z-5a(k), relating to purchases from GenCo. PECO states, however, that it has no intention of applying for EWG status for GenCo., but simply wants to have the necessary findings in hand in case it decides to do so at a later date. Such advisory factfinding is highly inappropriate. Without a concrete plan for applying for EWG status, such factfinding lacks a sufficient context and is therefore nonsensical. Moreover, other parties who might have more of an incentive to become involved in an EWG proceeding than in the present restructuring and merger proceeding have no standing to raise their claims at the present time, and thus the advisory ruling PECO seeks would forever deprive them of an opportunity to be heard. Finally, such extraneous factfinding will simply complicate the already complicated restructuring and merger proceeding before the PUC. Such acontextual, advisory factfinding is contrary to the public interest.

Remedies

33. Given the issues set forth above, MAPSA submits that the need for a hearing on PECO's Application is obvious. Such a hearing is necessary to explore in detail all of the issues set forth above, as well as others raised by other interested parties.

34. Furthermore, for the foregoing reasons, MAPSA respectfully requests that, at the conclusion of such hearing, PECO's Application be denied.

35. In the alternative, should the PUC decide to grant PECO's Application, MAPSA respectfully suggests that such approval be conditional, as follows:

- A. That the Application be modified sufficiently to guarantee that no cross-subsidization of the unregulated PECO entities will occur;
- B. That the Application be modified sufficiently to ensure that nonutility services provided to PECO by its affiliates pursuant to the Service Agreements attached to the Application as Exhibit H be paid for at a market-based rate;
- C. That the Application be modified sufficiently to provide specifically for the transfer of debt in conjunction with the transfer of assets from PECO to its affiliates, so as to ensure that PECO has a net zero balance sheet for the transfer of assets;
- D. That the Application be modified to sufficiently to ensure that PECO EDC's asset transfers will not result in a rate increase;
- E. That the Application be modified sufficiently to ensure that any savings

resulting from the restructuring and merger be passed on to consumers, and specifically that such savings be applied to reduce the regulated T&D rates;

- F. That the Application be modified sufficiently to account for the actual amount of savings likely to result from the proposed restructuring and merger;
- G. That the Application be modified sufficiently to ensure that the restructuring and merger do not result in a substantial shift in market power in PECO's favor and to ensure that, to the extent they do, PECO is not able to abuse this market power in an anticompetitive manner;
- H. That the Application be modified sufficiently so as to strengthen the Code of Conduct and Competitive Safeguards set forth in the Settlement, both in substantive terms and in terms of enforcement and enforceability, to ensure that PECO cannot abuse its market power;
- I. That the Application be modified sufficiently so as to prevent a shift in market power and corresponding decrease in competition as a result of post-merger acquisitions of energy assets in the geographical region presently separating PECO's and Unicom's service areas;
- J. That PECO cease and desist from engaging in anticompetitive practices, including without limitation advertisement of its services as a Provider of Last Resort, and that PECO refrain from engaging in any such anticompetitive conduct in the future;

- K. That the Application be modified sufficiently so as to ensure that PECO does not engage in practices, such as renaming itself Exelon, the present name of its EGS, that will lead to consumer confusion;
- L. That the Application be modified sufficiently so as to ensure that the reliability of PECO's T&D system will not be impaired as a result of the restructuring and merger;
- M. That the Application be modified sufficiently so as to ensure that PECO will not need to seek an exception to any rate cap applicable at any time as a result of the restructuring and merger;
- N. That the Application be modified sufficiently so as to ensure that no costs of decommissioning nuclear facilities not already accounted for in the existing CTC be passed on either to consumers or to EGS's;
- O. Such other conditions as the PUC deems appropriate.

36. In addition, MAPSA respectfully requests that the PUC refrain from making any of the factfindings PECO has requested relating to GenCo.'s status as an EWG or PECO's ability to contract with GenCo.

37. Finally, MAPSA respectfully requests that the PUC permit MAPSA to intervene as an active party in proceedings relating to the Application.

WHEREFORE, MAPSA protests the Application of PECO Energy Company and respectfully requests that the PUC:

(a) Dismiss the Application as procedurally and substantively deficient on its face in view of the proposed restructuring and merger's indisputable lack of affirmative benefit to the

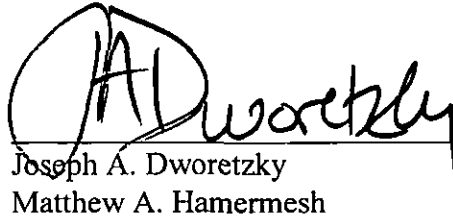
public interest and anticompetitive impact; or, in the alternative,

(b) Hold hearings in which all issues identified in this Protest may be investigated and resolved prior to the PUC deciding the Application; and

(c) Grant MAPSA permission to intervene as an active party in the proceedings relating to the Application.

HANGLEY ARONCHICK SEGAL & PUDLIN

By:



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Attorneys for Mid-Atlantic Power Supply Association

Dated: December 20, 1999

VERIFICATION

I hereby verify that I am authorized to make this verification on behalf of the Mid-Atlantic Power Supply Association, that the facts set forth in the foregoing Protest and Petition to Intervene of Mid-Atlantic Power Supply Association are true and correct to the best of my knowledge, information and belief, and that I understand that this verification is made under the penalties of 18 Pa. C.S. § 4094(b) relating to unsworn statements to authorities.



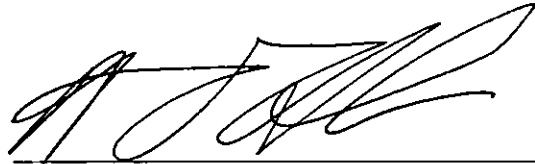
Joseph A. Dworetzky, Esquire

Dated: December 20, 1999

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PA P.U.C.
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that, on this 20th day of December, 1999, a copy of the foregoing Protest and Petition to Intervene of Mid-Atlantic Power Supply Association has been served on the persons identified on the attached pages by first-class mail at the indicated addresses.



Matthew A. Hamermesh

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of PECO Energy Company, :
Pursuant to Chapters 11, 19, 21, 22 and 28 of :
the Public Utility Code, for Approval of (1) a :
Plan of Corporate Restructuring, Including the :
Creation of a Holding Company, and (2) the : Application Docket No. A-110550F0147
Merger of the Newly Formed Holding :
Company and Unicom Corporation :

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Dated: December 20, 1999


Joseph A. Dworetzky

ORIGINAL

December 20, 1999

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B-20
Harrisburg, PA 17105

By Federal Express

DOCUMENT
FOLDER

Re: Application of PECO Energy Company ... for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation

Dear Mr. McNulty:

Enclosed please find an original and three (3) copies of the Protest and Notice of Intervention of Patricia McNamara in the above captioned matter.

Copies of this filing have been sent this date to parties listed on the Certificate of Service by First Class Mail, postage prepaid.

Sincerely,



Patricia McNamara

6048 Ogontz Avenue
Philadelphia, PA 19141

cc: Service List

Enclosures

EEF

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DEC 20 1999

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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ORIGINAL
~~BEFORE THE~~
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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DOCUMENT

DEC 20 1999

**Application of PECO Energy Company
Pursuant to Chapters 11, 19, 21, 22 and 28
of the Public Utility Code For Approval
of (1) a Plan of Corporate Restructuring,
Including the Creation of a Holding
Company and (2) the Merger of the Newly
Formed Holding Company and
Unicom Corporation**

FOLDER

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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Docket No. A110550F0147
DOCKETED

DEC 21 1999

Protest and Notice of Intervention of Patricia McNamara

Patricia McNamara hereby files this Protest and Notice of Intervention in the above-captioned Application pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), 52 Pa. Code §§ 5.71 and 5.51, and section 1102 of the Public Utility Code, 66 Pa.C.S. § 1102. In support of this Protest, she states as follows:

1. On November 22, 1999, PECO Energy Company ("PECO") filed an application for approval of a plan for corporate restructuring, including the creation of a holding company, and the merger of the newly formed holding company and Unicom Corporation. PECO has requested all approvals, certificates of public convenience or waivers that are required under the Public Utility Code or regulations thereunder, including Chapters 11, 19,

21, 22, 28, and other provisions of the Public Utility Code, in connection with the proposed restructuring and proposed merger. PECO alleges that the merger will “affirmatively promote” the service, accommodation, convenience, and safety of the public in a substantial way and is otherwise in the public interest. PECO asserts that the benefits of the proposed merger for consumers will be improved service and that economies would “give rise to lower rates than otherwise over time.” Application, at Paragraphs 19, 30, 31, 36. In addition, PECO alleges that the merger will produce a stronger company and that “certain duplicative tasks would be eliminated.” Application, at Paragraph 36.

2. Protestant Patricia McNamara is a Philadelphia resident, a taxpayer, and a PECO residential electric distribution customer. In those capacities, she has a direct and distinct interest in the proposed merger, which will adversely affect the quality and cost of utility service and the economic well being of her neighborhood, City, region, and state. She resides at in the City of Philadelphia.

3. The Commission should not approve PECO’s Application because the proposed restructuring and merger of PECO and Unicom does not affirmatively promote the interests of PECO’s residential customers or of the citizens of southeastern Pennsylvania. In fact, protestant McNamara believes that the proposed merger will have a negative effect on the quality and cost of her utility service, and on the economic well being of her neighborhood, City, region and state.

4. PECO's residential customers pay electricity rates which are substantially above the national average. Despite the fact that PECO envisages significant savings for PECO distribution company over the next five years as a result of the proposed merger, the Application does not provide for any quantifiable reduction in rates for electric service for PECO's residential customers, and does not provide for any measures which will ensure that the needs of low income customers for affordable service will be met.

5. The proposed merger, by providing PECO with a stronger presence in the electricity generation market without adequate safeguards against anti-competitive or discriminatory conduct, including the unlawful exercise of market power, will undermine what competition presently exists in the sale of electric generation to southeastern Pennsylvania residential customers.

6. The proposed merger will adversely affect the quality of service provided to PECO's southeastern Pennsylvania gas and electric customers. Transfer of the highest corporate offices to Chicago, Illinois means that at the highest levels, decisions affecting PECO Energy will be made by corporate officers in Chicago who do not reside in PECO's service territory and will have no personal stake in maintaining or elevating PECO Energy's standards of residential service.

7. The proposed merger will not benefit the economy of southeastern Pennsylvania,

and will lead to the loss of jobs in the City of Philadelphia.

8. The proposed merger will lead to the loss of tax revenues from PECO employees in the City of Philadelphia, thereby diminishing the tax base needed to support essential local government services in protestant's neighborhood and in the City of Philadelphia as a whole.

9. Under the proposed merger, protestant McNamara will be at greater risk of eventually having to shoulder increased burdens associated with nuclear decommissioning costs for facilities currently owned by Unicom.

10. The Application omits much significant detail concerning the merger. Protestant McNamara reserves the right to raise additional grounds for opposing the merger as additional information becomes available during the course of this proceeding.

WHEREFORE, protestant Patricia McNamara respectfully requests that the Pennsylvania Public Utility Commission deny the Application based upon the utter lack of affirmative benefits to residential customers, and the economic harms that the proposed

merger would cause to the residents of Philadelphia, southeastern Pennsylvania and the state as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patricia McNamara". The signature is written in a cursive style with a large initial "P" and a long horizontal flourish at the end.

Patricia McNamara
Pro Se

6048 Ogontz Avenue
Philadelphia, PA 19141
215-424-1441

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of PECO Energy Company :
Pursuant to Chapters 11, 19, 21, 22 and 28 :
of the Public Utility Code For Approval :
of (1) a Plan of Corporate Restructuring, :
Including the Creation of a Holding : **Docket No. A110550F0147**
Company and (2) the Merger of the Newly :
Formed Holding Company and :
Unicom Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon parties of record in this proceeding in accordance with the requirements of 52 Pa.Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 20th day of December, 1999

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Paul R. Bonney, Esquire
Ward L. Smith, Esquire
Kent D. Murphy, Esquire
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, Pa 19101-8699

Thomas P. Gadsden, Esquire
Anthony C. DeCusatis, Esquire
Morgan, Lewis & Bockius, LLP
1701 Market Street
Philadelphia, PA 19103-2921

Charles F. Hoffman, Director
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
North Office Bldg.
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr. Esquire
Office of Small Business Advocate
Suite 1102, Commerce Bldg.
300 North Second Street
Harrisburg, PA 17101

Irwin A. Popowsky
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101-1923



Patricia McNamara

6048 Ogontz Avenue
Philadelphia, PA 19141

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VERIFICATION

I, Patricia McNamara, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 12/20/99

Patricia McNamara



Allegheny Energy Supply
an Allegheny Energy company

Roseytown Road
RR 12, Box 1000
Greensburg, PA 15601

December 20, 1999

ORIGINAL

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DEC 20 1999

VIA FEDERAL EXPRESS

DOCUMENT
FOLDER

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B20
Harrisburg, PA 17105-3265

Re: Application of PECO Energy Company; Docket No. A-110550F0147
Petition to Intervene of Allegheny Energy Supply Company, LLC

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of the Petition to Intervene of Allegheny Energy Supply Company, LLC. The filing date of the Petition is deemed to be today pursuant to the Commission's rules of procedure. Copies of the Petition have been served on persons shown on the attached Certificate of Service.

Very truly yours,

Patricia J. Clark
Deputy General Counsel

Enclosures

cc: Certificate of Service

EEF

105

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

DOCKETED

DEC 21 1999

APPLICATION OF PECO ENERGY
COMPANY, PURSUANT TO CHAPTERS
11, 19, 21, 22 AND 28 OF THE PUBLIC
UTILITY CODE, FOR APPROVAL
OF (1) A PLAN OF CORPORATE
RESTRUCTURING, INCLUDING THE
CREATION OF A HOLDING COMPANY
AND (2) THE MERGER OF THE NEWLY
FORMED HOLDING COMPANY AND
UNICOM CORPORATION

DOCKET NO. A-110550F0147

DOCUMENT
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DEC 20 1999

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION TO INTERVENE OF
ALLEGHENY ENERGY SUPPLY COMPANY, LLC

Now comes Allegheny Energy Supply Company, LLC ("AESC") and respectfully requests that it be granted intervention in the above-captioned merger application.

In support of its Petition, AESC submits as follows:

1. AESC is a Delaware limited liability company and operates in Pennsylvania and other states as an electrical generation supplier ("EGS"). AESC holds an EGS license issued by the Commission at Docket A-110030. AESC is a subsidiary of Allegheny Energy, Inc.

2. The names of AESC's attorneys and their address are:

Patricia J. Clark, Esquire
Norbert J. Smith, Esquire
Allegheny Energy Supply Company, LLC
Roseytown
RR 12, Box 1000
Greensburg, PA 15601

3. AESC provides EGS service throughout the Commonwealth. It sells EGS service in PECO Energy Company's ("PECO") EDC service territory and is one of the more successful EGS providers in the Philadelphia area.

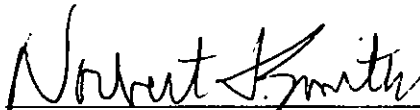
4. AESC's interest in the merger proceeding is primarily to urge the continued integrity of PECO's Code of Conduct (Exhibit TPH-2) which in general prohibits PECO's EDC from providing any preference to PECO's affiliated EGS. The continued application of the Code of Conduct, as well as PECO's Competitive Safeguards, to the merged entity is important to the maintenance of an effective retail EGS market in the PECO service territory and elsewhere.

5. AESC does not presently intend to call witnesses or to cross-examine witnesses, but it reserves the right to change its position in accordance with a future hearing schedule.

WHEREFORE, Allegheny Energy Supply Company, LLC, an electrical generation supplier, respectfully requests that the Pennsylvania Public Utility Commission grant its Petition to Intervene.

Respectfully submitted,

Date: December 20, 1999

By: 
Norbert J. Smith
Pa. I.D. No. 42160
(724) 838-6657
nsmith2@alleghenyenergy.com

and

Patricia J. Clark
Pa. I.D. No. 33261
(724) 838-6217
pclark@alleghenyenergy.com

Attorneys for
Allegheny Energy Supply Company, LLC
Roseytown
RR12, Box 1000
Greensburg, PA 15601
FAX: (724) 830-5184

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE : DOCKET NO. A-110550F0147
RESTRUCTURING, INCLUDING THE :
CREATION OF A HOLDING COMPANY :
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :

CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of December 1999, a true and correct copy of Allegheny Energy Supply Company, LLC's Petition to Intervene was served by first-class mail, postage prepaid upon the following:

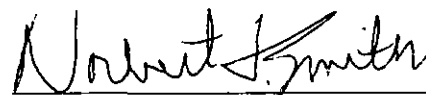
Tanya J. McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, Fifth Floor
Harrisburg, PA 17101-1923

Paul R. Bonney, Esquire
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101

Bernard A. Ryan, Jr., Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Thomas R. Gadsden, Esquire
Morgan, Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921

Charles F. Hoffman, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
901 North Seventh Street
Rear Pitnick Building
Harrisburg, PA 17120




Norbert J. Smith, Esquire

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

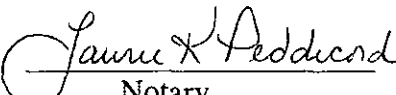
APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
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OF (1) A PLAN OF CORPORATE : DOCKET NO. A-110550F0147
RESTRUCTURING, INCLUDING THE :
CREATION OF A HOLDING COMPANY :
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :

AFFIDAVIT

THOMAS J. KALUP, being first duly sworn according to law, deposes and says that he is Director, Marketing Support of Allegheny Energy Supply Company, LLC; that he is authorized to and does make this affidavit for it; and the facts set forth in the foregoing Petition to Intervene of Allegheny Energy Supply Company are true and correct to the best of his knowledge, information and belief and he expects the said Allegheny Energy Supply Company, LLC to be able to prove the same at any hearing hereof.


THOMAS J. KALUP

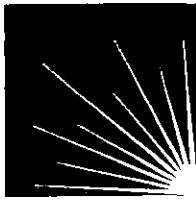
Sworn to and subscribed
before me this 20th day
of December 1999.


Notary

Notarial Seal
Laurie K. Peddicord, Notary Public
Greensburg, Westmoreland County
My Commission Expires July 24, 2000

Member, Pennsylvania Association of Notaries

Clean Air Council



ORIGINAL

Philadelphia
135 South 19th Street
Suite 300
Philadelphia, PA 19103
215-567-4004
Fax 215-567-5791
E-Mail members@cleanair.org
www.cleanair.org

Harrisburg
105 N. Front St.
Suite 106
Harrisburg, PA 17101
717-230-8807
Fax 717-230-8808

Wilmington
Community Service Building
100 W. 10th St.
Suite 704
Wilmington, DE 19801
302-691-0112 ext. 226

December 20, 1999

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RE: Application of PECO Energy Company
Docket No.: A-110550F0147

Dear Mr. McNulty:

Enclosed for filing please find an original and three copies of the Protest and Petition to Intervene of Clean Air Council, et al, in the above-referenced proceeding.

A copy of this document has been served on the parties of record and as required by rule as shown on the attached certificate of service.

Sincerely,

Michael Fiorentino, Esq.
Staff Attorney

Enclosures

cc: Paul R. Bonney, Esq.
Thomas P. Gadsden, Esq.
Irwin Popowsky, Esq.
Bernard A. Ryan Jr., Esq.
Charles Hoffman, Esq.

EEF

PA.P.U.C.
SECRETARY'S BUREAU

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE :
RESTRUCTURING, INCLUDING THE :
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AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY :
AND UNICOM CORPORATION :

ORIGINAL

APPLICATION
DOCKET NO. A-110550F0147

DOCKETED
DEC 21 1999

DOCUMENT
FOLDER

PROTEST AND PETITION TO INTERVENE OF CLEAN AIR COUNCIL, ANDREW
ALTMAN, DENNIS WINTERS, AMY HAMMERSMITH

By and through Counsel, Protestants and Petitioners state:

The names, addresses, and telephone numbers of the Protestants and Petitioners are as follows:

Clean Air Council
135 S. 19th St.
Suite 300
Philadelphia, PA 19103

Andrew Altman
400 S. Camac St.
Philadelphia, PA 19147

Dennis Winters
2314 Delancey Place
Philadelphia, PA 19101

Amy Hammersmith
2312 Parrish St.
Philadelphia, PA 19130

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99 DEC 20 PM 4:17
PA P.U.C.
SECRETARY'S BUREAU

EEF

The names, business addresses, and telephone numbers of Counsel are as follows:

Clean Air Council
Joseph Otis Minott, Esquire
135 S. 19th St.
Suite 300
Philadelphia, PA 19103

Clean Air Council
Michael Fiorentino, Esquire
105 N. Front St.
Suite 106
Harrisburg, PA 17101

BACKGROUND:

1. On November 22, 1999, PECO filed with the Public Utility Commission its Application for Restructuring and Merger with Unicom Corporation.

2. PECO is an exempt, public utility holding company under Section 3(a)(2) of PUHCA (15 U.S.C. §79c(a)(2)), organized and existing under the laws of Pennsylvania, and serves electricity and natural gas customers in Southeastern Pennsylvania.

3. Unicom is a an exempt, public utility holding company under Section 3(a)(2) of PUHCA (15 U.S.C. §79c(a)(2)), organized and existing under the laws of Illinois. Unicom is the parent company of Commonwealth Edison Company (“ComEd”), a public utility serving electric customers in Illinois and Indiana.

4. Protestant and Petitioner, Clean Air Council (“the Council”), is a non-profit corporation organized and existing under the laws of Pennsylvania. Through this filing and by request, the Council seeks status of Intervenor in these proceedings pursuant to 52 Pa. Code §5.51 *et seq.* and §5.71 *et seq.* respectively.

5. Protestant and Petitioner, Andrew Altman, resides in PECO service territory and is a customer of PECO Energy or is a financially responsible person in a household in which another individual is the named customer for billing purposes. Mr. Altman is a member of Clean Air Council.

6. Protestant and Petitioner, Dennis Winters, resides in PECO service territory and is a customer of PECO Energy or is a financially responsible person in a household in which another individual is the named customer for billing purposes. Mr. Winters is a member of Clean Air Council.

7. Protestant and Petitioner, Amy Hammersmith, resides in PECO service territory and is a customer of PECO Energy or is a financially responsible person in a household in which another individual is the named customer for billing purposes. Ms. Hammersmith is a member of Clean Air Council.

INTERESTS:

8. Many of the Council's membership live and/or work in PECO's service territory and are customers of PECO for, at a minimum, PECO's transmission and distribution services, and therefore have a direct, substantial and immediate interest in the Application.

9. The Council advocates for a level of air quality which protects human health. The Council avers that the ability to achieve a protective level of air quality depends in substantial part upon the profile of the region's electric generation supply. A vibrant competitive market for electric power promotes opportunities for renewable energy generation to grow in the PECO service territory and other areas of the Commonwealth which would serve to reduce degradation of air quality from electric power. Protestants and Petitioners aver that PECO's Application may adversely affect the competitive market so described.

10. The Council previously participated in PUC proceedings generated by PECO's Electric Restructuring Plan, at Docket No. R-00973953, as a part of a coalition of organizations known the "The Environmentalists," and thus was a party to the Full Settlement of that proceeding on May 14, 1998. The Council therefore has a direct, immediate, and substantial interest in the instant Application by PECO because of its potential impacts on the Settlement.

11. Andrew Altman, Dennis Winters, and Amy Hammersmith have direct, substantial and immediate interests in the Application. As customers of PECO and residents in the PECO service territory, the proceedings will determine conditions under which the competitive market develops, impacting Petitioners' choices and air quality in the region.

12. In addition, the proposed actions of the Applicant are likely to affect the safety, reliability and affordability of its regulated services and result in an impact on the environmental profile of power available in the Applicant's service territory, which result affects the organizational and individual Petitioners' interests.

LEGAL STANDARDS:

13. The Application is brought pursuant to §1102(a)(3) of the Public Utility Code (66 Pa. C.S. §1102(a)(3)), requiring a public utility to obtain a certificate of public convenience from the Commission prior to acquiring or transferring title to or possession of property used and useful in the public service. Such transfer or acquisition through merger is subject to the above-stated requirement.

14. A certificate of public convenience should only be issued if the proposed merger is “necessary and proper for the service, accommodation, convenience, and safety of the public.” 66 Pa. C.S. §1102(a)(3).

15. The Pennsylvania Supreme Court has interpreted the “necessary and proper” clause of §1102(a)(3) to mean more than an absence of an adverse effect on the public. To meet the standard, an Applicant would have to “demonstrate that the merger will affirmatively promote the ‘service, accommodation, convenience or safety of the public’ in some substantial way.” City of York v. Pennsylvania PUC, 449 Pa. 136, 141, 295 A.2d 825, 828 (1972).

16. Furthermore, the Commission is also required, under 66 Pa. C.S. §2811(e)(1) to consider “whether the proposed merger . . . is likely to result in anti-competitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.”

POSITIONS:

Following review of the PECO Application, at this time Clean Air Council intends to raise the following issues for the Commission’s review:

17 Rather than reduce rates, this merger’s arrangement that PECO transfer generation assets to a new affiliate, GenCo, and buy energy and capacity back from GenCo to fulfill Provider of

Last Resort (“PLR”) obligations, may result in significant potential for an increase in the cost of PLR power.

18. The merger may affect PECO’s ability to stay within the rate cap, or affect the shopping credit, or the size or duration of the Competitive Transition Charge / Intangible Transition Charge (“CTC/ITC”). The application does not demonstrate how such effects would be prevented.

19. Whether PECO’s obligations for decommissioning of its nuclear power plants can be fully met following the merger is of extreme importance to public safety. Specifically, the Application states that debt obligations will not be assumed by GenCo. The Merger must ensure that no additional financial burdens, or risks, be placed upon ratepayers in order to effect comprehensive, safe, and timely decommissioning of all nuclear units.

20. The merger risks a scenario in which poor performance or accidents at ComEd-based generating plants or with ComEd-based services would adversely affect the ability of NewCo (the proposed holding company) to obtain capital on reasonable terms, inferior to current and projected ratings for PECO on its own, thereby running counter to the public interest.

21. Pre-approval of “exempt wholesale generator” status is inconsistent with the PUC’s role as arbiter of whether proposed action by a regulated utility serves the public interest. Such pre-approval would deny due process to other parties who would be affected by such change in status who are not party to this proceeding.

22. Whether the PUC issues a certificate of public convenience under 66 P.S. §1103(a) for this application must depend on whether it affirmatively promotes the public interest. It is not at all clear that such standard will be met. For example, PECO’s electric rates remain one of the highest in the Nation, but the Application proposes no rate reduction.

23. Protestants and Petitioners submit that the PUC should condition issuance of said certificate on a commitment of the majority of the anticipated \$195 million in savings from the merger and restructuring to distribution improvements such as facilitation of distributed generation and improved interconnection terms for self-generation.

24. Protestants and Petitioners believe that the merger will result in anti-competitive or discriminatory conduct in contravention of 66 P.S. §2811(e), in light of the fact that PECO has already engaged in advertising campaigns marketing its PLR services which the Commission has found to be anti-competitive.

25. The proposed merger may raise barriers to entry for small, cleaner suppliers to the extent that the new, larger entity will be financially stronger and wield greater market power, with the resulting adverse impact on competition, and on growth of clean energy competitors in particular.

26. The Restructuring Settlement at paragraph No. 28 states that PECO may transfer generating assets *and liabilities* to an unregulated affiliate at net book value. The Application indicates on p. 14 that such transfer will be made to GenCo. However, on p. 6 the Application indicates that only assets will be transferred, and on p. 9 the Application indicates that PECO's indebtedness will not transfer to NewCo, the controlling company of GenCo. Therefore, to the extent the proposed merger and restructuring transfers PECO's generating assets to an unregulated affiliate without transfer of debt associated with those assets, the proposed merger and restructuring may adversely affect competition, and / or result in cross-subsidization. *(Emphasis added.)*

27. A merger with ComEd may further risk the quality of PECO services in that ComEd has not been well-ranked in terms of customer satisfaction.

28. The Application indicates that transmission and distribution functions will be led by the

current Chairman of Unicom from Chicago. Transmission and distribution (“T&D”) are the only remaining regulated portions of the industry; it cannot be argued that it is advantageous for the ratepaying public for control of these functions to be held out of state, 800 miles to the West.

29. The synergies and “best practices” which are anticipated to result in savings diminish the ability of PECO to maintain services and handle crises effectively when decision-making and resource-allocation decisions are made in Chicago.

30. It has not been demonstrated that the new holding company, soon to have over 20 nuclear power plants and plans to purchase more, will be sufficiently equipped after the “synergies” are achieved to be capable of responding to nuclear accidents and safety violations and/or conduct decommissioning at several plants simultaneously with the optimum level of safety.

31. PECO customers may suffer degradation of their T&D services and / or increases in T&D rates as a result of the Merger and Restructuring. Unicom’s T&D system is not believed to be well-managed or adequately resourced, and therefore resource allocation and management attention may be focussed to a greater extent on the ComEd service territory to the detriment of PECO customers.

32. Environmental and conservation programs in PECO territory may be adversely affected by the Merger and Restructuring. Programs such as LIURP (Low Income Usage Reduction Program), the Renewable Energy Pilot program and the Sustainable Development Fund are managed and receive their funding through the T&D branch of PECO. Unicom does not have equivalent programs, and yet T&D decisions will be made for the new entity from Unicom headquarters in Chicago. Inexperience with such programs may result in mismanagement, neglect, and / or funding deficiencies to these crucial environmental and conservation programs.

33. PECO claims the merger will result in a savings of \$195 million across the two companies but has not made a commitment to use these funds to the direct benefit of PECO

ratepayers or to improve environmental performance at Genco plants or by proposing conservation programs which would assist customers across the customer base.

34. The merger with ComEd's parent company removes a substantial potential competitor from the marketplace, which serves to reduce the likelihood that PECO's service territory will see the development of a vibrant retail market.

35. The standard of "necessary and proper for the service, accommodation, convenience and safety of the public" should no longer be found to have been met where "more attractive to investors" is one of the resulting attributes of the new entity. It is submitted that the rationale behind such a measure presumes a healthy monopoly utility is good for ratepayers, but it is not at all clear this still applies in a deregulated environment.

REMEDIES:

WHEREFORE, Protestants and Petitioners request that the Commission:

36. Receive for filing and docket this Protest and Petition to Intervene.

37. Consolidate this Protest and Petition to Intervene with PECO's Application and all other Complaints, Protests and Interventions which are made part of Docket Number A-110550F0147.

38. Order that the organizational and individual protestants herein be named parties to this proceeding, and be placed on the service list.

39. It is believed and therefore averred that PECO has not met its burden for demonstrating the proposed Merger and Restructuring affirmatively promotes the public interest. Clean Air Council and the Individual Petitioners request that the Commission hold extensive hearings to

determine whether issues raised herein, as well as by other interested parties, should preclude the granting of PECO's Application.

40. If the Commission is inclined to grant the Application, it should do so conditionally upon adequate assurances against:

- a) cross-subsidization of unregulated PECO affiliates;
- b) transfer of generation assets without associated debt;
- c) anti-competitive use of market power;
- d) impairment of PECO's Transmission & Distribution system;
- e) and addition of new nuclear decommissioning costs to the CTC.

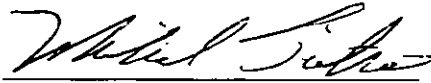
41. If the Commission is inclined to grant the Application, it should further condition the approval upon assurances that savings achieved through the merger will be used to provide PECO customers with:

- a) T&D or CTC / ITC rate cuts;
- b) substantial increases to the LIURP, Renewable Energy, and Sustainable Development programs;
- c) a commitment to develop new renewable energy capacity; development of a program to facilitate energy efficiency gains across the residential customer base;
- d) improved terms for customer interconnection and self-generation;
- e) and commitments to lower air emissions at PECO-affiliate fossil-fuel generating stations.

Respectfully submitted,

Joseph Otis Minott, Esquire
Atty. ID# 36463
Counsel for Protestants and Petitioners
Clean Air Council

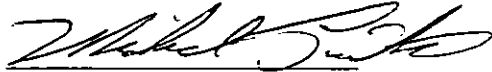
135 S.19th St.
Suite 300
Philadelphia, PA 19103



Michael Fiorentino, Esquire
Atty. ID# 73576
Counsel for Protestants and Petitioners
Clean Air Council
105 N. Front St.
Suite 106
Harrisburg, PA 17101

VERIFICATION:

The contents of this Protest and Petition are true and accurate to the best of my knowledge, information, and belief. It is understood that unsworn falsification to authorities is punishable under 18 Pa. C.S. §4907.

A handwritten signature in black ink, appearing to read "Michael Fiorentino".

Michael Fiorentino, Esquire
Counsel for Protestants and Petitioners

CERTIFICATE OF SERVICE:

I hereby certify that I have this 20th day of December, 1999, served a true copy of the foregoing document upon the parties listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

Paul R. Bonney, Esq.
Ward L. Smith, Esq.
Kent D. Murphy, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

Irwin Popowsky, Esq.
Pennsylvania Office of Consumer Advocate
14th Floor, Strawberry Square
Harrisburg, PA 17120

Bernard A. Ryan Jr., Esq.
Pennsylvania Office of Small Business Advocate
Suite 1102 Commerce Building
300 N. 2nd St.
Harrisburg, PA 17101

Charles Hoffman, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

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PA.P.U.C.
SECRETARY'S BUREAU



Michael Fiorentino, Esquire
Counsel for Protestants and Petitioners

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

DOCUMENT
FOLDER
DOCKETED
DEC 21 1999

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Patricia McNamara, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

laf

EEF

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

DOCKETE
DEC 21 1999

FROM: James J. McNulty, Secretary

LAF

**DOCUMENT
FOLDER**

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by West Penn Power Company, The Potomac Edison Company and Monongahela Power Company, collectively "Allegheny Power", in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

EEF

laf

DATE: December 21, 1999
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

DOCUMENT
FOLDER

DOCKETED
DEC 21 1999

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by Allegheny Energy Supply Company, LLC, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

EEF

laf

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Gregory J. Pastore, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

DOCKETED
DEC 21 1999

laf

EEF

**DOCUMENT
FOLDER**

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Consumers Education and Protective Association, Association of Community Organizations for Reform Now, Action Alliance of Senior Citizens, and Tenants' Action Group, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

laf

EEF

DOCUMENT
FOLDER

DOCKETED
DEC 21 1999

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition for Intervention with Notice of Appearance filed by the Wallace Township, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

DOCUMENT
FOLDER

DOCKETED
DEC 21 1999

laf

EEF

DATE: December 21, 1999
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

LAF

DOCUMENT
FOLDER

DOCKETED
DEC 21 1999

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by National Railroad Passenger Corporation, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

laf

EEF

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCKETED
DEC 21 1999

LAF

**DOCUMENT
FOLDER**

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Notice of Intervention filed by the Office of Consumer Advocate, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

EEF

laf

DATE: December 21, 1999
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

LAF

DOCUMENT
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DEC 21 1999

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by Mid-Atlantic Power Supply Association, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS EEF
 LAW

laf

DATE: December 21, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

DOCUMENT
FOLDER

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Protest and Petition to Intervene filed by the Clean Air Council et al, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

DOCKETED
DEC 21 1999

Attachment

cc: OTS
LAW

EEF

laf



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

December 21, 1999

In Re: **A-110550F0147**

(See attached list)

Application of PECO Energy Company

Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

DOCUMENT
FOLDER

NOTICE

This is to inform you that a prehearing conference on the above-captioned case will be held as follows:

Type: **Initial prehearing conference**

Date: **Thursday, January 20, 2000**

Time: **10:00 a.m.**

Location: **Harrisburg Parties
In an available hearing room
Ground Floor
North Office Building
North Street and Commonwealth Avenue
Harrisburg, Pennsylvania**

OR

Location: **Philadelphia Parties
in an available hearing room
Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania**

DOCKETED
DEC 23 1999

SRB

Presiding:

Administrative Law Judge Charles E. Rainey
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
Telephone: (215) 560-2105
Fax: (215) 560-3133

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.

pc: Judge Rainey
Eric Levis - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Norma Lewis
Susan Licon
Beth Plantz
Docket Section
Calendar File

A-110550F0147 Application of PECO Energy Company

Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

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MORGAN LEWIS BOCKIUS LLP
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PECO ENERGY COMPANY
2301 MARKET STREET
PO BOX 8699
PHILADELPHIA PA 19101-8699
(215) 841-4252

HONORABLE ALLYSON Y SCHWARTZ
SENATE 203004
HARRISBURG PA 17120-3004

JOHN HANGER ESQUIRE
CITIZENS FOR PENNSYLVANIA'S
FUTURE
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HARRISBURG PA 17101

PETER MEADOWS ADELS
CHARLES MCPHEDRAN
CITIZENS OF PENNSYLVANIA'S FUTURE
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DANIEL CLEARFIELD ESQUIRE
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MICHAEL FIORENTINO ESQUIRE
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SUITE 106
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ANDREW ALTMAN
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DENNIS WATERS
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N FRONT & MARKET STREETS
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JOHN WILL ONGMAN
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EDWARD A MCCOOL ESQUIRE
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GREENSBURG PA 15601-1689
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NORBERT J SMITH ESQUIRE
PATRICIA J CLARK ESQUIRE
ALLEGHENY ENERGY SUPPLY
COMPANY
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FLOOR
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DAUPHIN BANK BUILDING
HARRISBURG PA 17108
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LAW OFFICES
GAWTHROP, GREENWOOD & HALSTED
A PROFESSIONAL CORPORATION
119 NORTH HIGH STREET
POST OFFICE BOX 562
WEST CHESTER, PENNSYLVANIA 19381-0562

ORIGINAL

JOHN S. HALSTED
ROBERT F. ADAMS
KEVIN HOLLEMAN
GEORGE C. ZUMBANO
MARK L. TUNNELL
ROGER N. HUGGINS
WALTER P. EELLS
ANDREW D. H. RAU
MIGUEL D. PENA

TELEPHONE (610) 696-8225
TELEFACSIMILE (610) 344-0922
E-MAIL gghlaw@gawthrop.com

ROBERT S. GAWTHROP, JR.
(1940-1995)

ROBERT S. GAWTHROP
(1904-1915; 1933-1936)
THOMAS C. GAWTHROP
(1932-1957)
EDWARD GREENWOOD
(1943-1982)

DOCUMENT
FOLDER

December 21, 1999

090988

James M. McNulty
Secretary of Bureau
PA Public Utility Commission
North Office Building
Commonwealth Avenue & North Street
Harrisburg, PA 17120

RECEIVED
SECRETARY BUREAU
99 DEC 23 AM 7:54

Re: PECO Company Application/East Brandywine Township
Merger Docket No. A-110550F0147

Dear Secretary McNulty:

Per your instructions to my office, enclosed is an executed original and three copies of replacement page 4 of the petition for intervention in the above matter which was sent to you by Federal Express on Monday. Thank you for your cooperation.

Sincerely yours,



John S. Halsted

JSH/id
Enclosures

EEF

PROTEST

12. East Brandywine Township hereby incorporates paragraphs 1 through 11 herein as though fully set forth at length.

13. East Brandywine Township protests the subject Application until and unless PECO provides significantly improved and reliable electrical service to the residents of East Brandywine Township.

WHEREFORE, East Brandywine Township respectfully requests the that approval of the subject PECO Application be denied unless the PUC requires PECO, and any successor entity, to promptly provide significantly improved and reliable service to East Brandywine Township by, among other things, upgrading the equipment used to provide electrical service within East Brandywine Township and supplying additional personnel to maintain that equipment and keep it operational at all times, including during storms.

Respectfully submitted,

GAWTHROP, GREENWOOD & HALSTED,
A Professional Corporation

BY John S. Halsted

John S. Halsted, Esquire
Attorney I.D. #04918
119 North High Street
West Chester, PA 19381-0562
(610) 696-8225
Attorneys for East Brandywine Twp.

Date:

DOCUMENT
FOLDER

DOCKETED

DEC 29 1999

090901
99 DEC 23 AM 7:54

RECEIVED
SECRETARY'S BUREAU

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ATTORNEYS AT LAW

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TELEPHONE (717) 232-8000
FAX (717) 237-5300

<http://www.mwn.com>

CHARIS M. BURAK
DIRECT DIAL: (717) 237-5437
E-MAIL ADDRESS: CBURAK@MWN.COM

December 22, 1999

ORIGINAL

PA. P.U.C.
SECRETARY'S BUREAU
89 DEC 22 PM 3:56

RECEIVED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17120

DOCUMENT
FOLDER

VIA HAND DELIVERY

Re: Application of Peco Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, For Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation; Docket No.A-110550F0147

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of a Petition to Intervene of the Industrial Energy Consumers of Pennsylvania in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and kindly return it for our filing purposes.

Very truly yours,

MCNEES, WALLACE & NURICK

By *Charis M. Burak*
Charis M. Burak

EEF

Counsel to the Industrial Energy Consumers
of Pennsylvania

35

CMB/map
Enclosures

c: Administrative Law Judge Charles E. Rainey, Jr. (via facsimile & first class mail)
Certificate of Service

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

APPLICATION OF PECO ENERGY
COMPANY, PURSUANT TO
CHAPTERS 11, 19, 21, 22 AND 28 OF
THE PUBLIC UTILITY CODE, FOR
APPROVAL OF (1) A PLAN OF
CORPORATE RESTRUCTURING,
INCLUDING THE CREATION OF A
HOLDING COMPANY AND (2) THE
MERGER OF THE NEWLY FORMED
HOLDING COMPANY AND UNICOM
CORPORATION

Docket No. A-110550F0147

**DOCUMENT
FOLDER**

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DEC 22 1999

PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

LATE-FILED PETITION TO INTERVENE OF THE
INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA

Pursuant to 52 Pa. Code §§ 5.72-5.74, the Industrial Energy Consumers of Pennsylvania ("IECPA"), by and through its attorneys, respectfully petition this Honorable Commission to intervene as a party in the above-captioned proceeding. In support thereof, IECPA states as follows:

1. Petitioners are the Industrial Energy Consumers of Pennsylvania. The membership of IECPA is attached hereto as Appendix "A" and will be updated as necessary.

2. The names and address of IECPA's counsel are:

David M. Kleppinger
Charis M. Burak
McNEES, WALLACE & NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717)232-8000

DOCKETED
DEC 27 1999

3. IECPA is a forty-two member association of energy-intensive industrial consumers of electricity and natural gas. More than 100,000 Pennsylvanians are employed by IECPA member companies at nearly 200 plant locations and manufacturing facilities throughout the Commonwealth. IECPA's members annually consume approximately 7.5 billion kWh of electricity and 850 million MCF of natural gas, which represent a significant cost of production and operation for IECPA members.

4. On November 22, 1999, PECO filed an Application with the Pennsylvania Public Utility Commission ("PUC" or "Commission") requesting approval of (1) a plan of corporate restructuring, including the creation of a holding company, and (2) the merger of the newly formed holding company and Unicom Corporation ("Unicom"), the parent company of Commonwealth Edison Company ("ComEd"). The proposed transaction contemplates the merging of PECO and Unicom into a holding company, created specifically in order to facilitate the proposed merger. As a result of the merger, Unicom's and PECO's electric and natural gas utility operations will become separate subsidiaries of the newly created holding company. The Applicant asserts that the merger will in no way diminish PECO's aggressive pursuit of service excellence, but rather, better position PECO and ComEd to meet future customer demands, and to ensure that the quality of service presently being provided is maintained and/or enhanced. See Application, p. 16.

5. Because this will be the first merger of major magnitude decided by the Commission under 66 Pa. Section 2811(e) of the Electricity Generation Customer Choice and Competition Act ("Competition Act"), IECPA is concerned with the precedential value of the Commission's deliberations and decision, as well as general public interest issues that will be

addressed in this proceeding. Specifically, IECPA is interested in the Commission's consideration of the following issues as set forth under the Competition Act.

In the exercise of authority the commission otherwise may have to approve the mergers or consolidations by electric utilities or electricity suppliers, or the acquisition or disposition of assets or securities of other public utilities or electricity suppliers, the commission shall consider whether the proposed merger, consolidation, acquisition or disposition is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.

66 Pa. § 2811(e)(1). IECPA also reserves the right to raise further issues as necessary and appropriate during the course of the proceeding, and to respond to issues raised by other parties.

6. Accordingly, the Commission's resolution of the issues in this proceeding will impact the rates that IECPA members pay for electricity and natural gas, the services they receive, and the quality and implementation of retail competition in Pennsylvania.

Consequently, IECPA's members have interests inside and outside of PECO's service territory that will be directly affected by the outcome of this proceeding. Additionally, IECPA has an interest in this proceeding that is not represented adequately by any other party of record.

7. IECPA acknowledges that the Pennsylvania Bulletin established December 20, 1999, as the date fixed for filing protests in this proceeding. According to 52 Pa. Code Section 5.74(a), however, a Petition to Intervene may be filed after the established date if good cause is shown. In this case, IECPA was unable to file a Petition to Intervene in this proceeding by the deadline because IECPA's Board Members were unable to meet prior to the December 20 filing date. Additionally, IECPA's Petition to Intervene is being filed only two days after the

established date, and, as a result, no party to this proceeding will be unfairly prejudiced by this filing. For these reasons, IECPA posits that good cause has been shown, as required under 52 Pa. Code Section 5.74(a), and the Commission should grant this Late-Filed Petition to Intervene.

WHEREFORE, the Industrial Energy Consumers of Pennsylvania respectfully request that the Commission grant this Petition to Intervene and provide IECPA with full party status.

Respectfully submitted,

McNEES, WALLACE & NURICK

By Charis M. Burak
David M. Kleppinger
Charis M. Burak
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717) 232-8000
(717) 237-5300

Counsel to the Industrial Energy Consumers of
Pennsylvania

Dated: December 22, 1999

APPENDIX "A"

MEMBERS OF THE

INDUSTRIAL ENERGY CONSUMERS OF PENNSYLVANIA

Air Liquide America Corp.	Horsehead Resource Development Co., Inc.
Air Products and Chemicals, Inc.	International Paper Company
AK Steel Corporation	J&L Specialty Steel, Inc.
Allegheny Ludlum Steel Corporation	Knouse Foods Cooperative, Inc.
Allentown Cement Co.	Lucent Technologies
Aluminum Company of America	Lyondell Chemical Company
Anchor Glass Container Corp.	M&M/Mars, Inc.
Armstrong World Industries Inc.	Merck & Company, Inc.
Baker Refractories	Messer
Bethlehem Steel Corporation	Nova Chemicals, Inc.
BOC Gases	NS Group, Inc.
Boeing Company Philadelphia	Owens-Illinois, Inc.
Carbide/Graphite Group, Inc., The	PPG Industries, Inc.
Carbone of America	Praxair, Inc.
Carpenter Technology Corporation	Procter & Gamble Paper Products Co., The
CertainTeed Corporation	R. R. Donnelley & Sons Co.
Corning Asahi Video Products	Rohm and Haas Company
Dana Corporation	Standard Steel
Ervin Industries, Inc.	Sunoco, Inc. (R&M)
Hershey Foods Corporation	Thomson Consumer Electronics, Inc.
HON Company, The	US Steel/Div. of USX Corporation

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF DAUPHIN)

Charis M. Burak, being duly sworn according to law, deposes and says that she is counsel to the Industrial Energy Consumers of Pennsylvania, and that in this capacity she is authorized to and does make this affidavit for them, and that the facts set forth in the foregoing Petition to Intervene are true and correct to the best of her knowledge, information and belief.

Charis M. Burak
Charis M. Burak

SWORN TO and subscribed
before me this 23rd day
of December, 1999.

Sheryl L. Sanders
Notary Public

(SEAL)

NOTARIAL SEAL
SHERYL L. SANDERS, Notary Public
Harrisburg, PA Dauphin County
My Commission Expires Aug. 19, 2003

RECEIVED
99 DEC 22 PM 3:56
PA.P.U.C.
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing letter upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA HAND DELIVERY

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Harrisburg, PA 17101

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4th District
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Harrisburg, PA 17120

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Harrisburg, PA 17101

Christopher B. Craig, Esq.
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Harrisburg, PA 17120

Daniel Clearfield, Esq.
Kevin Moody, Esq.
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Harrisburg, PA 17101

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Brian Downey, Esq.
John Greenbaum, Esq.
Pepper Hamilton LLP
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N Front & Market Street
Harrisburg, PA 17108-1181

Joseph Otis Minott, Esq.
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Harrisburg, PA 19103

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99 DEC 22 PM 3:56
PA P.U.C.
SECRETARY'S BUREAU

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Charis M. Burak

Dated this 22nd of December, 1999, in Harrisburg, Pennsylvania.

DOCKETED
DEC 30 1999

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091608

99 DEC 29 AM 8:58
RECEIVED
SECRETARY'S BUREAU

December 23, 1999

Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
PO Box 3265
Harrisburg, PA 17105-3265

RECEIVED

DEC 27 1999

**OFFICE OF C.A.L.J.
PUBLIC UTILITY COMMISSION**

RE: Application of PECO Energy Company
Docket No. A-110550F0147

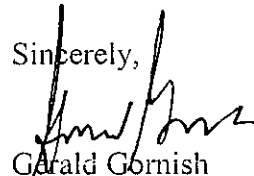
Dear Sir or Madam:

We have received notice of the initial prehearing conference in the above matter. I am one of the counsel for Enron, which has moved to intervene in the matter. Since I am in the Philadelphia office, I would appreciate it if you would add me to the Certificate of Service separately showing the above address.

Thank you for your consideration.

**DOCUMENT
FOLDER**

Sincerely,



Gerald Gornish

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

GG:lak

EEF

DSB:678470.1

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of PECO Energy Company :
to Chapters 11, 19, 21, 22 and 28 of the :
Public Utility Code, for Approval of :
(1) A Plan of Corporate Restructuring, :
including the creation of a Holding :
Company and (2) the Merger of the :
Newly Formed Holding Company and :
Unicom Corporation :

Docket No.
A-110550F0147

NOTICE OF APPEARANCE

TO THE SECRETARY:

091618
DOCKETED

Please enter the appearance of the Office of Trial Staff of the
Pennsylvania Public Utility Commission in the above-captioned proceeding.

DEC 30 1999

Prosecutors for the Office of Trial Staff, in addition to the
undersigned, will be:

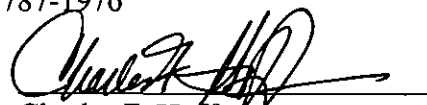
99 DEC 29
DOCUMENT
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KENNETH L. MICKENS
KANDACE F. MELILLO

RECEIVED

All service on and communications to the Office of Trial Staff in this
proceeding should be addressed to:

Kenneth L. Mickens, Prosecutor
Kandace F. Melillo, Prosecutor
Office of Trial Staff
PA Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265
(717) 787-1976


Charles F. Hoffman
Chief Prosecutor

Dated: December 23, 1999

EEF

24

DATE: December 27, 1999

SUBJECT: A-110550F0147

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

Attached is copy of a Petition to Intervene filed by Industrial Energy Consumers of Pennsylvania, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

EEF

Attachment

cc: OTS
LAW

DOCKETED
DEC 27 1999

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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

December 28, 1999

In Re: **A-110550F0147**

(See letter of 12-21-99)

Application of PECO Energy Company

Pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for Approval of (1) a Plan of Corporate Restructuring, Including the Creation of a Holding Company, and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation.

LOCATION CHANGE NOTICE

This is to inform you that the **location** for the prehearing conference on the above-captioned case has been **changed** as follows:

Type: Initial prehearing conference
Date: Thursday, January 20, 2000
Time: 10:00 a.m.
Location: ALL PARTIES WILL MEET IN PHILADELPHIA
in an available hearing room
Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania

DOCUMENT
FOLDER

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DEC 30 1999

EEF

Presiding: **Administrative Law Judge Charles E. Rainey**
1300 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
Telephone: (215) 560-2105
Fax: (215) 560-3133

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing impaired: 1-800-654-5988.

pc: Judge Rainey
Eric Levis - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Norma Lewis
Susan Licon
Beth Plantz
Docket Section
Calendar File